

Ashmore

Annual Report and Accounts 2023



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2023 highlights

AuM

US\$55.9bn

2022: US\$64.0bn
-13% YoY

AuM outperforming benchmarks (3 years)

69%

2022: 28%

Net revenue

£196.4m

2022: £262.5m
-25% YoY%

Adjusted EBITDA margin

54%

2022: 64%

Profit before tax

£111.8m

2022: £118.4m
-6% YoY

Diluted EPS

12.2p

2022: 12.6p
-4% YoY

Dividends per share

16.9p

2022: 16.9p

Ashmore's purpose, as a specialist Emerging Markets investment manager, is to deliver long-term investment outperformance for clients and to generate value for shareholders over market cycles.



Strong foundations

Ashmore has managed investments in Emerging Markets on behalf of its clients for more than 30 years, and has witnessed the development of a large, diversified and highly attractive investment universe.

+ Read more on pages 2-3



Powerful convergence

Emerging Markets are following powerful and well-established trends of economic, political and social convergence with the developed world. These provide superior growth and many investment opportunities.

+ Read more on pages 6-7



Specialist understanding

The size, scale and diversity of Emerging Markets are often misunderstood and underappreciated. This creates investment opportunities, requiring a specialist, active approach to exploit inefficiency and to deliver long-term investment performance.

+ Read more on pages 12-13



Strong foundations...

Ashmore has managed investments in Emerging Markets on behalf of its clients for more than 30 years, and has witnessed the development of a large, diversified and highly attractive investment universe.

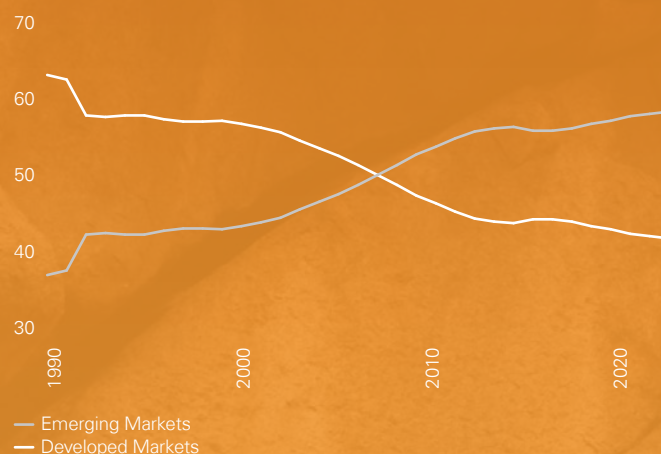
Emerging Markets represent a highly diverse set of more than 70 countries, with in excess of US\$75 trillion of tradable equity and fixed income securities.

One of the most significant developments of the past few decades is the growth of local currency markets, allowing governments and companies to fund in their domestic currency and providing protection against external shocks. In total, bonds issued in local currencies represent 88% (equivalent to US\$34 trillion) of the total Emerging Markets fixed income investment universe.

The underlying economies have delivered strong growth over the past three decades, resulting in emerging nations now generating more than half of the world's GDP.

Allocations to Emerging Markets are at levels significantly below global benchmark weights, providing for substantial AuM growth as investors recognise the superior growth, attractive returns and diverse investment opportunities available across the asset classes.

Emerging Markets' rising share of world GDP (%)



Source: IMF WEO database (PPP basis)

Ashmore's distinctive characteristics

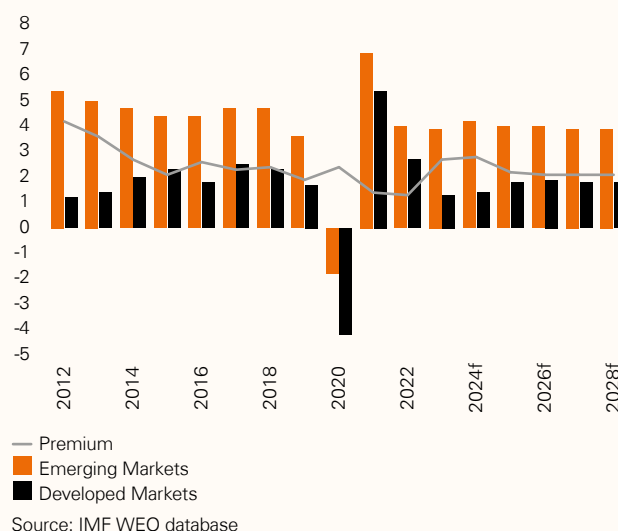
...underpin the ability to continue to deliver long-term value over market cycles for clients and shareholders.

Substantial long-term opportunities

Emerging Markets are expected to continue to deliver superior economic growth, underpinned by powerful convergence trends, a propensity to reform and structural changes such as a shift to local currency funding. This growth profile, and the consequent investment opportunities, support Ashmore's strategic focus on delivering long-term growth and value for clients and shareholders.

+ Read more on pages 16-17

Emerging Markets consistently deliver superior GDP growth (%)



Three-phase strategy

Ashmore's strategy is designed to capitalise on the Emerging Markets growth opportunity, with three distinct but complementary phases.

First, to raise developed world investors' allocations to Emerging Markets from profoundly underweight levels; second, to diversify Ashmore's business to mitigate the impact of market cycles; and third, to participate in the nascent but significant opportunity to source capital from Emerging Markets' investors and deploy this across the broad Emerging Markets investment universe.

Ashmore has made progress in all three phases, but each has further substantial growth potential that will allow the Group to continue to deliver value to clients and shareholders over market cycles.

1.

Establish Emerging Markets asset classes

Ashmore is a specialist Emerging Markets investor with more than 30 years' experience.

2.

Diversify investment themes and sources of capital

Diversified revenue streams help to mitigate the impact of market cycles.

3.

Mobilise Emerging Markets capital

Ashmore's growth potential is enhanced through accessing rapidly growing pools of investable capital in Emerging Markets.

Consistent investment philosophy

Ashmore has implemented its investment philosophy consistently and successfully since it launched its first fund in October 1992.

Specialist, active investment management enables Ashmore to exploit inefficiencies in a diverse set of more than 70 emerging countries.

Ashmore has integrated the consideration of ESG factors into its investment processes, providing a comprehensive and consistent view of risks and opportunities.

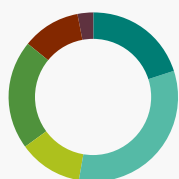
+ Read more on pages 18-20



Highly diversified

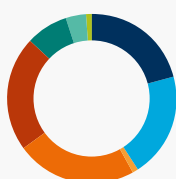
Ashmore's AuM is diversified by investment theme, client type and client geography. Strategic objectives focus on increasing the proportion of AuM in equities and alternatives themes, and increasing capital sourced locally in Emerging Markets and through retail intermediaries.

Investment themes (%)



External debt	20
Local currency	33
Corporate debt	12
Blended debt	21
Equities	11
Alternatives	3

Client type (%)



Central banks	21
Sovereign wealth funds	20
Governments	1
Pension plans	23
Corporates/financial institutions	22
Funds/sub-advisers	8
Intermediary retail	4
Foundations/endowments	1

Client geography (%)



Americas	13
Europe	37
UK	5
Middle East & Africa	19
Asia Pacific	26

+ Read more on pages 28-34

Resilient & scalable business model

Designed to operate over market cycles, delivering long-term investment performance and value for shareholders

Ashmore's business model is designed to operate as AuM varies with market cycles, while providing a robust operating platform to support the Group's longer-term strategic growth initiatives. This is achieved through:

- Investment committees with capacity to manage substantially higher AuM levels.
- Focus on institutional mandates with retail capital sourced through intermediaries.
- Cost discipline and flexible remuneration philosophy.
- Financial strength represented by a liquid, well-capitalised balance sheet.

+ Read more on pages 8-9



Powerful convergence...

The Emerging Markets are following powerful and well-established trends of economic, political and social convergence with the developed world. Over time, these provide superior growth and many investment opportunities, underpinning outperformance and the creation of value for investors with appropriate allocations to Emerging Markets.

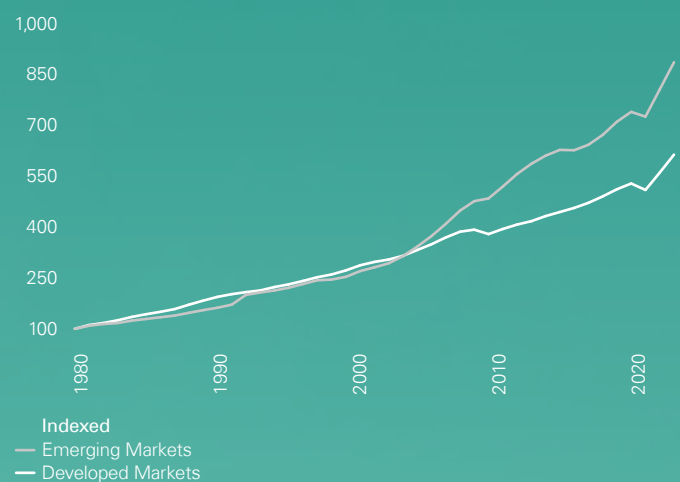
The end of the Cold War allowed the least developed countries to pursue policy reforms, instil better economic management and improve the quality of institutional decision-making, while introducing political structures that provide greater accountability.

This has created a virtuous circle, whereby capital is attracted to those countries successfully following the convergence path, allowing for further investment and beneficial reforms.

While not all countries are following the same path, an expression of the aggregate impact of these convergence trends is the consistently rising wealth of the emerging world, with growth in GDP per capita significantly outpacing that in the developed world. Notably, however, the absolute level (US\$14,000) is still only one-fifth that of the developed world, and equivalent to the position of the developed world in 1985, thereby underpinning further convergence-driven growth in the future.

Within the long-term growth trends, there are inevitably shorter economic and market cycles. Ashmore's investment processes and business model are designed to manage through such cycles and to create value for clients and shareholders over the long term.

GDP per capita



Source: IMF WEO database

Resilience and scalability...

...from a consistent business model

Ashmore's business model supports its growth strategy and is designed to create value for the Group's stakeholders over market cycles.

Specialist focus on Emerging Markets...

The model capitalises on the structural growth and investment opportunities in Emerging Markets to deliver positive outcomes for Ashmore's clients, shareholders and employees as well as recognising Ashmore's responsibilities to a broader set of stakeholders including society.

...through a distinctive approach

While pursuing the longer-term strategic benefits, the following characteristics provide scalability over market cycles

Active investment management, with ESG integration

Diversified client base

Financial strength

Cost discipline underpinned by flexible remuneration philosophy

Long-term alignment of interests between clients, employees & shareholders

Resilience & scalability...

Ashmore's experience of investing in Emerging Markets for more than 30 years means it has a business model that is designed to cope with the full market cycle, from peak to trough.

Well-capitalised, liquid balance sheet

Ashmore has £705 million of financial resources, including £468 million of cash, and no debt.

Investment committees and diverse client base

'No star' culture and focus on diversified institutional clients, with retail capital sourced through intermediaries.

Flexible remuneration philosophy

Ashmore's employees have a salary cap and variable remuneration is determined by profitability and performance, not formulae.

...delivering value over the cycle

A proven business model that supports long-term growth objectives while protecting returns and enabling investment over market cycles.

Clients

69% AuM outperforming over three years

Consistent implementation of investment philosophy exploits market inefficiencies to deliver long-term outperformance.

Employees

~40% employee equity ownership

Alignment of interests delivered through equity-biased remuneration with five-year deferral period.

Communities

>75 projects supported by The Ashmore Foundation (see pages 54-55)

Ashmore donates 0.5% of profit before tax to charities, including The Ashmore Foundation.

Shareholders

54% adjusted EBITDA margin

High operating margin and significant cash generation (£112 million in FY2023) support returns to shareholders.

Consistent strategy implementation

With the experience of more than 30 years of specialist investing, Ashmore's strategy is to capitalise on the long-term opportunities in Emerging Markets, and its established business model responds to the shorter-term impact of market volatility. Ashmore is delivering outperformance for clients and is well-positioned for an ongoing recovery in markets.

The past year provided encouraging evidence that the cyclical recovery has begun across Emerging Markets, with higher asset prices, an improving growth outlook, falling inflation and the benefits of a weaker US dollar. There remains, however, a degree of caution among some investors, particularly those in the US, given macroeconomic concerns such as policy tightening by developed world central banks and conflict or geopolitical tension in Europe and Asia. Additionally, the largest Emerging Market, China, needs to navigate the headwinds of lower consumer confidence and demand following the reopening of its economy.

Against this backdrop, Ashmore has delivered meaningful outperformance for clients and has continued to execute its long-term growth strategy, and its business model remains appropriate to manage the impact of market volatility. As has been experienced in previous cycles, after a period of challenging market conditions the Group's financial performance naturally lags the turn in markets and the delivery of investment outperformance. The Group started this financial year with AuM of US\$64 billion, which was more than 20% below the level of average AuM in the prior financial year and therefore represented a notable revenue headwind for the current year. There was encouraging momentum over the year with client activity levels, net flows and investment performance higher in H2 compared with H1. Overall, lower average AuM resulted in a 35% YoY decline in adjusted EBITDA, but as a result of lower losses on the Group's seed capital investments and higher interest earned on cash balances, profit before tax was 6% lower and diluted EPS fell by 4%. Consequently, the Board has recommended an unchanged final ordinary dividend.

Undiminished long-term growth and investment opportunities in Emerging Markets

Irrespective of events in the short term, the longer-term potential of Emerging Markets remains undiminished. Superior economic growth is expected to continue as a result of powerful convergence trends with the developed world. These trends are supported by ongoing reforms, particularly the shift by larger countries to local currency funding and high-quality policymaking that delivers better economic management and greater resilience to external shocks. The resulting investment opportunities for a specialist, active manager

are diversified across an investment universe spanning more than 70 emerging countries and with approximately US\$75 trillion of fixed income securities and equity market capitalisation.

Appropriate strategy to deliver long-term growth

The Group's three-phase strategy is to capture these opportunities while seeking to protect the Group from some of the more significant challenges facing active asset managers such as the threat of passive competition. Inevitably, given the cyclical nature of markets, progress made in each of the three phases will vary.

Phase one

Risk aversion by some investors resulted in an adjustment to allocations to Emerging Markets in the year, yet this was more pronounced among developed world investors than those based in Emerging Markets. Ashmore's AuM from the latter increased over the year by US\$1.1 billion and from 27% to 33% of total AuM.

While interest rates have increased in both developed and emerging countries, there is additional yield available in Emerging Markets that helps to compensate for higher risk, whether perceived or actual, and the merits of equity allocations are underpinned by the superior growth prospects of emerging economies. Therefore, as the market recovery continues, a broader range of investors is expected to recognise and act upon the attractive investment opportunities available in Emerging Markets fixed income and equities.

Phase two

Ashmore's objective is to diversify its business and revenue streams over time, and the current focus is on converting the strong equities investment performance into client flows, with encouraging activity levels picking up through the period; increasing alternatives AuM; and delivering growth in intermediary retail assets as risk appetite increases.

The AuM opportunity within each initiative is substantial, with the potential to deliver a significantly larger and more diversified business, thereby enhancing further the Group's resilience to market cycles.

Phase three

Ashmore has established a network of local asset management operations across six emerging countries, from Colombia in the west to Indonesia in the east. Collectively, they manage US\$7 billion for domestic and international institutions and intermediary retail investors. Importantly, they provide the Group with diversification benefits, as seen tangibly this year with stable locally managed AuM compared with a decline for the Group's global business, and access to significant long-term growth opportunities as each country develops its capital markets and asset management industry.

Each business continues to develop according to its local strategy, with listed equities outperformance, investment realisations and further capital raising planned in Colombia; development of a broader product range and client diversification in Saudi Arabia; good investment performance and growing AuM in India; and investment outperformance and successful management of industry regulatory changes in Indonesia.

The success of Ashmore Indonesia illustrates the near-term development opportunity in these businesses, and the potential value creation for Ashmore's shareholders. With the Group's support, the management team established a highly profitable business of more than US\$2 billion AuM, with significant employee equity ownership and a listing on the local Jakarta Stock Exchange. The business is currently valued at more than US\$150 million.

Consequently, Ashmore has significant organic growth potential available in each of these countries and will pursue opportunities to expand the network over time.

Established business model to manage impact of market volatility

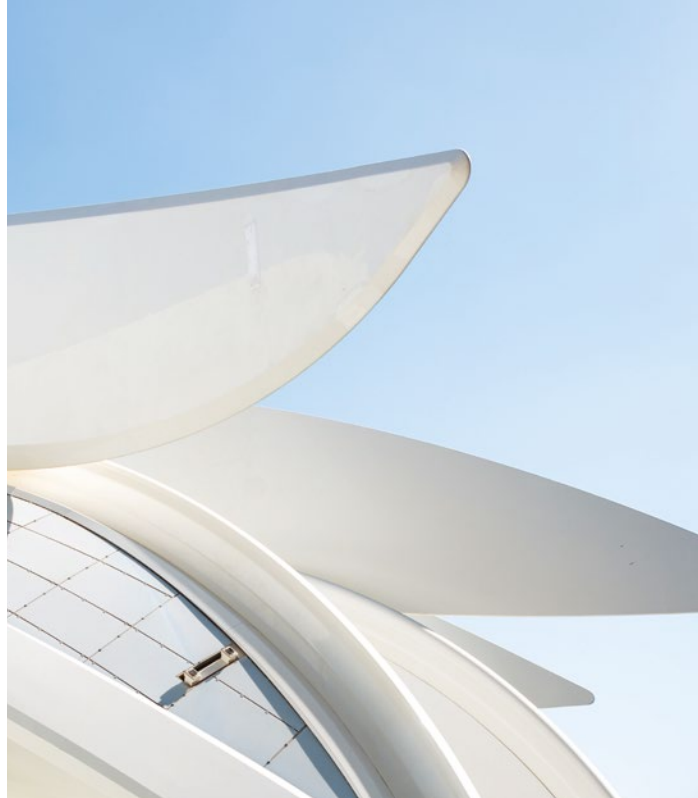
Ashmore has experienced many different market environments in more than 30 years of specialist investing in Emerging Markets and, while every cycle is different, its business model is designed to mitigate the impact of fluctuating AuM levels on its operational and financial performance.

The Board took the decision to increase the proportion of profits paid to employees in variable remuneration from 22.5% to 25.0% of EBVCIT. While in absolute terms the bonus pool is 24% lower, the higher percentage reflects the cumulative impact of three years of mostly challenging market conditions and consequently a significant reduction in AuM and pre-bonus profits. The Board remains mindful of achieving an appropriate balance between overall employee remuneration and the profits available to shareholders, and has recommended an unchanged final ordinary dividend this year.

Delivering strong investment performance

As described in the Market review, Emerging Markets benchmark indices delivered good returns for the year. In fixed income, Ashmore's value-based investment process delivered outperformance through active management and adding positions at attractive market levels over the past few years. Similarly, the main equities strategies have navigated the market volatility of recent years and delivered consistent outperformance, with a strong track record over one, three and five years. Overall, 69% of the Group's AuM is outperforming benchmarks over three years, a significant increase compared with 28% a year ago.

Ashmore has a well-established pattern of exploiting cyclical market weakness through active management embedding significant upside value in portfolios, and the subsequent market recovery leading to outperformance for clients. While the drivers of each cycle are different, Ashmore's consistent approach has again delivered a similar profile of investment performance in this cycle.



United Arab Emirates Pavilion, Dubai

Employees

In recent years, Ashmore's employees have experienced significant changes in working practices, high levels of market volatility and a period of cyclically lower AuM and profits. Delivering performance for clients is the responsibility of all colleagues, not just the investment professionals, and therefore on behalf of the Board, I would like to thank each of them for their steadfast commitment to Ashmore's purpose, their expertise and high levels of professionalism, and maintaining the Group's highly effective team-based culture.

Positive outlook as the market cycle turns

There is mounting evidence that the negative cycle has turned and, while the recovery may not be a straight line, it is well-supported by improving fundamentals across the larger emerging countries, although notably China faces some headwinds from lower consumer confidence after reopening its economy. Some investors remain cautious, but client activity levels are increasing and the combination of positive performance and attractive valuations available across Emerging Markets should drive capital flows over the medium term, as has occurred after previous down cycles.

Ashmore is focused on pursuing its strategic growth objectives, while managing the business appropriately to mitigate the impact of market conditions and competitive pressures, and to deliver upside through operating leverage as AuM grows as a consequence of performance and client flows.

Ashmore remains highly profitable, is delivering outperformance for clients and has a scalable operating platform, which means it is well-positioned to benefit from the ongoing recovery in Emerging Markets.

Mark Coombs

Chief Executive Officer

5 September 2023



Specialist understanding...

The size, scale and diversity of Emerging Markets are often misunderstood and underappreciated. This creates investment opportunities through the mispricing of assets, which therefore requires a specialist, active approach to exploit inefficiency and to deliver long-term investment performance.

Most capital markets are imperfect, but asset prices in Emerging Markets frequently reflect sentiment, which can be fickle and influenced by misperceptions or inherent biases, rather than underlying fundamentals. This is compounded by relatively low index representation, particularly in local currency markets, and often a lack of comprehensive sell-side coverage of securities.

The resultant price dislocations provide significant investment opportunities for active managers, but require deep understanding and experience of the markets, together with rigorous credit and financial analysis, in order to recognise when value is available.

The integration of ESG factors into investment processes is important, and recognises that the emerging countries need capital for investment in order to address some of the challenges facing the world, such as how to achieve a just climate transition.

Wide range of sovereign debt returns (%)



Source: EMBI GD (12 months to 30 June 2023)

Specialist understanding...

...supported by a consistent strategy

Ashmore's strategy is appropriate to capitalise on the substantial growth opportunities available in Emerging Markets. Each of the three phases has the potential to deliver further significant long-term growth in AuM and profits, creating value for shareholders.

Established

Establish Emerging Markets asset classes

Ashmore is recognised as an established specialist Emerging Markets manager, and is therefore well-positioned to capture developed world investors' rising allocations to the asset classes

Diversified

Diversify investment themes and developed world capital sources

Ashmore is diversifying its revenues to mitigate the impact of inherently cyclical markets. There is particular focus on growing the equity and alternatives investment themes, and raising capital through intermediary retail channels

Local

Mobilise Emerging Markets capital

Ashmore's growth potential is enhanced through accessing rapidly growing pools of investable capital in Emerging Markets

Opportunity	Progress in FY2023	Potential sources of risk
<ul style="list-style-type: none"> – Developed world investors hold more than US\$100 trillion of assets and yet are profoundly underweight Emerging Markets: target allocations are less than 10% compared with global benchmark weights of approximately 10% to 30% 	<ul style="list-style-type: none"> – The long-term Emerging Markets allocation opportunity remains substantial, but risk aversion by some investors based on cyclical factors has affected client flows 	<ul style="list-style-type: none"> – Sentiment towards, and fundamental performance of, Emerging Markets – Long-term investment performance
<ul style="list-style-type: none"> – The Emerging Markets investment universe continues to grow and diversify, and Ashmore strives to be at the forefront of accessing new market opportunities as they arise – Diversifying revenue streams provides greater stability through the cycle 	<ul style="list-style-type: none"> – Focus on converting strong equities investment performance to client flows, with increasing activity levels through the period – Demand for IG strategies continues, particularly from European and Asian clients – Intermediary retail AuM impacted by recent market cycle, but stable at 4% of Group AuM 	<ul style="list-style-type: none"> – Potential constraints on longer-term growth such as competition – Long-term investment performance
<ul style="list-style-type: none"> – Industry AuM in Emerging Markets is growing twice as fast as the developed world – This presents a significant growth opportunity in local asset management platforms, as well as cross-border Emerging Markets opportunities over the longer term 	<ul style="list-style-type: none"> – The local platforms delivered a solid performance with stable AuM – AuM sourced from clients domiciled in Emerging Markets increased by US\$1.1 billion, and from 27% to 33% of Group AuM 	<ul style="list-style-type: none"> – Managing the development of local asset management platforms in Emerging Markets
<p><i>Read more on pages 16-17 & 22-25</i></p>	<p><i>Read more on pages 28-34</i></p>	<p><i>Read more on pages 35-41</i></p>

Growth, reforms and diversification

Emerging Markets have historically, and justifiably, been associated with high growth, but their development also delivers improvements in institutional decision making and the asset classes offer significant diversification benefits.

Emerging countries' share of world GDP

58%

Proportion of world population living in an emerging country

84%

Emerging countries' share of world FX reserves

72%

Structural shift to local currency funding (US\$ trillion)



Source: Bank of America, BIS, Bloomberg

Superior growth

In recent decades, Emerging Markets have delivered superior growth compared with the developed world. This is expected to continue as powerful economic, political and social convergence trends mean emerging countries are becoming more wealthy, with steadily rising GDP per capita (from a relatively low level), and are better able to manage external shocks.

The positive long-term outlook is also underpinned by Emerging Markets' dominant share of economic resources, such as:

- 58% share of world GDP, on a PPP basis;
- approximately US\$10 trillion of FX reserves, representing 72% of the world total; and
- 84% of the world's population lives in an emerging country.

The strong relative growth delivered by Emerging Markets will continue to put upward pressure on their aggregate weight in global market indices, from current levels of approximately 10%

(equities) to 30% (bonds). In this context, developed world investors, who typically have a target allocation of less than 10%, are profoundly underweight these increasingly important markets.

Structural reforms

The willingness to reform is an important factor in the long-term success of an emerging country. Arguably the most significant development of the past few decades has been the shift from external to local currency funding, supported by improvements in the quality and effectiveness of monetary and fiscal policymaking. Although many commentators continue to believe that developing countries fund their deficits in US dollars, the typical model for a larger country is not to rely solely on external financing but to establish local capital markets with the long-term support of domestic investors such as pension funds. Indeed, local currency markets dominate fixed income Emerging Markets, with US\$34 trillion of bonds outstanding, representing 88% of the investment universe.



Ulun Danu temple, Bali

Local currency funding provides a buffer against external shocks, albeit that it requires effective monetary and fiscal policies to ensure that other risks, such as inflation, do not undermine the advantages. Over the past few years, many countries have successfully followed an orthodox monetary policy path in the face of significant broader economic and geopolitical challenges, underlining the resilience that can be achieved by implementing effective long-term reforms.

Diversification benefits

Although it is convenient to use the label 'Emerging Markets', this can often and unfairly mask the fact that there are more than 70 developing countries with investable equity and fixed income markets. Over the longer term this set of countries will benefit from the structural growth trends described, but at varying rates of progress and always in the context of shorter-term economic cycles and the potential impact of world events.

This therefore provides a wide range of potential opportunities for the active investor, and particularly in those periods when sentiment, misperception or other biases have a short-term influence on asset prices rather than each country's specific set of economic and political circumstances.

Market inefficiencies provide opportunities

The fundamental factors described above provide substantial support for the long-term evolution of Emerging Markets, and underpin the potential for attractive investment returns from the asset classes.

However, such development does not occur linearly over time nor in isolation from world events. Therefore, volatility in economic indicators, political events, market inefficiencies and shifts in investor sentiment provide opportunities for an active manager such as Ashmore to deliver long-term performance for its clients.

Indonesia: a case study of successful policy implementation

Indonesia is one of the larger and most successful emerging countries, with a well-managed economy, attractive demographics and rapidly developing capital markets.

Effective fiscal and monetary policies

Like many other countries, the Indonesian authorities adopted an aggressive monetary policy stance and provided fiscal stimulus in 2020, but then began to consolidate the fiscal deficit early and subsequently delivered consistent results. The IMF expects the deficit to be less than 1.5% of GDP in 2023, reducing from 6.1% in 2020, 4.5% in 2021 and 2.3% in 2022.

Structural reforms

The necessary economic stimulus did not detract from the pursuit of reforms, continuing a comprehensive programme set out in 2015. The Indonesian government continues to implement labour market, tax and investment policy reforms to support future economic development.

Delivering investment performance for clients

Ashmore has successfully implemented its investment philosophy for more than 30 years, over which time it has delivered outperformance over market cycles for clients. Ashmore’s specialist approach to active management in Emerging Markets has long-standing characteristics that are relevant to both fixed income and equities.

Significant investment universe

US\$39 trillion

of Emerging Markets bonds in issue

US\$34 trillion

of Emerging Markets debt is in local currencies

US\$37 trillion

of Emerging Markets equity market capitalisation

External debt

Invests in debt instruments issued by sovereigns and quasi-sovereigns and denominated in foreign currencies.

Local currency

Invests in local currencies and local currency-denominated debt instruments issued by sovereigns, quasi-sovereigns and companies.

Corporate debt

Invests in debt instruments issued by public and private sector companies.

Blended debt

Asset allocation across the external debt, local currency and corporate debt investment themes, measured against tailor-made blended indices.

Equities

Invests in equity and equity-related instruments including global, regional, country, small cap, frontier and multi-asset opportunities.

Alternatives

Invests in private equity, healthcare, infrastructure, special situations, distressed debt and real estate opportunities.

Investment committees

At the core of the philosophy is a committee-based approach to managing client portfolios. This provides a highly institutionalised, team-based framework that results in a 'no star' culture in which no individual is single-handedly responsible for investment decisions or client portfolios.

Inefficient asset classes

The Emerging Markets fixed income and equity asset classes are large and diversified, but also remain relatively inefficient. There is relatively low index representation and security prices can be heavily influenced over short time periods by factors other than underlying economic, political and company fundamentals. Consequently, Ashmore actively manages client portfolios to exploit these inefficiencies and to generate long-term outperformance.

Proprietary research

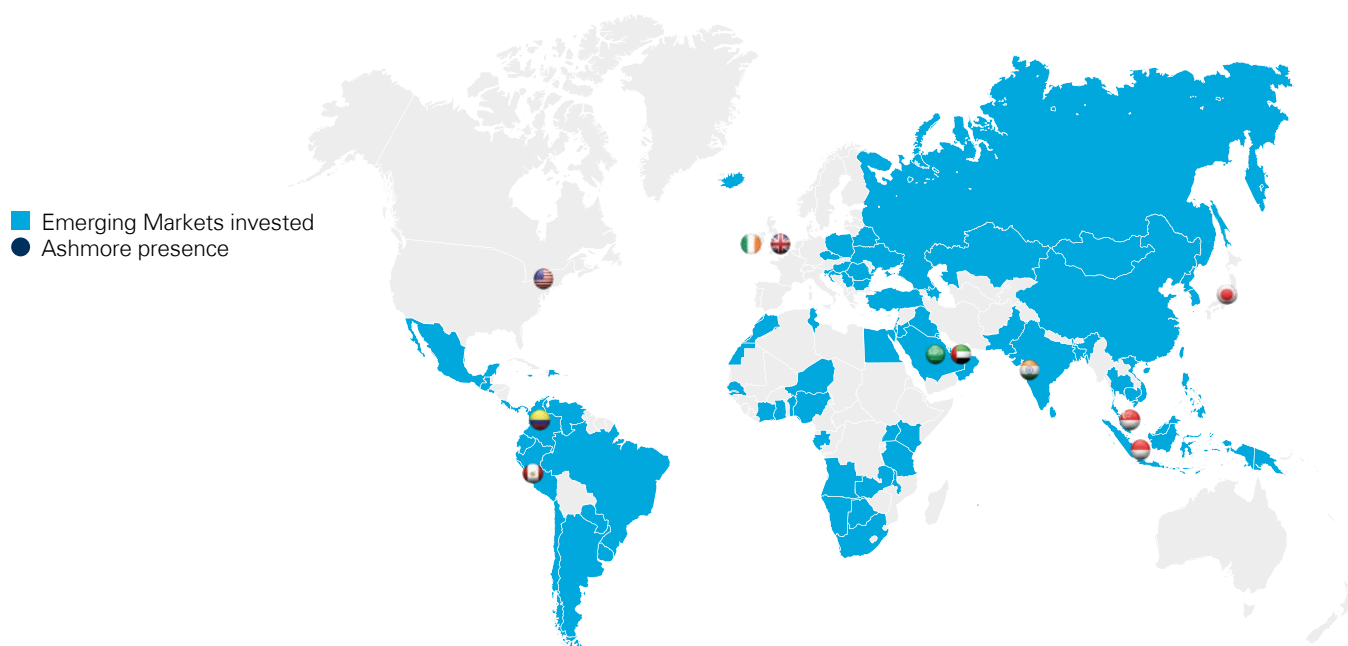
Ashmore's long history of specialising in Emerging Markets and its extensive network of relationships means that proprietary research is an important source of investment ideas. These insights are shared across asset classes, but importantly there is no 'house view' that has to be followed by the investment teams when constructing portfolios. This supports the diversification benefit of managing a range of strategies in multiple distinct investment themes.

Importantly, Ashmore's independent local office investment teams in countries such as Colombia, Saudi Arabia, India and Indonesia provide valuable 'on the ground' insights to the global equity and fixed income ICs, including macro and company analysis and trading intelligence. In turn, the local offices benefit from the ICs' global macro views and other research to consider as inputs to their own independent investment processes.



The Blue Mosque, Istanbul, Turkey

Ashmore's Emerging Markets investments and worldwide network



INVESTMENT PHILOSOPHY (CONTINUED)

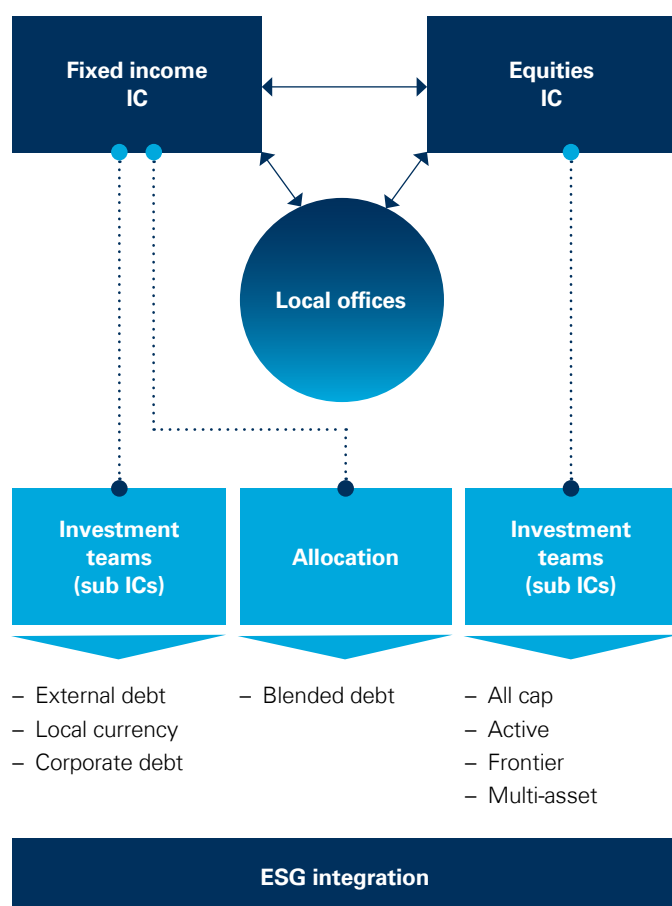
Active management

Ashmore has delivered meaningful alpha through active management and the expression of high conviction ideas in portfolios. The poor index representation of fixed income and equity Emerging Markets means that alpha can be generated both through active risk against benchmark weights and through investing in off-benchmark securities. The latter does not necessarily mean instruments are less liquid or have significantly different risk characteristics, it simply means that they do not conform to the strict eligibility criteria of the benchmark index provider.

Focus on liquidity

Understanding market liquidity has always been central to Ashmore's investment processes, since the investment teams must decide on specific securities to trade and seek to execute any portfolio changes promptly. In addition to pre and post-trade compliance oversight, the ICs review execution outcomes to ensure that they comply with the agreed decisions.

Investment committees structure



The Group's global operating hubs in New York, London and Singapore provide round-the-clock trading capabilities and Ashmore has a wide range of strong, well-established counterparty trading relationships.

Importantly, given that the majority of Emerging Markets securities are issued, owned and traded locally, these relationships include local brokers as well as global investment banks. Hence, as liquidity increasingly moves to local trading venues within Emerging Markets, Ashmore's portfolio managers are well positioned to source liquidity when executing trading decisions.

ESG integration

Ashmore recognises that being a responsible investor brings with it a duty to act in a manner that benefits wider society. This responsibility is particularly acute in the markets in which Ashmore invests and operates, with the need to balance ESG factors with the financial wellbeing of Emerging Markets sovereigns and clients.

Ashmore has integrated the analysis of ESG factors into its fixed income, equities and alternatives investment processes, which reflects its philosophy that the incorporation of non-financial factors is essential to building a robust understanding and assessment of an issuer. Over time this should improve investment performance, promote better business models, and help foster more sustainable economic development. Ashmore's ESG research is primarily proprietary in nature, based on third-party data supplemented by research visits and meetings with issuers. Therefore, in accordance with the Group's ESG Policy, analysis of ESG factors is integrated into the investment processes in a similar way to how Ashmore assesses macroeconomic risk, financial performance and credit metrics.

More information on Ashmore's responsible investment approach can be found in its Sustainability Report, available on the Group's website.

Ashmore's private equity healthcare initiative

Ashmore, in partnership with King's College Hospital London, is developing a network of world-class tertiary care hospitals in Emerging Markets. The combination brings together Ashmore's experience in private equity transactions, including in the healthcare industries in South Asia, MENA and Latin America, with King's long-established world-class clinical expertise.

The initiative targets investments in countries with the following characteristics:

- Growing and ageing population with increasing middle class
- Increasing prevalence of non-communicable lifestyle diseases
- Increasing government reliance on private sector to deliver healthcare
- Rising medical tourism
- Affinity for western healthcare standards

The partnership built a 105-bed hospital and a range of clinics in the United Arab Emirates (Dubai), and is currently developing a similar project in Saudi Arabia (Jeddah) while evaluating the potential of other Asian countries.



The Museo Soumaya Museum, Mexico

A stronger year in Emerging Markets

Conditions in Emerging Markets improved over the year, leading to fixed income returns of 6% to 11% and outperformance versus developed markets, and equities delivered a positive return of 2%. Near-term returns are underpinned by attractive valuations and further improvement in cyclical factors against a backdrop of structural growth.

After a weak first quarter in common with global capital markets, Emerging Markets rallied over the subsequent nine months to deliver positive returns for the year overall. This reflects the benefit of sound and effective monetary policies, lower debt levels than developed countries, tighter sovereign and corporate spreads over the period, and the positive impact of a weaker US dollar on local currency returns.

The year was characterised by the continued tightening of policy rates by central banks in response to high inflation, banking failures in the US and Europe, and ongoing conflict or geopolitical tension in Europe and Asia. Several important economic indicators underpinned the rally in Emerging Markets asset prices:

- GDP growth across Emerging Markets is expected to be significantly higher than in the developed world.
- After more than two years of tighter monetary policy, inflation is falling in Emerging Markets and interest rates are now higher than expected CPI inflation. The inflection point in the rates cycle has been reached, the credibility of most central banks is high, and monetary policy easing by Emerging Markets central banks is possible in the foreseeable future.
- The US dollar has enjoyed a prolonged bull run, which appears to have ended in 2022 as the weak underlying fundamentals in the US economy, and the prospect of a recession and correction in the equity market, put downward pressure on the currency.

The sections below present the recent performance and prospects for each of the main fixed income and equity asset classes.

External debt

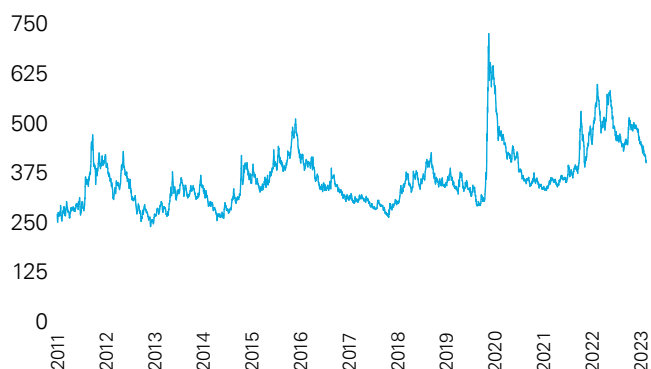
The EMBI GD delivered a positive return of 7.4% over the 12 months, and the index spread over US Treasuries tightened by 110bps to 430bps. Although the first quarter saw a material drawdown (-4.6%) due to high inflation and hawkish central banks, the index delivered positive returns in each subsequent quarter. By region, Eastern Europe, Africa and Latin America performed well, while Asia and the Middle East lagged the index.

The HY index spread briefly exceeded 1,000bps early in the period, which historically is a level from which substantial positive returns are achieved over the following 12 months. Indeed, HY assets outperformed over the 12 months with a return of 11.8% compared with 3.4% for the IG index.

Some higher-yielding countries, such as Egypt and Sri Lanka, face challenges, but each situation is specific to the country in question and the path for each – in terms of avoiding default, undertaking a credible restructuring, or remaining in limbo without access to markets – depends as much on the domestic capacity for reform as it does on the global macro environment. The investment opportunity in each situation will be determined by the extent to which the various scenarios have been priced by bond and equity markets.

The US rate cycle is approaching its peak and the external debt asset class is set to outperform given its still wide spread by historical standards, a yield in excess of 8%, and substantial diversification available in an index comprising 69 countries and with 51% of bonds rated IG.

Sovereign external debt spread over US Treasuries (bps)



Source: J.P. Morgan

Local currency

The GBI-EM GD performed well with a return of 11.4% over the year, mostly through a rally in local markets with only 1% coming from stronger Emerging Markets currencies against the US dollar. The asset class has benefited from the early and effective monetary policy tightening pursued by many countries' central banks over the past couple of years, which has delivered macro stability and anchored inflation expectations in those countries, and also provided a path for policy easing in the foreseeable future. The index returns were particularly strong in Latin America and Eastern Europe, while Asia lagged. Weaker performance in the Middle East and Africa reflected the country-specific challenges in Egypt and South Africa.

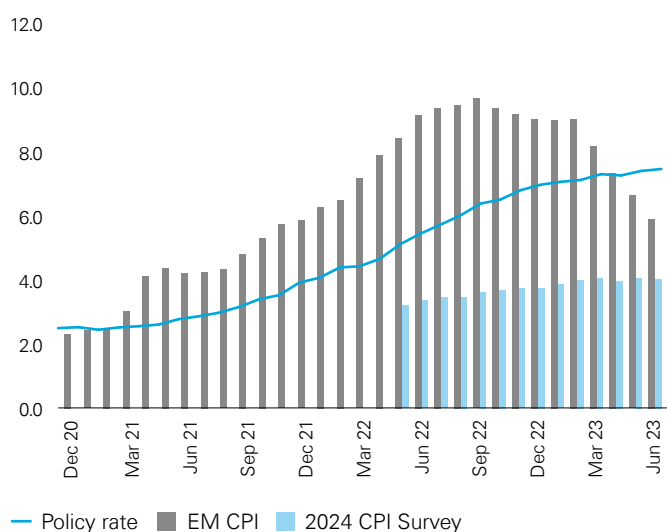
The outlook for the US dollar is important to investor perceptions and performance of the local currency asset class. After a prolonged bull run, several factors point to a period of weakness in the US dollar, including large fiscal deficits, imbalanced external accounts and overly expensive currency and stocks, particularly in the context of a potential recession. For context, the trade-weighted real value of the US dollar peaked in 2022 only 10% below the 1985 Plaza Accord level and above the level reached around the dot-com bubble, thus representing one of the highest levels that the currency has seen in the past 50 years. In contrast, Emerging Markets currencies trade at attractive real effective exchange rate valuations.

Notwithstanding the returns delivered over the past 12 months, the local currency asset class continues to offer substantial value with an attractive yield of more than 6%, accelerating GDP growth and the potential for interest rate cuts in many of the 20 countries in the index if inflation continues to trend down.



Al Tijaria Tower, Kuwait City, Kuwait

Positive real local rates delivered by effective monetary policy (%)



Source: Ashmore, Bloomberg, J.P. Morgan

MARKET REVIEW (CONTINUED)

Corporate debt

The CEMBI BD performed similarly to the sovereign market, with an investment return of 5.7% over the year supported by a tightening of spread from 400bps to 320bps. HY bonds outperformed with a return of 9.9% compared with 2.5% for IG bonds. In terms of regions, corporate assets performed strongly in Eastern Europe, with returns closer to the overall index performance in Latin America, Africa, Asia and the Middle East.

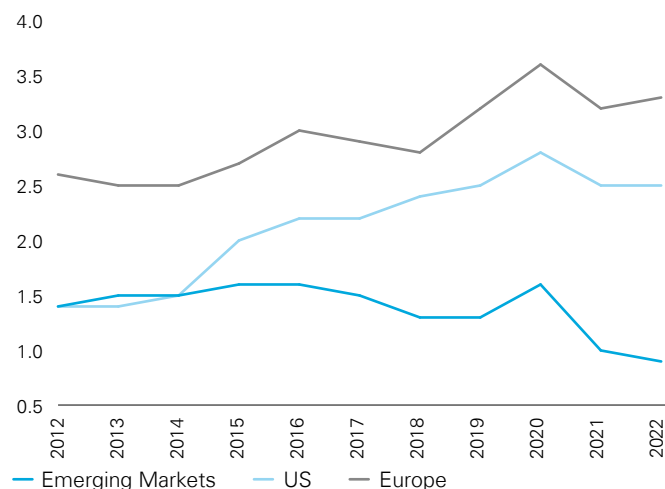
Default rates are low in Latin America, Africa and Middle East (less than 1%) and comparable to the US market. Higher default rates have been experienced due to policy tightening in China and as a consequence of the war in Ukraine, but it appears that overall default rates may have peaked in this cycle.

This asset class has characteristics that are superior to the equivalent US credit markets and, after a repricing of assets during the current interest rate cycle, underpin the relative value available in Emerging Markets corporate debt. These characteristics include:

- The index is highly diversified with more than 750 issuers across 63 countries. More than half (58%) of the bonds in the index are rated IG.
- Companies in Emerging Markets tend to have lower leverage compared with US and European peers, because management teams have a more conservative approach given the need to compensate for higher perceived country risk. Net leverage in the IG market is less than 1.5x EBITDA, compared with 2.5x to 3.5x in the US and Europe. There is a similar picture in the HY market, with net leverage of around 2x in Emerging Markets compared with 3.5x to 5x in the US and Europe.
- Despite lower leverage, Emerging Markets IG bonds offer a significant spread pick-up of 100bps per turn of leverage, compared with equivalent-rated US high-grade issuers.
- Similarly, the HY index offers an attractive yield of 9.5%, which despite the lower leverage is a point higher than the US HY market.

The above factors, when combined with the positive outlook for corporate earnings as a consequence of accelerating GDP growth and a supportive technical position given subdued new issuance, mean that the corporate debt asset class is well-positioned to deliver further positive returns over the medium term.

Lower historical net leverage in EM IG credit versus peers



Source: Bank of America

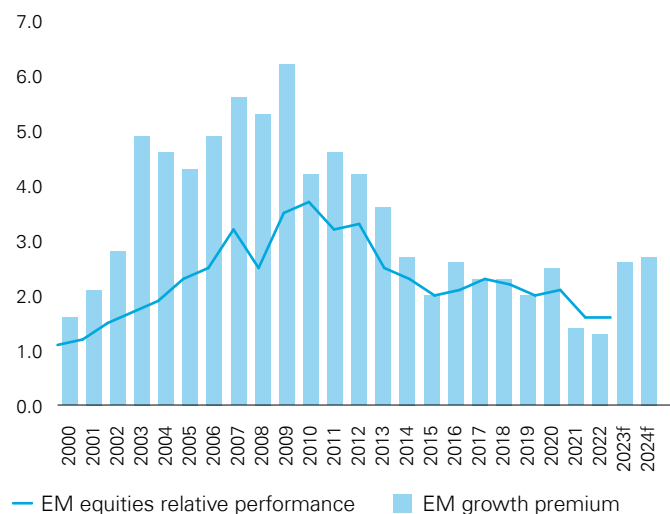
Equities

The MSCI EM index rose by 1.8% over the year, with the impact of tighter financial conditions in the first quarter and weaker than expected Asian economic data in the final quarter holding back returns compared with the fixed income markets. Frontier Markets were a little weaker (MSCI Frontier -2.8%), but small cap markets performed better, with the MSCI EM Small Cap index rising 13.3%.

After a challenging period in many countries, the outlook for equity market performance is positive. Importantly, aggregate GDP growth in emerging countries is expected to accelerate over the next few years, and consequently the premium to developed world growth will expand. Historically, there has been an understandable correlation between the relative performance of equity markets and economic growth differentials, which therefore provides a firm underpin to the asset class.

Against this backdrop of accelerating economic growth, the return opportunity in Emerging Markets equities reflects a combination of secular growth opportunities, particularly in Asian countries such as India and Indonesia, and other markets trading at substantial discounts to their history and fair value, for example in Latin America and China. Earnings growth expectations are modest, and in this context the substantial price/earnings ratio discount at which Emerging Markets equities trade to developed markets (11.0x compared with 18.5x for the S&P500) appears unjustified and supports outperformance of the asset class over the medium term.

Equities relative performance (x) correlated with economic growth potential (%)



Source: IMF WEO database, MSCI

Outlook

The structural drivers of growth in Emerging Markets are intact and underpinned by ongoing reforms in Asia, Latin America and Africa together with dominance over the world's natural resources and the supply chains necessary for energy transition. This is reflected in the continued superior GDP growth expected when compared with the developed world. However, this growth potential is not reflected in current valuations, providing investors with an opportunity to participate in the ongoing recovery in asset prices after a challenging few years in capital markets outside the US.

From a cyclical standpoint, there are several factors that should explicitly support the performance of Emerging Markets:

- Inflation is falling and interest rates are peaking following early and effective monetary policy tightening by Emerging Markets central banks, well ahead of the Fed and other developed world policymakers.
- China has a renewed focus on delivering economic growth and consequently is providing significant monetary and fiscal stimulus to its economy, which will have both a domestic impact but also a broader positive effect on trade. Policy choices must also recognise the need to navigate the headwinds of lower consumer confidence and demand following the reopening of its economy.
- After a prolonged bull run, the US dollar appears to have peaked in late 2022. Objectively, it is still overvalued, partially as a result of significant flows into the US equity market that is also vulnerable to a correction given its high valuation and the potential for a recession in a lagged response to tighter financial conditions.

With this backdrop, the near-term outlook for the main Emerging Markets asset classes is positive.

Given the historical strong correlation, equities should benefit from an expansion of the relative economic growth rate, and a weaker US dollar will support returns from this asset class for many developed world investors. Similarly, local currency bond returns will be underpinned by the monetary easing cycle in many countries together with dollar weakness.

IG sovereign and corporate markets offer meaningful yield enhancement compared with the developed world, and provide a lower-risk alternative for investors that remain concerned about aspects of the global macro environment. At the HY end of the market, distressed credits offer potentially significant recovery upside as the economic cycle turns.

Given the global macro challenges of the past few years, and the ongoing war in Europe and geopolitical tension in Asia, there is understandably an element of risk aversion among some investors, particularly those in the US. However, a broader set of investors increasingly recognises the opportunities represented by the superior growth prospects and attractive yields available across Emerging Markets. As has been seen in previous cycles, an increase in capital flows and investment supports economic growth in the developing world and can therefore lead to further asset class outperformance.

Driving performance

Performance measure

Assets under management

The movement between opening and closing AuM provides an indication of the overall success of the business during the period, in terms of subscriptions, redemptions and investment performance.

The average AuM level during the period, combined with the average fee margins achieved, determines the Group's management fee revenues.

Investment performance

The proportion of relevant AuM that is outperforming benchmarks on a gross basis, over one year, three years and five years. The gross basis reflects the largely institutional nature of the client base, typically with the ability to agree bespoke fee arrangements. Funds without a performance benchmark, for example overlay strategies, are excluded.

Relevance to strategy and remuneration

Ashmore's strategy seeks to capitalise on the growth trends across Emerging Markets to deliver AuM growth over time.

Growth in AuM is a vesting performance condition for Executive Directors.

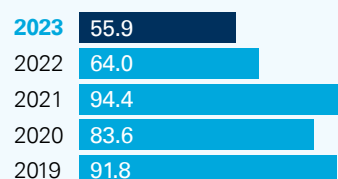
Ashmore's success is dependent on delivering investment performance consistent with clients' objectives, who typically look at performance over the medium to long term.

Investment performance is a vesting performance condition for Executive Directors.

Five-year trend

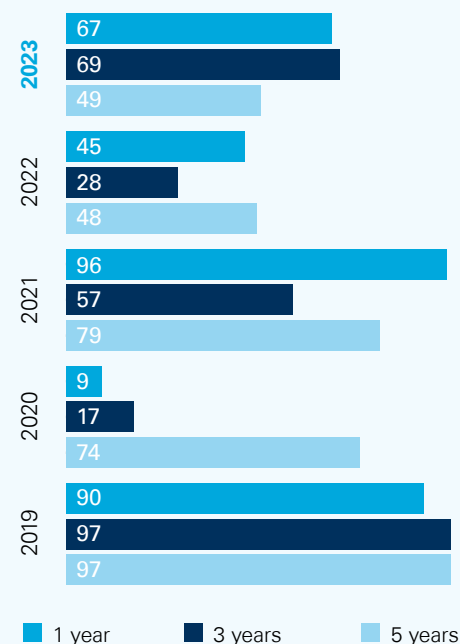
Assets under management

US\$55.9bn



Investment performance (AuM outperforming over three years)

69%



Adjusted EBITDA margin

This measure provides a meaningful assessment of the Group's operating performance, excluding the mark-to-market volatility of FX translation and seed capital-related items.

Delivering a high profit margin demonstrates the benefits of Ashmore's global operating platform, enables investment in future growth opportunities, supports cash generation to sustain a strong balance sheet, and provides for attractive returns to shareholders.

Diluted EPS

Profit attributable to the equity holders of the parent company divided by the weighted average number of all dilutive potential ordinary shares.

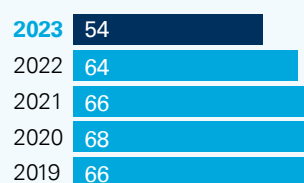
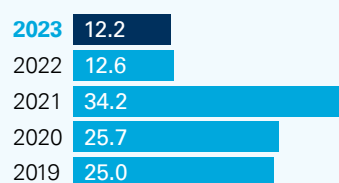
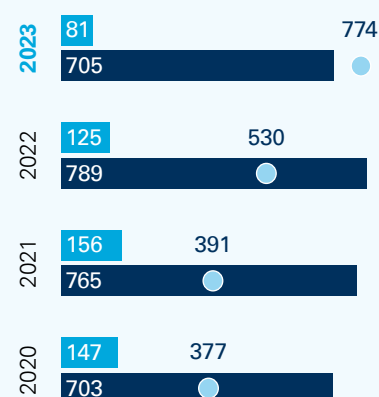
The earnings per share reflect the overall financial performance of the Group during the period and represent an aspect of value creation for shareholders.

Growth in diluted EPS compared with benchmark indices is a vesting performance condition for Executive Directors.

Balance sheet strength

Ashmore maintains a strong balance sheet over the Emerging Markets cycle. This is measured by the financial resources available to the Group, which are then compared with the Group's capital requirement to provide an excess capital ratio.

A strong balance sheet enables Ashmore to build a diversified client base, provides opportunities for investment to grow the business including the seeding of funds, and supports the Group's dividend policy.

Adjusted EBITDA margin**54%****Diluted EPS****12.2p****Excess capital ratio****774%**

■ Capital requirement (£m)
 ■ Financial resources (£m)
 ● Excess capital ratio (%)

Successfully managing a cycle

Adjusted EBITDA margin of 54% reflects opening AuM below last year's average level, mitigated by effective cost management. With higher interest income and seed capital returns, diluted EPS is 12.2 pence, 4% lower YoY, and the balance sheet remains robust with £705 million of capital resources including more than £450 million of cash.

Assets under management

AuM declined by 13% over the year to US\$55.9 billion, with the movement attributable to net outflows of US\$11.5 billion, offset by positive investment performance of US\$3.4 billion, delivered in each of the six investment themes. Reflecting the opening AuM level of US\$64.0 billion, average AuM was 30% lower than in the prior year at US\$58.2 billion (FY2022: US\$83.6 billion).

Gross subscriptions of US\$7.2 billion represent 11% of opening AuM, lower than in the prior year primarily as a consequence of cautious investor sentiment reflecting concerns over the macroeconomic backdrop in global markets (FY2022: US\$13.1 billion, 14% of opening AuM).

Subscriptions were strongest in the external debt, local currency and equities investment themes, particularly as clients recognised that Emerging Markets central banks are ahead of their developed

world counterparts in tackling inflation, and the US dollar appears to have peaked in 2022. External debt inflows were a combination of existing client top-ups and continued product development to capture the intrinsic value available in HY markets, and there were new institutional clients in local currency and equities.

Gross redemptions of US\$18.7 billion, or 29% of opening AuM, were lower than in the prior year (FY2022: US\$26.6 billion, 28% of opening AuM) and include US\$2.3 billion of overlay/liquidity redemptions (FY2022: US\$6.0 billion), but remain relatively high as a consequence of global macro concerns and market volatility, particularly in the first half of the year, meaning some investors shifted allocations in favour of traditionally perceived safe havens. This risk aversion was particularly evident in developed world investors, reflected in a lower proportion of AuM from clients in the Americas and the fact that Ashmore's Emerging Markets-domiciled clients increased from 27% to 33% of Group AuM.

£m	FY2023 Reported	Reconciling items:		FY2023 Adjusted	FY2022 Adjusted
		Seed capital (gains)/losses	FX translation (gains)/losses		
Net management fees	183.2	–	–	183.2	243.5
Performance fees	5.1	–	–	5.1	4.5
Other revenue	2.7	–	–	2.7	2.9
Foreign exchange	5.4	–	(1.0)	4.4	6.3
Net revenue	196.4	–	(1.0)	195.4	257.2
Losses on investment securities	(44.3)	44.3	–	–	–
Change in third-party interests in consolidated funds	19.3	(19.3)	–	–	–
Personnel expenses	(66.2)	–	0.3	(65.9)	(72.3)
Other expenses excluding depreciation and amortisation	(24.6)	1.3	–	(23.3)	(20.6)
EBITDA	80.6	26.3	(0.7)	106.2	164.3
<i>EBITDA margin</i>	41%	–	–	54%	64%
Depreciation and amortisation	(3.2)	–	–	(3.2)	(3.1)
Operating profit	77.4	26.3	(0.7)	103.0	161.2
Finance income/(expense)	33.9	(18.0)	–	15.9	1.6
Share of profit from associates	0.5	–	–	0.5	1.3
Profit before tax	111.8	8.3	(0.7)	119.4	164.1
Diluted EPS (p)	12.2	0.6	(0.1)	12.7	18.7

Consistent with the rally in markets from the September lows, Ashmore's investment performance and net flow momentum improved in the second half of the financial year. Positive investment performance of US\$2.6 billion in H2 compares with US\$0.8 billion in H1, and net outflows approximately halved from US\$7.6 billion in H1 to US\$3.9 billion in H2.

The total net outflow for the period of US\$11.5 billion (FY2022: US\$13.5 billion net outflow) comprises a net outflow from retail clients of US\$0.7 billion (24% of opening intermediary retail AuM), reflecting the typically shorter investment horizon, and net redemptions from institutional clients of US\$10.8 billion (18% of opening institutional AuM).

Ashmore's local offices continued to perform well and illustrated the benefits of diversification. Total AuM was stable at US\$7.0 billion (30 June 2022: US\$6.9 billion) with only modest net outflows of US\$0.3 billion. As described in the CEO review, these businesses have significant growth potential as they participate in the development of independent domestic asset management industries, and there are opportunities to expand the network over time to enhance the strategic and financial benefits to the Group.

AuM movements by investment theme

The development during the period of AuM by theme is shown in the table below. The local currency investment theme includes US\$6.3 billion of overlay/liquidity funds (30 June 2022: US\$7.2 billion).

AuM as invested

The charts on page 30 show AuM 'as invested' by underlying investment theme, which takes account of the allocation into the underlying asset classes by multi-asset and blended debt funds and of crossover investment by certain external debt funds.

The Group's AuM remain geographically diverse and broadly consistent with recent periods, with 37% of AuM invested in Latin America, 29% in Asia Pacific, 13% in Eastern Europe and 21% in the Middle East and Africa.

Clients

Ashmore's clients are predominantly a diversified set of institutions, representing 96% of AuM (30 June 2022: 95%), with the remainder sourced through intermediary retail channels. Segregated accounts represent 81% of AuM (30 June 2022: 81%).

Ashmore's principal mutual fund platforms are in Europe and the US, which in total represent AuM of US\$5.7 billion in 43 funds. The European SICAV range comprises 31 funds with AuM of US\$4.8 billion (30 June 2022: US\$5.4 billion in 30 funds) and the US 40-Act range has 12 funds with AuM of US\$0.9 billion (30 June 2022: US\$1.0 billion in 12 funds).

Investment performance

As at 30 June 2023, 67% of AuM is outperforming over one year, 69% over three years and 49% over five years (30 June 2022: 45%, 28% and 48%, respectively).

Characteristically, as markets have started to recover from oversold levels, Ashmore's investment processes have delivered meaningful outperformance. In addition to the consistently strong relative performance in local currency, IG and equities strategies, there has been a notable improvement in some of the other, higher yielding fixed income strategies.

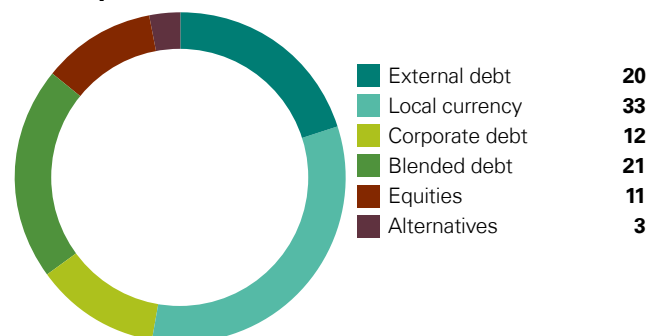
Current valuations across the Emerging Markets asset classes underpin additional recovery performance in coming periods, and the inherent value in Ashmore's portfolios support the delivery of further outperformance for clients.

Investment theme	AuM 30 June 2022 US\$bn	Gross subscriptions US\$bn	Gross redemptions US\$bn	Net flows US\$bn	Performance US\$bn	AuM 30 June 2023 US\$bn
External debt	14.4	1.7	(5.7)	(4.0)	0.6	11.0
Local currency	20.6	2.7	(6.0)	(3.3)	1.5	18.8
Corporate debt	6.8	0.2	(0.6)	(0.4)	0.1	6.5
Blended debt	14.4	0.7	(4.0)	(3.3)	0.8	11.9
Fixed income	56.2	5.3	(16.3)	(11.0)	3.0	48.2
Equities	6.3	1.9	(2.3)	(0.4)	0.3	6.2
Alternatives	1.5	—	(0.1)	(0.1)	0.1	1.5
Total	64.0	7.2	(18.7)	(11.5)	3.4	55.9

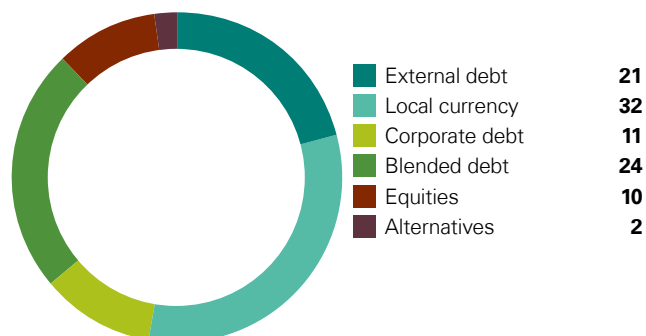
Ashmore's diverse investment themes and clients

2023 (%)

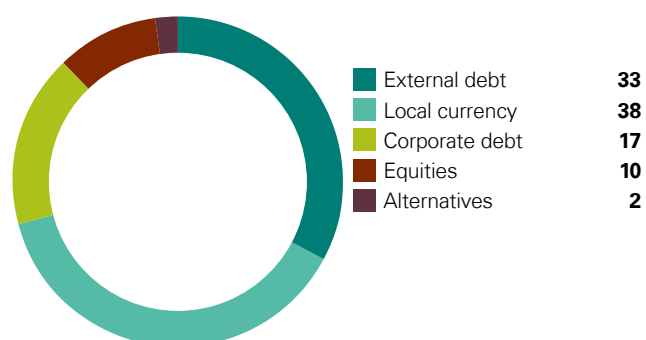
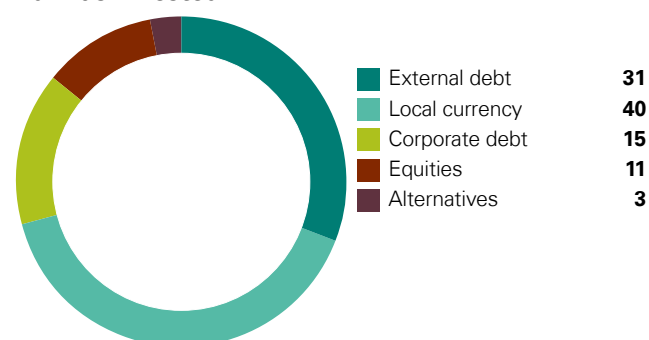
AuM by investment theme



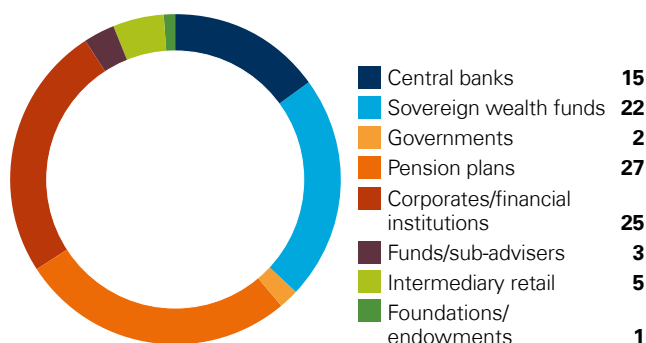
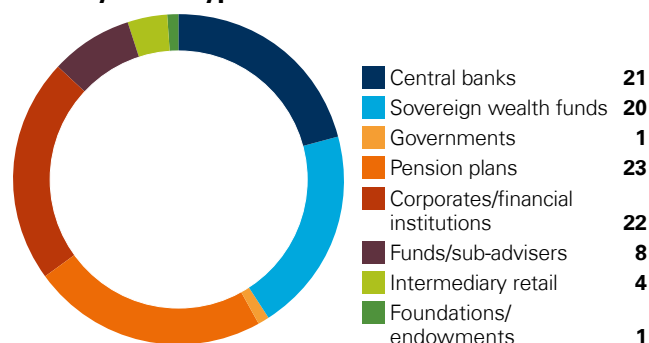
2022 (%)



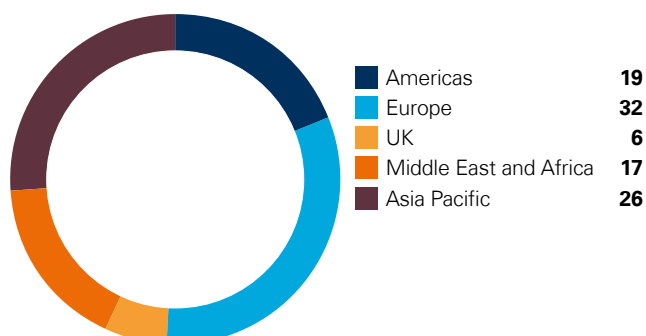
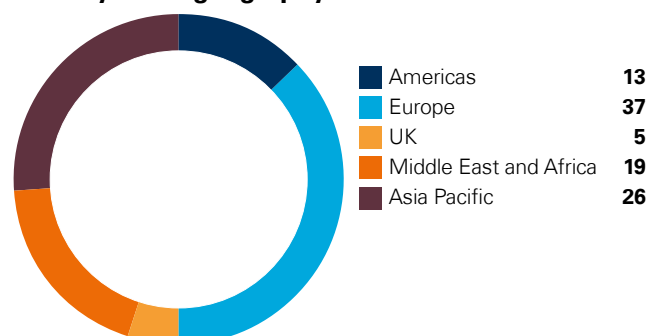
AuM as invested



AuM by client type



AuM by client geography



Financial review

Revenues

Opening AuM and average AuM were 23% and 30%, respectively, below the average AuM of the prior year, and this lower level of AuM delivered the 25% fall in net revenue to £196.4 million. On an adjusted basis, excluding FX translation effects, net revenue fell by 24% to £195.4 million.

Net revenue

	FY2023 £m	FY2022 £m
Net management fees	183.2	243.5
Performance fees	5.1	4.5
Other revenue	2.7	2.9
FX: hedges	4.4	6.3
Adjusted net revenue	195.4	257.2
FX: balance sheet translation	1.0	5.3
Net revenue	196.4	262.5

Net management fee income declined by 25% to £183.2 million. This reflects the lower average AuM and a net management fee margin of 38bps (FY2022: 39bps), partially offset by the benefit of a lower average GBP:US\$ rate in this period. At constant FY2022 exchange rates, net management fee income reduced by 32%.

The slight decline in the net management fee margin YoY reflects the positive effects from investment theme mix and large mandate flows offset by the impact of market performance over the year (stronger performance in lower margin strategies and accounts) and competition and other mix effects.

Performance fees of £5.1 million (FY2022: £4.5 million) were realised in the year, and delivered by a range of funds in the local currency, blended debt and alternatives investment themes. Approximately US\$12 billion of the Group's AuM, or 21% of the total, is eligible to earn performance fees at 30 June 2023. The Group continues to expect its diverse sources of net management fee income to generate the majority of its net revenues.

Translation of the Group's non-Sterling assets and liabilities, excluding seed capital, resulted in an unrealised FX gain of £1.0 million (FY2022: £5.3 million gain). The Group's effective hedging programme and the active management of FX exposures during the period meant that realised and unrealised hedging gains of £4.4 million were delivered (FY2022: £6.3 million gain). Therefore, the Group recognised a total FX gain of £5.4 million in revenues (FY2022: £11.6 million gain).

Other revenue of £2.7 million was comparable to the prior year (FY2022: £2.9 million).

The table below summarises the net management fee income, performance fee income and net management fee margin by investment theme.

Operating costs

Total operating costs of £94.0 million (FY2022: £98.5 million) include £1.3 million of expenses incurred by seeded funds that are required to be consolidated (FY2022: £1.4 million), as disclosed in note 20. On an adjusted basis, taking into account the impact of seed capital and the proportion of the accrual for variable compensation that relates to FX translation gains, operating costs were reduced by 4% compared with the prior year. Adjusted operating costs fell by 7% at constant FY2022 exchange rates.

	FY2023 £m	FY2022 £m
Staff costs	(31.4)	(27.8)
Other operating costs	(23.3)	(20.6)
Depreciation and amortisation	(3.2)	(3.1)
Operating costs before VC	(57.9)	(51.5)
Variable compensation (VC)	(34.8)	(45.6)
VC accrual on FX gains/losses	0.3	1.1
Adjusted operating costs	(92.4)	(96.0)
Consolidated funds costs	(1.3)	(1.4)
Add back VC on FX gains/losses	(0.3)	(1.1)
Total operating costs	(94.0)	(98.5)

Investment theme	Net management fees		Performance fees		Net management fee margin	
	FY2023 £m	FY2022 £m	FY2023 £m	FY2022 £m	FY2023 £m	FY2022 £m
External debt	32.5	46.7	–	2.0	31	35
Local currency	43.0	54.9	3.3	0.8	28	27
Corporate debt	16.2	26.0	–	–	30	37
Blended debt	46.8	69.3	1.1	1.3	44	46
Fixed income	138.5	196.9	4.4	4.1	33	35
Equities	29.5	33.1	–	0.4	58	58
Alternatives	15.2	13.5	0.7	–	144	138
Total	183.2	243.5	5.1	4.5	38	39

BUSINESS REVIEW (CONTINUED)

Staff costs increased by 13% to £31.4 million, of which nearly half was due to the lower average GBP:US\$ rate. There was also the impact of wage inflation in certain locations and a 1% higher average headcount. The underlying increase in staff costs was primarily in the first half of the year, with costs in the second half being broadly flat on the first half.

Other operating costs, excluding consolidated fund expenses and depreciation and amortisation, increased by 13% to £23.3 million. FX movements account for approximately half of the increase and the remainder was due to the full year impact of returning towards more normal levels of business travel and office occupancy.

Ashmore accrued charitable donations of £0.5 million (FY2022: £0.6 million), equivalent to 0.5% of profit before tax.

Variable compensation has been accrued at 25% of EBVCIT, resulting in a charge of £34.8 million. The higher proportion of profits reflects the point in the cycle, where Ashmore is delivering investment outperformance for clients as markets recover, but the financial performance lags with the impact of lower average AuM levels. In absolute terms, the charge is 24% lower than in the prior year (FY2022: £45.6 million) and consistent with the fall in adjusted net revenue.

The combined depreciation and amortisation charges for the period of £3.2 million were similar to the prior year.

Adjusted EBITDA

The impact of the lower revenue base, partially mitigated by lower operating costs, means that adjusted EBITDA declined by 35% from £164.3 million to £106.2 million. This delivered an adjusted EBITDA margin of 54% for the year (FY2022: 64%).

Finance income

Net finance income of £33.9 million (FY2022: £2.1 million finance expense) includes gains relating to seed capital investments, which are described in more detail below. Excluding such items, net interest income for the period of £15.9 million increased compared with the prior year (FY2022: £1.6 million) due to the benefit of higher market interest rates on the Group's cash deposits.

Seed capital

The following table summarises the principal IFRS items in the accounts to assist in understanding the financial impact of the Group's seed capital programme on profits. The seed capital investments generated realised gains of £2.4 million and an unrealised mark-to-market loss of £10.7 million, to give an aggregate loss of £8.3 million for the year (FY2022: £49.9 million loss). This comprises a £15.3 million loss in respect of consolidated funds (FY2022: £40.5 million loss) and a £7.0 million gain in respect of unconsolidated funds (FY2022: £9.4 million loss).

Impact of seed capital investments on profits

	FY2023 £m	FY2022 £m
Consolidated funds (note 20):		
Fair value losses on investment securities	(44.3)	(61.3)
Change in third-party interests in consolidated funds	19.3	16.5
Operating costs	(1.3)	(1.4)
Investment income	11.0	5.7
Sub-total: consolidated funds	(15.3)	(40.5)
Unconsolidated funds (note 8):		
Market return	5.7	(10.6)
FX	1.3	1.2
Sub-total: unconsolidated funds	7.0	(9.4)
Total seed capital gains/(losses)	(8.3)	(49.9)
– realised	2.4	0.1
– unrealised	(10.7)	(50.0)

Profit before tax

Statutory profit before tax was 6% lower at £111.8 million (FY2022: £118.4 million) as a consequence of the decline in adjusted EBITDA mitigated by lower losses on seed capital investments and the benefit of higher interest rates on finance income.

Taxation

The effective tax rate of 22.6% (FY2022: 22.4%) is slightly higher than the blended UK corporation tax rate of 20.5% for the year (FY2022: 19.0%) due to the geographic mix of the Group's profits in the period, the valuation of deferred tax assets relating to share-based remuneration and the impact of seed capital gains and losses. Note 12 to the financial statements provides a full reconciliation of this difference compared with the UK corporation tax rate.

The Group's current effective tax rate, based on its geographic mix of profits and prevailing tax rates, is approximately 19% to 20%.

Earnings per share

Basic EPS for the period fell by 7% to 12.4 pence (FY2022: 13.4 pence) and diluted EPS declined by 4% from 12.6 pence to 12.2 pence.

On an adjusted basis, excluding the effects of FX translation, seed capital-related items and relevant tax, diluted EPS was 32% lower at 12.7 pence (FY2022: 18.7 pence).

Balance sheet

Ashmore's consistent approach is to maintain a strong and liquid balance sheet over market cycles, enabling it to support the commercial demands of current and prospective investors, and to take advantage of strategic development opportunities.

As at 30 June 2023, total equity attributable to shareholders of the parent was £898.8 million (30 June 2022: £945.0 million). The Group has no debt.

The level of capital required to support the Group's activities, including its regulatory requirements, is £80.6 million. As at 30 June 2023, the Group had total capital resources of £704.8 million, equivalent to 99 pence per share, and therefore representing an excess of £624.2 million over the Board's level of required capital.

Cash

Ashmore's business model delivers a high conversion rate of operating profits to cash. Based on operating profit of £77.4 million for the period (FY2022: £119.2 million), the Group generated £111.6 million of cash from operations (FY2022: £182.1 million). The operating cash flows after excluding consolidated funds represent 105% of adjusted EBITDA (FY2022: 113%).

Cash and cash equivalents by currency

	30 June 2023 £m	30 June 2022 £m
Sterling	374.0	273.1
US dollar	71.1	247.9
Other	33.5	31.0
Total	478.6	552.0

Excluding cash held in consolidated funds, the Group's cash and cash equivalents reduced by £73.7 million to £468.3 million (30 June 2022: £542.0 million), principally due to new seed capital investments. There was an increase in the proportion of cash held in Sterling following the sale of US dollars for Sterling at attractive levels in the first half of the year.

Seed capital investments

The Group's seed capital programme has delivered growth in third-party AuM with approximately US\$6 billion of AuM in funds that have been seeded, representing 11% of total Group AuM.

During the year, the Group made new investments of £63.9 million and profitably realised £24.6 million from previous investments. The unrealised mark-to-market loss on the portfolio was £19.8 million, meaning that the market value of the Group's seed capital investments increased to £291.5 million (30 June 2022: £272.0 million).

Subscriptions in the period were focused on developing new funds in the external debt, local currency and equities themes, including providing access to the Group's local asset management capabilities.

The ability to redeem seed capital was facilitated by successful realisations by funds in the alternatives theme, particularly in respect of infrastructure-related investments in Latin America, and matching client flows into equity funds managed locally in Saudi Arabia.

The mark-to-market reduction in value was due to changes in asset valuations in alternatives funds, predominantly in the first half of the year, with positive returns delivered by funds in the fixed income and equities themes.

The diversified mix of seed capital investments means that the underlying fund portfolios, some of which are consolidated under IFRS 10, have exposure to a range of Emerging Markets asset classes, including sovereign and corporate fixed income, listed equities, private equity, real estate and infrastructure, and a wide array of industries including education, energy, financials, healthcare, industrials, basic materials, transport and utilities.

Ashmore has integrated the consideration of ESG factors into its investment processes, which therefore means the Group's seed capital investments are in funds that are scored in accordance with Ashmore's proprietary ESG methodology and may contribute to Ashmore's involvement in industry initiatives such as Climate Action 100+, NZAMI and UN PRI.

Seed capital market value by currency

	30 June 2023 £m	30 June 2022 £m
US dollar	240.1	222.4
Colombian peso	19.7	19.0
Other	31.7	30.6
Total market value	291.5	272.0

As at 30 June 2023, two-thirds of the Group's seed capital is held in funds with at least monthly dealing frequency, such as SICAV or US 40-Act mutual funds. Ashmore has also made seed capital commitments to funds of £8.9 million that were undrawn at the period end, giving a total value for the Group's seed capital programme of approximately £300 million.

Goodwill and intangible assets

At 30 June 2023, goodwill and intangible assets on the Group's balance sheet totalled £86.9 million (30 June 2022: £90.9 million). The movement in the period is primarily the result of an FX revaluation loss in reserves of £3.9 million (FY2022: £10.5 million gain).

Shares held by the EBT

The EBT purchased £15.6 million of ordinary shares during the period in anticipation of the vesting of employee share awards. Consequently, at 30 June 2023, the EBT owned 50,834,683 ordinary shares (30 June 2022: 55,512,301 ordinary shares), representing 7.1% of the Group's issued share capital (30 June 2022: 7.8%).

Foreign exchange

The majority of the Group's fee income is received in US dollars and it is the Group's policy to hedge up to two-thirds of the notional value of budgeted foreign currency-denominated net management fees. Foreign currency assets and liabilities, including cash, are marked to market at the period end exchange rate with movements reported in either revenues or OCI.

Movements in the GBP:US\$ and other exchange rates over the period increased net management fees by 7%, increased operating costs by 3%, and resulted in a translation gain in net revenue of £1.0 million on the Group's foreign currency assets and liabilities and a £1.3 million mark-to-market gain on the Group's seed capital investments.

Included in OCI is an unrealised FX translation loss on non-Sterling assets and liabilities of £26.2 million (FY2022: £80.2 million gain), which, in addition to the goodwill movement described above, mainly comprises £11.5 million on the value of seed capital investments and £7.6 million on the Group's cash balances.

Dividend

The Board's policy is to pay a progressive ordinary dividend over time, taking into consideration factors such as the prospects for the Group's earnings, demands on the Group's financial resources, and the markets in which the Group operates.

The Board recognises the importance of the ordinary dividend to shareholders and, taking into consideration the profit for the year, the substantial cash flows delivered, the strength of the balance sheet, the positive near-term outlook as described in the CEO review and the substantial medium-term growth opportunities available to Ashmore, it has recommended a final dividend of 12.1 pence per share.

If approved by shareholders, the dividend will be paid on 8 December 2023 to all shareholders on the register on 3 November 2023.

Tom Shippey

Group Finance Director

5 September 2023

Embedded risk management culture

Ashmore recognises that its strategy and business model have inherent risks, with the potential for harm to the firm, its clients and the markets in which it operates. Therefore, the Group identifies, evaluates and manages principal and emerging risks through an established and effective internal control framework supported by an embedded risk management culture.

The Group's three-phase strategy is designed to create value for shareholders over cycles by capitalising on the powerful economic, political and social convergence trends across Emerging Markets.

[Read about Ashmore's strategy on pages 14-15](#)

The Group executes its strategy using a distinctive business model, and identifies, evaluates and manages the emerging and principal risks inherent in this business model.

[Read about Ashmore's business model on pages 8-9](#)

The Board has ultimate responsibility for the Group's strategy. It formally reviews the strategy at least annually and receives updates at each Board meeting.

[Read Ashmore's governance report on pages 64-71](#)

The Board is responsible for risk management, although it has delegated authority to carry out day-to-day functions to Executive Directors and specialised committees, such as the RCC.

[Read about Ashmore's principal risks on pages 40-41](#)

Overview of Ashmore's risk management and internal control systems

In accordance with the Code, the Board is ultimately responsible for the Group's risk management and internal control systems and for reviewing their effectiveness. Such systems and their review are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

Within the Group's over-arching corporate governance framework, through which the Board aims to maintain full and effective control over appropriate strategic, financial, operational and compliance issues, an internal control framework has been established, against which the Group is able to assess the effectiveness of its risk management and internal control systems.

The Group's system of internal control is integrated into the Group's strategy and business model and embedded within its routine business processes and operations, and a strong control culture includes clear management responsibility and accountability for individual controls.

The internal control framework provides a process for identifying, evaluating and managing the Group's emerging risks and principal risks, and has been in place for the year under review and up to the date of approval of the Annual Report and Accounts. The process is regularly reviewed by the Group's Audit and Risk Committee and accords with the Guidance.

The Executive Directors oversee the key risks and controls and the risk management process on a day-to-day basis, and there is an organisational structure with clearly defined lines of responsibility and delegation of authority.

There are established policies and procedures to enable the Audit and Risk Committee and ultimately the Board, through its regular meetings, to monitor the effectiveness of the risk management and internal control systems. These systems cover all identified internal and external strategic, operational, financial, compliance and other relevant risks, including the Group's ability to comply with applicable laws, regulations and clients' requirements.

The main features of the Group's risk management and internal control systems are described below, covering the Group's key policies, specialised committees, business processes, and verification and confirmation activities.

RISK MANAGEMENT (CONTINUED)

1. Policies

The Board seeks to maintain a strong corporate culture, employing high standards of integrity and fair dealing in the conduct of the Group's activities, compliance with both the letter and the spirit of relevant laws and regulations, and standards of good market practice across Ashmore's activities.

Ashmore's compliance approach underpins these objectives, setting out principles to guide employees, officers and Directors when conducting a wide range of business practices to act with integrity. The Compliance Manual provides employees with relevant information concerning the Group's regulatory environment, to enable all employees to carry out their responsibilities in accordance with applicable laws and regulations and client guidelines.

To support its risk management and internal control framework, Ashmore has a number of policy documents, effective at the Group and/or local business levels, with which all relevant employees are expected to comply. These policies serve as controls and/or mitigants in relation to principal and emerging risks, and include:

- Anti-bribery and corruption
- Anti-money laundering
- Conflicts of interest
- Contact with regulators
- Data protection
- ESG
- Information security
- Media
- Valuation and pricing
- Whistleblowing

Additionally, the Board and its committees are responsible for a number of policies covering the topics below:

- Seed capital
- Dividend
- Market abuse
- Diversity, equality and inclusion
- Tax
- Corporate FX and liquidity risk management
- Directors' remuneration
- Non-audit services

2. Committees

The Board has overall responsibility for risk management, but it has delegated authority to carry out day-to-day functions to the Executive Directors and specialised committees, of which the main ones are described below.

The *Investment Committees* and their sub-committees meet weekly, monthly or quarterly depending on investment theme, and ensure that clients' funds are managed in accordance with the agreed investment strategy and policies.

The *ESG Committee* has oversight of Ashmore's responsible investing framework and focuses on the appropriate implementation of all elements of this framework across Ashmore's corporate strategy and investment management activity. This committee is also relevant to operational and governance activities.

The *Pricing Oversight Committee* supervises the effectiveness of pricing policies for all investments held in Ashmore sponsored funds where a reliable pricing source is available. This includes the responsibility to ensure that appointed third-party pricing agents carry out the agreed pricing policy faithfully and manage the pricing sources appropriately.

The *Best Execution Committee* reviews the effectiveness of trading practices across asset classes and has oversight of the regular compliance testing of trade execution.

The *Research Oversight Committee* addresses governance, oversight and review of third-party research procured by Ashmore.

The *Pricing Methodology and Valuation Committee* has oversight of the valuation methodologies used for fund investments that cannot be readily priced using external sources.

The *RCC* is responsible for internal control and for assessing the impact of Ashmore's activities on the firm's regulatory and operational exposures.

The *Operating Committee* reviews the Group's financial and operating performance to focus on delivery of the Group's key strategic objectives and implementation.

The *Foreign Exchange and Liquidity Management Committee* is responsible for the oversight and management of the Group's foreign currency cash flows and balance sheet exposures, including the appropriate level of hedging, and ensures the Group meets its liquidity requirements.

The *IT Steering Group* ensures that the Group's IT strategy is aligned with its strategy and objectives, and has responsibility for implementing, managing and supporting the Group's IT systems and projects.

The *Product Committee* has responsibility for product governance including the launch, amendment, periodic review and closure of funds, and also including TCF and implementation of the FCA's Consumer Duty principle.

The *GIPS Committee* acts as the Group's primary decision-making body in relation to any changes to the existing set of investment performance composites, and approving the creation of new composites.

The *Awards Committee* has delegated authorities from the Board's Remuneration Committee to oversee certain remuneration matters, including employee remuneration and contracts of employment.

The *Disclosure Committee* is responsible for considering the assessment of confidential information, determining whether it constitutes inside information, and taking appropriate action in accordance with prevailing market regulations.

3. Processes

Underpinning the policies and committees, the following business processes are components of Ashmore's risk management and internal control framework.

Risk management and compliance

The Risk Management and Control function maintains a matrix of principal and emerging risks, comprising key strategic and business, client, treasury, investment and operational risks, and considers the likelihood of those risks crystallising and the resultant impact. Senior management and the employees responsible for the risks and associated controls/mitigants review the matrix quarterly. Ashmore identifies the inherent risk within each business activity, and assesses the adequacy and mitigating effect of existing processes to determine a current residual risk level for each activity. On the basis that the Group may employ further mitigants and/or controls over time, it defines a target residual risk for each activity and tracks progress to target as appropriate.

The Audit and Risk Committee and/or the Board receive regular compliance, risk and internal audit reports, while the Board receives regular financial and other management information related to the control of expenditure against budget and the making of investments, and for monitoring the Group's business and its performance.

The RCC analyses KRI statistics on a monthly basis. The KRIs indicate trends in the Group's risk profile, assist in the reduction of errors and potential financial losses, and facilitate dealing with a potential risk situation before an event occurs.

The Compliance function's responsibilities and processes include ensuring that the Group meets its regulatory obligations; integrating regulatory compliance procedures and best practices within the Group, including a compliance monitoring programme that covers all relevant areas of the Group's operations and the results of which are reported to the RCC; identifying any breach of compliance with applicable regulations; and real-time monitoring of client mandate investment restrictions.

Operational and governance

Ashmore has a defined operational framework and organisational structure with appropriate delegation of authority and segregation of duties and accountability, that have regard to acceptable levels of risk.

The Risk Appetite Statement describes the types and levels of risk that the Group is prepared to take in pursuit of its strategic objectives. The Board reviews the RAS in line with Ashmore's strategy, business model, financial capacity, business opportunities, regulatory constraints and other internal and external factors and, through the ARC, regularly reviews risk metrics reported against the RAS.

The Group's planning framework includes a Board approved strategy. The Board reviews and challenges the strategy annually, and it receives updates on progress against strategic objectives at each scheduled Board meeting.

Ashmore is subject to the FCA's Senior Managers and Certification Regime, which requires allocation of specific responsibilities to individuals and the

recording of this through a management responsibilities map and individual job descriptions.

Financial controls are in place to ensure accurate accounting for transactions, appropriate authorisation limits to contain exposures, and reliability of data processing and integrity of information generated.

The Group's Finance function, managed by appropriately qualified accountants, is responsible for the preparation of the financial statements. Executive Directors and other parties review the statements, and the process includes challenge by the Audit and Risk Committee and the Board. The Finance function works in conjunction with the Group's auditors and other external advisers to ensure compliance with applicable accounting and reporting standards, prevailing regulations and industry best practice.

The Board reviews and approves a detailed and comprehensive annual budget.

Board members receive monthly management information including accounts and other relevant reports, which highlight financial and operational performance against budget/forecast and the prior year period.

Ashmore has procedures and thresholds governing the appraisal and approval of corporate investments, including seeding of funds and purchase of own shares, with detailed investment and divestment approval procedures, incorporating appropriate levels of authority and regular post-investment reviews.

4. Verification

The following activities are intended to provide the Board with independent verification of the effectiveness of the Group's risk management and internal control systems.

Internal Audit is responsible for reviewing the Group's assurance map and providing an independent assessment of assurance to the Audit and Risk Committee on an annual basis. The assurance map documents the interaction of the first, second and third lines of defence with regard to the controls and mitigants relating to the Group's principal risks.

The Internal Audit function undertakes a programme of reviews of systems, processes and procedures as agreed with the Audit and Risk Committee, reporting the results, together with its advice and recommendations, to the Audit and Risk Committee.

The external auditor expresses an opinion on the annual financial statements and reviews the condensed set of financial statements in the half-yearly financial report, and also reviews management's approach to reporting operating results and financial resources.

The Group's external auditor independently reviews the control systems pursuant to ISAE 3402 annually.

The Board, through the Audit and Risk Committee, receives half-yearly updates from the Group's external auditor, which include any control matters that have come to the auditor's attention.

5. Confirmation

The Board has conducted an annual review and assessment of the effectiveness of the Group's risk management and internal control systems, and has not identified any significant failings or weaknesses during this review.

In conducting this review, the Board and/or Audit and Risk Committee have considered periodic reports on compliance and risk matters, including reports provided by the Internal Audit function, and the annual report on risk management and internal control processes from the Group's RCC.

The Board and/or Audit and Risk Committee received these reports throughout the year and up to the latest practicable date prior to the approval of the Annual Report and Accounts. The Board is satisfied that appropriate planned actions continue to be effective in improving controls as the Group develops, and its overall assessment of the control framework continues to be satisfactory.

Principal and emerging risks, controls and mitigants

The table on pages 40 and 41 summarises those principal risks that the Group has assessed as being most significant currently, together with examples of associated controls and mitigants. Reputational and conduct risks are common to most aspects of Ashmore's strategy and business model.

Ashmore's internal control framework considers the assessment and management of emerging risks alongside its principal risks, current examples of which are:

- the impact of inflation;
- geopolitical and sanctions risks; and
- ESG risks including regulatory and industry focus on potential greenwashing, legal uncertainty and litigation risks arising from the industry's differing interpretation of ESG regulation, and the impact of ESG factors on investors' decisions to invest in Emerging Markets.

Three lines of defence

The Group has three lines of defence against unintended outcomes arising from the risks it faces.

1st

First: Risk ownership

This rests with line managers, whether they are in portfolio management, distribution or support functions. The senior management team takes the lead role with respect to implementing and maintaining appropriate controls across the business.

2nd

Second: Risk control

This is provided by the Risk Management and Control department, including the Group's Principal Risk Matrix, and Group Compliance, including the compliance monitoring programme.

3rd

Third: Independent assurance

Group Internal Audit is the third line of defence and provides independent assurance over agreed risk management, internal control and governance processes as well as recommendations to improve the effectiveness of these processes.

Longer-term viability statement

In accordance with Provision 31 of the Code, the Directors have assessed the current position and prospects of the Group over a three-year period to June 2026, which is consistent with the planning and stress testing timeframe used under the ICARA regime.

The Directors have made a robust assessment of the principal and emerging risks implicit in the business model, alongside the associated controls and mitigants, as presented in more detail on pages 35 to 41. The Board regularly reviews the Group's strategy and prospects, and management presents qualitative and quantitative assessments of the principal risks to the Audit and Risk Committee quarterly. Regular management reporting to the Board against each risk allows the Directors to assess the effectiveness of the

controls in place. The Board reviews regularly the Group's Risk Appetite Statement.

The Board reviews regular information in respect of the prospects and financial planning of the Group, which includes a three-year detailed financial forecast alongside severe but plausible scenario-based downside stress testing. The stress tests include the impact of investment underperformance, failure to comply with regulations, breach of client mandate guidelines or restrictions, a substantial decline of up to half the Group's AuM and ineffective third-party services. Consequently, the Board regularly assesses the amount of capital that the Group is required to hold to cover its principal risks, including the amounts required under a range of severe stress test scenarios.

The Group delivers a high level of profitability together with healthy cash flows, has a strong balance sheet and has a robust liquidity position, meaning that it is able to withstand the financial impact of the range of stress testing scenarios. Consequently, the Directors have a reasonable expectation that the Group will be able to continue in operation, meet its liabilities as they fall due and maintain sufficient regulatory capital over the next three years.

RISK MANAGEMENT (CONTINUED)

Principal risks and associated controls and mitigants

Description of principal risks

Examples of associated controls and mitigants

Strategic and business risks (Responsibility: Board of Directors)

Long-term downturn in Emerging Markets fundamentals/technical/sentiment, and impact of broader industry changes (including ESG) on Ashmore's strategy and business model

- Group strategy is reviewed and approved by a board with relevant industry experience
- Diversification of investment capabilities and products
- Ashmore has a strong balance sheet with no debt
- ESG and specialised committees meet regularly
- The Board reviews diversity data on a semi-annual basis

Market capacity issues and increased competition constrain growth

- Experienced Emerging Markets investment professionals with deep market knowledge
- Periodic investment theme capacity reviews
- Emerging Markets asset classes continue to grow, increasing the size of Ashmore's investable universe

Failure to understand and plan for the potential impact of investor sentiment, climate change and sustainability regulations on product preferences and underlying asset prices (including effects of transition to a low-carbon economy)

- Oversight by ESGC, which covers corporate and investment activities, and scoring of all issuers for E, S and G factors
- Head of Responsible Investment and ESG Policy provides updates to the Board
- NZAMI membership and participation in industry working groups to prepare for net zero commitments

Client risks (Responsibility: Product Committee and RCC)

Inappropriate marketing or ESG strategy and/or ineffective management of existing and potential fund investors and distributors, including impact of net outflows and fee margin pressure

- Regular Product Committee meetings review product suitability and appropriateness
- Experienced distribution team with appropriate geographic coverage
- Investor education to ensure understanding of Ashmore investment themes and products
- ESGC includes distribution team members

Inadequate client oversight including alignment of interests

- Global distribution team appropriately structured for institutional and intermediary retail clients
- Monitoring of client-related issues including a formal complaints handling process
- Compliance and legal oversight to ensure clear and fair terms of business and disclosures, and appropriate client communications and financial promotions

Treasury risks (Responsibility: CEO and GFD)

Inaccurate financial projections and hedging of future cash flows and balance sheet

- Defined risk appetite, and risk appetite measures updated quarterly
- Group FX hedging policy and FX and Liquidity Management Committee

Investment risks (Responsibility: Group ICs)

Downturn in long-term performance

- Consistent investment philosophy over nearly 30 years and numerous market cycles, with dedicated Emerging Markets focus including country visits and network of local offices

Description of principal risks

Examples of associated controls and mitigants

Operational risks (Responsibility: RCC)	
Inadequate security of information including cyber security and data protection	<ul style="list-style-type: none"> – Information security and data protection policies, subject to annual review including cyber security review – Cyber Security Working Group meets quarterly – Employees receive online training
Failure of IT infrastructure, including inability to support business growth	<ul style="list-style-type: none"> – Appropriate IT policies with annual review cycle – IT systems and environmental monitoring – Group IT platform incorporates local offices
Legal action, fraud or breach of contract perpetrated against the Group, its funds or investments	<ul style="list-style-type: none"> – Independent Internal Audit function that considers risk of fraud in each audit – Anti-money laundering and anti-bribery and corruption policies, also required for service providers – Whistleblowing policy including independent reporting line and Board sponsor – Due diligence on all new, and regular reviews of existing, service providers – Insurance policies in place with appropriate cover
Insufficient resources, including loss of key employees, inability to attract employees, and impact of remote working, which hampers growth or the Group's ability to execute its strategy	<ul style="list-style-type: none"> – Committee-based investment management reduces key man risk – Appropriate Remuneration policy with emphasis on performance-related pay and long-dated deferral of equity awards – Regular reviews of resource requirements and updates provided to the Board – Annual review of remuneration and benefits including benchmarking against industry – Annual Culture and Conduct report to the Board
Lack of understanding and compliance with global and local regulatory requirements, as well as conflicts of interest and not treating customers fairly, and financial crime, which includes money laundering, bribery and corruption, leading to high level publicity or regulatory sanction	<ul style="list-style-type: none"> – Regulatory Development Steering Group and compliance monitoring programme, which covers financial crime risks such as money laundering and bribery – Compliance policies covering global and local offices, for example global conflicts of interest and inducements policies – Anti-money laundering and anti-bribery and corruption policies – Conduct risk and organisational culture indicators are considered on a monthly basis by the RCC and on a semi-annual basis by the Board – ESGC has oversight of regulatory and reporting requirements – Compliance function manages sanctions restrictions
Inadequate oversight of Ashmore overseas offices	<ul style="list-style-type: none"> – GFD has oversight responsibility for overseas offices, and RCC has oversight of the operating model with annual reviews. Senior employees take local board/ advisory positions – Dual reporting lines into local management and Group department heads, with adherence to Group policies – Local risk and compliance committees held and RCC receives updates – Internal Audit reviews, and annual governance reviews reported to RCC
Inappropriate oversight of market, liquidity, credit, counterparty and operational risks	<ul style="list-style-type: none"> – Group risk management policies, reviewed regularly – Monthly reviews of market and liquidity risk – Quarterly reviews of principal risks, counterparties and credit risk

Delivering for Ashmore's stakeholders

In accordance with the Companies Act (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the Directors provide this statement describing how they have had regard to the matters set out in section 172(1) of the Act, when performing their duty to promote the success of the Company. Further details on key actions in this regard are also contained within the Corporate governance report on pages 62 to 71 and the Directors' report on pages 113 to 117.

Section 172 factor	Relevant disclosures	Page
The likely consequences of any decision in the long term	– Company purpose	1
	– Business model	8
	– Strategy	14
The interests of the Company's employees	– People & culture	46
	– Sustainability	50
	– Remuneration report	78
The need to foster relationships with clients, suppliers and others	– Business model	8
	– Business review	28
	– Sustainability	50
	– Directors' report	113
The impact of the Company's operations on communities and the environment	– Sustainability	50
	– TCFD	56
The Company's desire to maintain a reputation for high standards of business conduct	– Risk management	35
	– Sustainability	50
	– Audit and Risk Committee report	72
The need to act fairly as between members of the Company	– Stakeholder engagement	42
	– Annual General Meeting	117

Clients

Ashmore is a specialist Emerging Markets investment manager and manages US\$55.9 billion of assets as at 30 June 2023. Ashmore manages a wide range of investment strategies and products, organised under a number of broad Emerging Markets investment themes, for a diversified institutional and intermediary retail client base.

96%

AuM from institutional clients

What matters to this group?

Clients are central to Ashmore's business and a primary focus is understanding clients' needs, tailoring investment strategies to suit their objectives, and reporting on outcomes in a transparent manner.

Clients' needs can change over time and understanding and responding to these needs is central to Ashmore's success. Liability profile, applicable regulations, and additional targets and objectives in relation to climate change are just a few examples of matters that impact on clients' investment objectives. Ashmore seeks to partner with clients to guide them through these changes, and to evolve its services to meet these changing requirements. In the process, Ashmore builds long-term, collaborative, mutually beneficial client relationships based on trust.

Engagement and outcomes

Ashmore's global distribution team works closely with its dedicated portfolio managers to service clients. The distribution team engages with current and prospective clients to learn about their requirements and build lasting relationships.

Clients are provided with a comprehensive suite of reporting, which evolves to meet client needs, regulatory requirements and industry standards, for example through the extension of the availability of Carbon Reporting during the year, as well as the recently introduced reporting on engagements with issuers of equity and fixed income securities, and statistics on proxy voting. Specifically for UK retail customers, serviced through intermediaries, Ashmore has implemented the provisions of the UK Consumer Duty regulations, including assessments of costs versus expected investment outcomes for such UK retail customers. Similar fair value assessments are required by EU regulations. These assessments are now an integral part of Ashmore's product design and approval process.

Ashmore publishes details of its engagements and proxy voting activities for equity and debt portfolios in its Sustainability Report and details of its engagement with issuers of equity and fixed income securities and the outcomes in its Engagement Report, both available on the Group's website. Ashmore was also accepted as signatory to the UK Stewardship Code in February 2023.

Shareholders

The support of Ashmore's shareholders, with an appropriately long-term investment horizon, is important to enable Ashmore to fulfil its strategic growth ambitions.

c.40%

Equity owned by employees, giving strong alignment of interests

What matters to this group?

Shareholders require a clear and consistent communication of Ashmore's strategy and business model, and information on Emerging Markets to provide context for Ashmore's development.

Shareholders appreciate the strong alignment of interests with employees, achieved through long-term equity ownership.

Ashmore's growth strategy and resilient business model underpin the delivery of long-term value to shareholders over market cycles.

Engagement and outcomes

Ashmore seeks to build direct relationships with shareholders and potential investors through a comprehensive investor relations plan with a focus on managing roadshows and other interactions in-house.

The Executive Directors meet regularly with investors and the Board focuses on accountability and constructive shareholder engagement opportunities, including being responsive to shareholder requests for engagement.

Ashmore's Executive Directors and senior management held more than 135 virtual and physical meetings during the year, and the Chair of the Board held a number of meetings with significant institutional shareholders to discuss their governance views and other considerations.

Ashmore organised a comprehensive governance roadshow for the Chair of the Remuneration Committee, covering c.75% of the institutional shareholder register and the main proxy advisers, which enabled the Chair to discuss proposed changes to the Directors' Remuneration policy and other matters ahead of the triennial policy vote at the 2023 AGM.

Employees

Ashmore's experienced, diverse and dedicated employees are central to the firm's culture and underpin its successful business model.

316

Employees across 11 offices

What matters to this group?

Ashmore's employees are a critical asset and central to delivering long-term value for clients and shareholders. Employees' strong work ethic, commitment and expertise are key factors enabling Ashmore to meet the needs of other stakeholders.

Ashmore's diverse group of employees seek opportunities for career development and training, and to be suitably motivated and rewarded with competitive pay and benefits. Employees come from a wide range of cultures and 37 nationalities. Embracing diversity and inclusion in attracting, retaining and developing employees is central to Ashmore's culture.

Engagement and outcomes

Ashmore engages with its employees in a variety of ways. The Board receives a Culture and Conduct dashboard, which gives the Directors clear metrics across a range of employee related topics, together with a Human Resources update at each scheduled meeting. The Board continues to meet employees face-to-face through its regular 'meet the teams' sessions, chaired by Ashmore's Non-executive Director responsible for workforce engagement, who gathers feedback and encourages the

sharing of views. During the year, the Remuneration Committee reviewed the benefits offered to employees and enhancements were made to encourage and support employee development and further education, family friendly benefits and employee retention over the longer term.

Ashmore is focused on offering opportunities at all different career stages, such as through the addition of further family-friendly benefits for maternity and paternity care and a menstrual and menopause policy during the year. For early careers, Ashmore took part in the 10,000 Black Interns programme for the first time in 2023 and the successful graduate programme continues. Employees receive regular newsletters on business developments and opportunities, as well as briefing sessions on business strategy and results. Ashmore's employees take part in off-site team building exercises, including a summer social at which London-based employees were joined by representatives from other Ashmore offices, as well as charity events and fundraising events focused on supporting The Ashmore Foundation.

Society

Ashmore engages with its corporate and sovereign issuers to understand the issues relevant to them and the society in which they operate. The Ashmore Foundation focuses on partnering with non-profit organisations to promote positive social, environmental and economic change in communities in which the Group operates, and to offset the Group's GHG emissions.

What matters to this group?

Ashmore invests across Emerging Markets, and consequently, there is a wide variety of sustainability concerns relevant to issuers. Ashmore uses its ESG scorecard to identify which considerations are material to each issuer and engages with the issuers on these where relevant.

The Ashmore Foundation engages with stakeholders to make a positive and sustainable difference to social and economic issues affecting women, young people and disadvantaged communities in Emerging Markets. Underpinning the work of the Foundation is a focus on environmental sustainability and partnering with stakeholders to create long-term impact, build gender equity and encourage systemic change.

Engagement and outcomes

Ashmore is a public signatory to several related industry initiatives and forms part of a growing universe of responsible investment-minded investors. Over FY2023, the majority of the engagement

activities with issuers focused on climate change such as asking for increased disclosure of GHG emissions and efforts to understand the issuers' approach to climate action.

The Ashmore Foundation made over US\$350,000 of grants focused on promoting social and economic opportunities for women and young people, as well as donations to support organisations delivering emergency relief services for the humanitarian crisis in Turkey.

The Group offset its FY2022 CO₂e through The Ashmore Foundation's partnership with Plant Your Future in the Peruvian Amazon, which delivers positive environmental outcomes while simultaneously realising societal and economic benefits for communities.

Regulators

Regulatory oversight of Ashmore's investment management operations and funds and adherence to global regulatory standards is a critical part of Ashmore's governance framework.

21

Regulators overseeing Ashmore's activities

What matters to this group?

As a global business, Ashmore works to establish positive, collaborative relationships with regulators in the jurisdictions in which it operates. A constructive and engaging regulatory relationship enables Ashmore to meet the growing regulatory requirements around the world, ensuring it adheres to the rules and standards within each jurisdiction to protect clients and shareholders, as well as providing insight into future regulatory requirements where appropriate.

Ashmore manages its business to comply with relevant international and local requirements and to be able to meet the needs of its clients and shareholders.

Engagement and outcomes

Regulatory engagement and understanding, including assessing how changes will impact Ashmore and its clients, are regularly considered by the Board and its committees, and Ashmore's senior management and compliance teams hold meetings with regulators to foster strong working relationships and discuss particular projects or regulatory requirements.

Throughout the year engagement with the FCA was focused on monitoring regulatory developments and implementation of the UK Consumer Duty which is relevant to Ashmore's UK retail client base. Engagement with other regulators including in the United States and EU, centred primarily around standard financial regulatory reporting, investor protection, governance, culture and sustainability risk and greenwashing and the oversight of third parties. Ashmore also completed regulatory questionnaires on topics such as the FCA Practitioner Questionnaire and the FCA Financial Resilience Survey, and provided opinions to help inform regulatory views, as well as keeping itself apprised of the Wholesale Data Market Study and other relevant matters.

Third-party service providers

Ashmore's operating platform relies in part on high-quality service providers.

300+

Suppliers

What matters to this group?

Ashmore recognises the importance of the services it provides to its clients and has made investments over many years in systems, people and processes to ensure operational resilience, utilising a global network of external suppliers to supplement its own infrastructure and expertise.

Ashmore is committed to regularly reviewing its operational resilience and making the necessary adjustments.

Engagement and outcomes

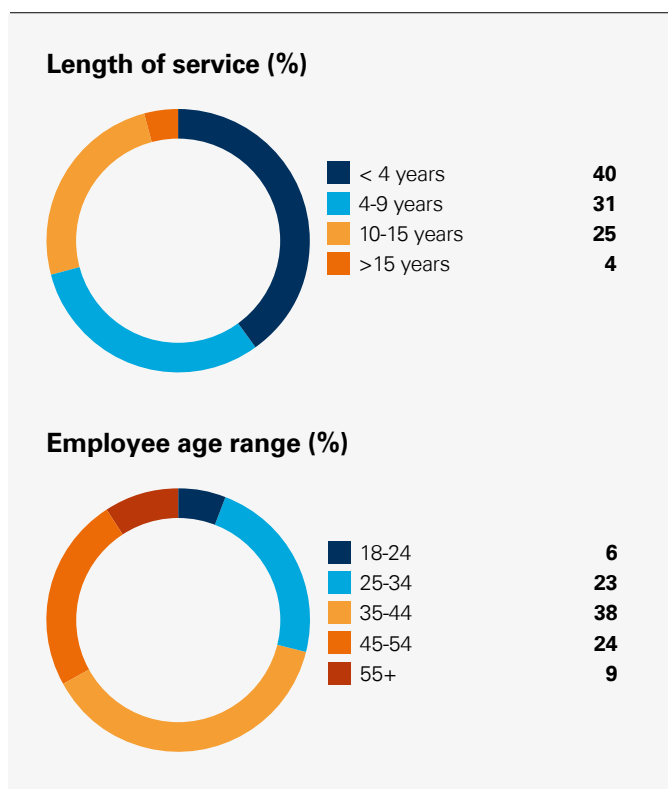
Ashmore performs an annual business impact analysis exercise, aligned to the FCA's requirement for operational resilience.

As part of this exercise, Ashmore identifies its important business services and maps out the processes that enable those services to function. It then determines how much disruption those important business services could tolerate and tests their ability to endure that disruption to set their impact tolerances. The resultant self-assessment document is then subject to review and approval by the Board. The most recent self-assessment was approved in May 2023.

Ashmore also undertakes regular BCP testing and has developed documentation to assist in incident response. Ashmore is committed to the fair treatment of its suppliers who are viewed as key stakeholders. The Board approved the Group's Modern Slavery Statement as well as the Supplier Code of Conduct.

Distinctive team-based culture

Ashmore's team-based culture is evident across the firm and instilled and maintained by factors such as the Group's performance-based remuneration philosophy with an emphasis on long-term equity ownership, a robust compliance and risk management framework, and a clear 'tone from the top' imparted by the Board of Directors and senior management.



Defining and maintaining culture

Culture is ultimately a reflection of common beliefs and behaviours, and therefore is of utmost importance in a firm whose employees are one of its key assets. Ashmore's culture is appropriate for a specialist asset management firm operating in distinctive markets with significant long-term growth potential. Importantly, the culture aligns the interests of employees, clients, shareholders and other stakeholders over the longer term; it supports and reinforces the principal features of the business model; and it underpins the achievement of the Group's strategic objectives.

Ashmore's culture has persisted through many market cycles and significant growth in the firm's operations, including the establishment of global operating hubs and distribution offices in New York, Dublin, Singapore and Tokyo, and also the development of local asset management operations in Colombia, Peru, Saudi Arabia, the United Arab Emirates, India and Indonesia.

Importantly, while the local asset management businesses operate independently in terms of investment decisions, they share a common team-based culture with the Group's global operations. The same remuneration philosophy is followed by the local offices.

Efficient, team-based operations

Ashmore's management structure is efficient, with a relatively flat hierarchy that minimises bureaucracy and supports effective decision making with clear accountability.

The Group's ICs oversee the management of client portfolios by investment teams, which operate with collective responsibility. There is a 'no star' fund manager culture, with no individual responsible for a discrete fund, which instils appropriate behaviour with committee oversight.

c.40%

of Ashmore's shares are owned by current employees

The team-based approach is echoed across Ashmore's operations including distribution and support functions, and its overseas offices. This results in a collegiate, collaborative, client-focused and mutually supportive culture across the whole firm. The lack of individual profit centres or operational silos, together with a culture of shared equity ownership for all Group employees, means that Ashmore's employees have suitable incentives to collaborate in order to achieve appropriate outcomes for the business as a whole.

High standards

Ashmore's long-term strategic success is ultimately dependent on its more than 300 employees and it aims to attract, develop and retain high-calibre people.

Recognising the diverse nature of its operations across 11 countries, Ashmore's policies and procedures reflect best practice within each of these countries and the firm requires its employees to act ethically and to uphold clearly the standards expected by the Group's stakeholders including its clients, regulators, shareholders and broader society. By way of oversight, the Board receives periodic culture and conduct updates.

Long-term employee loyalty

The effectiveness of Ashmore's commitment to and ongoing investment in its employees is demonstrated by their loyalty to the firm. As a consequence of the team-based culture and performance-based and equity-focused remuneration philosophy, Ashmore enjoys relatively low levels of unplanned staff turnover (FY2023: 14.4%). This means that 60% of Ashmore's staff have been with the firm for four or more years, and approximately 30% joined the firm more than a decade ago.

Diversity, equality and inclusion

Diversity means many things to Ashmore, but the unifying thread is that the diverse characteristics of markets, clients, investment strategies and employees are all positive factors that help to underpin the Group's long-term success.

Employee diversity can be considered through many lenses, not just gender and ethnicity, but also characteristics such as experience, skills, tenure, age, disability and sexual orientation. The diverse nature of a firm can help to reduce the risks of 'groupthink' and promote an appropriate culture that supports the achievement of strategic objectives.

Ashmore's focus on Emerging Markets and its network of 11 offices with local employees mean that it is diverse from ethnicity, gender and nationality perspectives, with 69% of employees from diverse backgrounds (defined as being not white or male). More than a third (36%) of the Group's employees and 57% of the Board Directors are female. Recognising that the financial services sector has historically been a male-dominated industry, the firm is keen to promote gender diversity.

However, Ashmore is a relatively small organisation of approximately 300 employees, with a long-standing remuneration philosophy that rewards performance and engenders long-term employee loyalty. It does not have large-scale recruitment programmes. Therefore, while Ashmore has become more diverse over the past 12 months, any significant desired changes in the profile of the employee base must occur over time as succession occurs, new roles arise, and replacements are recruited based on merit and objective criteria without any quotas set.

Within this context, Ashmore seeks to ensure that candidate pools are assembled wherever possible to include candidates of different gender, ethnic and social backgrounds.

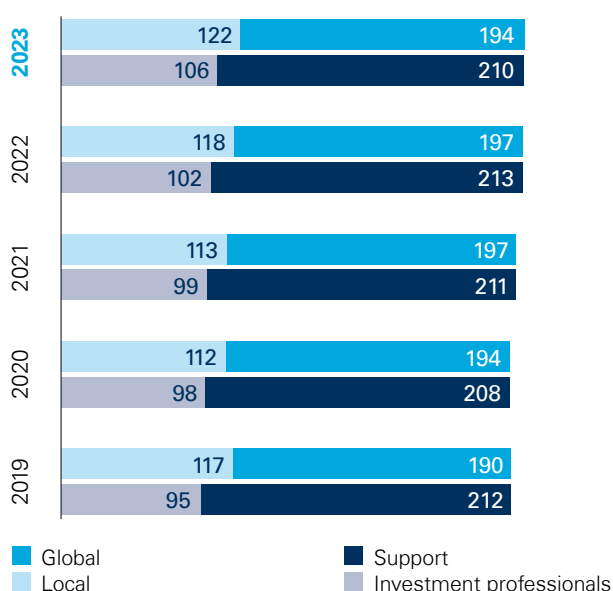
Ashmore launched its graduate recruitment programme in FY2022 and the first group of graduates joined in September 2022. The programme's focus is on front office roles and it will support the ongoing development of a diverse workforce over the longer term.

To ensure diversity characteristics are understood and, where necessary, acted upon, Ashmore maintains a comprehensive view of the profile of its employees, based on self-identified factual data. The 'diversity dashboard' is reported periodically to the Board, its Remuneration Committee and the RCC. In addition, all employees receive comprehensive annual Equality and Diversity in the Workplace training.

During the year, the Board agreed to establish a Diversity Committee, chaired by the Non-executive Director responsible for workforce engagement. The committee held its first meeting in July 2023, and will oversee Ashmore's diversity and inclusion strategies and activities.

Year end headcount

2023: 316



Nationality and ethnicity

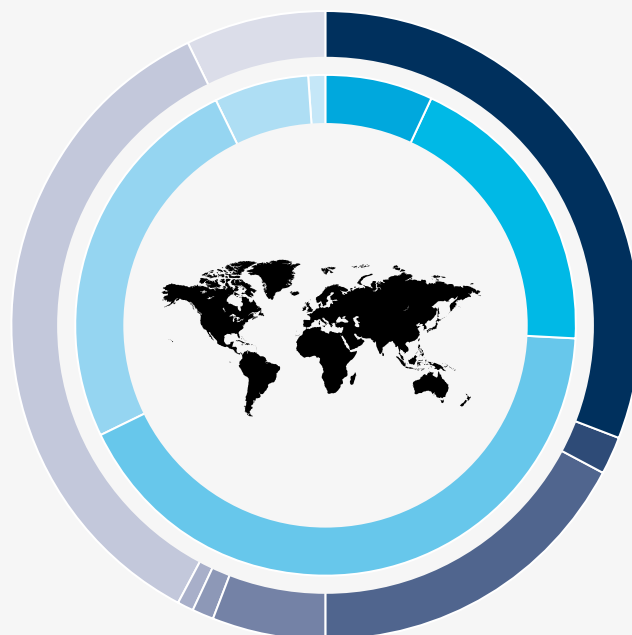
Ashmore is proud to have a diverse workforce with employees from 37 different countries.

Nationality (%)

North America	7
South America	19
Europe	42
Asia Pacific	25
Middle East	6
Africa	1

Ethnicity (%)

Asian	31
Black	2
Hispanic	17
Middle Eastern / North African	6
Mixed race	1
Other	1
White	35
No response	7



Diversity

Listing Rules disclosures

Gender identity or sex

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	3	43%	3	11	92%
Women	4	57%	1	1	8%
Not specified/prefer not to say	0	0%	0	0	0%

Ethnic background

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other white (including minority-white groups)	6	86%	4	8	67%
Mixed/multiple ethnic groups	0	0%	0	0	0%
Asian/Asian British	1	14%	0	1	8%
Black/African/Caribbean/Black British	0	0%	0	0	0%
Other ethnic group, including Arab	0	0%	0	3	25%
Not specified/prefer not to say	0	0%	0	0	0%

FTSE Women Leaders Review

The Review sets three targets to be met by the end of 2025. Ashmore has made good progress, meeting or exceeding two of the targets with 57% of the Board, including the Senior Independent Director, being female. The third, and more challenging, target is for women to represent 40% of the senior management team and Ashmore is currently at 19%.

Parker Review

Ashmore complies with the recommendations of this review. It has an ethnic minority Board member and has recently established a target for 40% of the senior management team to be from an ethnic minority background by 2027.



Mumbai International Airport, India

Critical to success

Ashmore is an Emerging Markets focused investment manager whose success is dependent on understanding sustainability in the markets in which it operates and invests.

Ashmore recognises the role it plays in the deployment of its clients' capital and the impact this can have on sustainability of the environment and broader society. As such, the Group aims to integrate responsible investing across its operations, coordinated by the Head of Responsible Investment and ESG Policy. Board accountability is ensured through the Group's specialised ESGC, which has overall responsibility for Ashmore's sustainability and responsible investing framework across its operational and investment activities.

Ashmore's responsibility further extends to all its stakeholders and includes managing its operations in ways that effectively ensure the health and wellbeing of its employees. The Group's distinctive culture means that Ashmore ensures that its employees are able to work in an environment that enables personal and professional development.

Understanding and achieving sustainability can take many forms, but arguably some of the greatest impact and change can be achieved in Emerging Markets. Two areas that are particularly relevant to these markets are:

- Environmental challenges: specifically, the effects of climate change, which already can be acutely felt by companies and communities in these markets, including many in which Ashmore operates and invests. In recognition of this, the Group reports in accordance with the TCFD recommendations and is a member of NZAMI.
- Inequality and wealth disparity: this can present significant challenges in developing markets, and the social investments made by The Ashmore Foundation aim to empower communities at the extreme end of these disparities.

Ashmore's commitment to act as a responsible investor extends to support for and membership of global and industry-specific initiatives, including the UN PRI and Climate Action 100+. Ashmore will continue to develop its approach in line with regulatory requirements and in so doing contribute to the evolving industry practice.

Ashmore's broad and encompassing approach to sustainability is centred on three pillars covering the breadth of its corporate operations, investment activities, and social impact investing by The Ashmore Foundation. These pillars are not mutually exclusive but provide a framework enabling Ashmore to define and pursue its sustainability objectives.

In addition to the sections below, relating to Ashmore's approach to corporate sustainability and The Ashmore Foundation, further information is available elsewhere in this report and on the Group's website:

Annual Report and Accounts

- [People & culture](#)
- [TCFD](#)
- [Directors' report](#)

Group website

- [Sustainability Report](#)
- [TCFD Investment Management Report](#)

Corporate responsibility

Ensure the Group is managed to the appropriate governance, social and environmental standards, in line with local expectations

Responsible investment

Ensure Ashmore invests aligned with the expectations of a 'responsible investor' with particular attention to the risks stemming from ESG concerns and sustainability impacts

The Ashmore Foundation

Philanthropic efforts to make a social and environmental difference in the communities in which Ashmore invests



The Banghwa Bridge, South Korea

Corporate sustainability

Ashmore's approach to corporate responsibility recognises the role the Group plays in wider society and is underpinned by values of transparency, fairness, accountability and integrity across the Group's worldwide operations.

The nature of Ashmore's business as an investment manager and its consistent single operating platform mean that corporate responsibility can be considered and understood in a relatively small number of areas, listed in the table below.

1. Social	As a traditional asset management business, employees are a critical asset to Ashmore. The Group's responsibilities to its employees are well understood and reflected in its commitments to diversity, career development, health and safety, including workplace benefits, and a remuneration philosophy that delivers a long-term alignment of interests between employees, clients and shareholders.
2. Governance	<p>The Board maintains a distinctive culture across the Group, with a strong 'tone from the top' that outlines clear expectations, standards and the importance of accountability to employees. In addition to the corporate governance arrangements described in the Governance section and the Section 172 statement, corporate responsibility is also underpinned by the following factors:</p> <ul style="list-style-type: none"> – A commitment to upholding high ethical standards across the Group's operations and to minimising the risks associated with financial crime. – The Board has ultimate responsibility for risk management and control. This encompasses a wide range of principal and emerging risks, as described in the Annual Report and Accounts. – Ashmore has operations in multiple regulatory and tax jurisdictions and manages its business in a responsible and transparent manner.
3. Environment	Ashmore's business is based primarily on intellectual capital so its direct impact on the environment is limited. However, the Group manages the environmental risks it faces responsibly, and described below are specific developments in the areas of GHG emissions and carbon offsetting.

In recognition of its approach to corporate responsibility, Ashmore is a constituent of the FTSE4Good equity index. It has a AA ESG rating from MSCI, and a Sustainalytics ESG score of 19.2, which places it in the 'low exposure to ESG risk' category.

Policy documents

Ashmore has a number of policies and other documents that support its approach to corporate responsibility. These include documents that are for employee use, that are made available to the Group's clients, and that are publicly available on the Group's website, such as those listed below:

- ESG Policy
- Supplier Code of Conduct
- Slavery and human trafficking statement
- Conflicts of interest statement
- Complaints handling procedure
- UK tax strategy

Governance

Ashmore's Board of Directors maintains a strong corporate culture, employing high standards of integrity and fair dealing in the conduct of the Group's activities, and compliance with both the letter and the spirit of relevant regulations and standards of good market practice in all jurisdictions where the Group operates.

Ethical standards

The Board aims to ensure that the Group is fit and proper to undertake its business, to safeguard the legitimate interests of Ashmore clients and to protect Ashmore's reputation.

Although there have been no whistleblowing reports this year, Ashmore considers it important that there is a clear and accessible process through which staff can raise such concerns. Therefore, it has procedures in place to enable employees to raise concerns confidentially regarding behaviour or decisions that are perceived to be unethical. This includes use of a third-party agency to provide staff with an independent whistleblowing channel and the Chair of the Audit and Risk Committee acts as the nominated Board Director for whistleblowing.

Financial crime risks

Ashmore is committed to minimising the risk that the Group is used for the purposes of financial crime, including money laundering, bribery and corruption, fraud and market abuse. To achieve this aim, Ashmore has adopted a number of risk-based policies and procedures for each area of financial crime, as described in the Risk management section of the Annual Report and Accounts. The Group provides training to all employees in relation to anti-money laundering and countering terrorist financing, including customer due diligence requirements and identifying money laundering, suspicious activity and financial crime.

Ashmore is committed to ensuring that it verifies the identity of its clients before a business relationship commences and that this is valid throughout the course of the relationship.

Information security and data protection

Ashmore's client base comprises institutions, such as pension funds and central banks, and intermediaries that provide access to end investors. Consequently, the Group does not handle substantial quantities of special categories personal data (also known as sensitive personal data) relating to clients, investors or related parties.

The Group has comprehensive and, necessarily, confidential Information Security and Data Protection policies that are reviewed at least annually and apply to all employees and offices.

The Board is ultimately responsible for the Group's risk management and internal control systems and for reviewing their effectiveness. The Group considers principal and emerging risks, and associated controls and mitigants relating to information security and data protection, within this framework.

The following sections provide a summary of the principles and processes in place to manage data protection and information security.

Data protection

Ashmore processes (i.e. collects, uses and destroys) personal data in accordance with applicable data protection and privacy laws in place within the jurisdictions in which it operates, including the GDPR as implemented in the United Kingdom and the European Union.

The Group's Data Protection Policy describes the GDPR-aligned principles by which Ashmore processes personal data; how Ashmore and its employees are to adhere to these principles; and the potential consequences of non-compliance for Ashmore, its clients and its employees. These principles are listed below.

- Lawfulness, fairness and transparency: Personal data shall be processed lawfully, fairly and in a transparent manner in relation to individuals.
- Purpose limitation: Personal data shall be collected for specified, explicit and legitimate purposes and not further used or otherwise processed in a manner that is incompatible with those purposes.
- Data minimisation: Personal data shall be adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed.
- Accuracy: Personal data shall be accurate and, where necessary, kept up to date; every reasonable step must be taken to ensure that personal data that are inaccurate, having regard to the purposes for which they are processed, are erased, or rectified without delay.
- Storage limitation: Personal data shall be kept in a form which permits identification of individuals for no longer than is necessary for the purposes for which the personal data are processed.
- Respect for individuals: Personal data shall be processed in accordance with individuals' legal rights.
- Integrity and confidentiality: Personal data shall be processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using the appropriate technical or organisational measures.
- Safe transfer: Personal data shall not be transferred abroad without adequate safeguards being put in place in accordance with the law.

In accordance with relevant laws and regulations Ashmore respects and aims to comply with individuals' rights as they relate to their data. For example, the Data Protection Policy recognises the following rights under GDPR legislation:

- to ask whether the Group holds personal data and/or to receive a copy of that data;
- to restrict or object to processing of personal data;
- to prevent processing for direct marketing purposes;
- to object to decisions being taken by automated means;
- in certain circumstances, to have inaccurate personal data rectified, blocked, erased or destroyed; and
- to claim compensation for damages caused by a breach of the GDPR.

Furthermore, in accordance with the GDPR, Ashmore commits to keeping the use of legally defined special category personal data, such as that relating to a data subject's ethnic origin, to a minimum and to restrict its availability only to those people who need to know it.

Ashmore maintains a register that describes its processing of personal data in accordance with Article 30 of the GDPR.

Information security and cyber security

Information security (including cyber security) is identified as a principal risk to the business which is subject to Ashmore's governance, policies and procedures and risk assessment. Ashmore assesses, monitors and controls data security risk,

and ensures that there is adequate communication between the key stakeholders, which include senior management and IT, human resources, risk management and control, and legal and compliance departments.

Ashmore has a layered security model, within which multiple complementary technologies and processes are employed. Ashmore staff undertake mandatory training in matters of information security (including cyber security). Ashmore routinely deploys security updates to its systems and undertakes regular vulnerability testing of its networks and systems using a specialist service provider. Events from all key security platforms are aggregated and correlated using a next-generation SIEM, which alerts to suspicious patterns of activity. The SIEM is monitored continuously by cyber security professionals. The Board's Audit and Risk Committee receives an annual report on the Group's cyber security arrangements, and the Group has a culture of continuous improvement that means improvements can and do occur throughout the year.

Ashmore undertakes appropriate pre-contractual due diligence for new suppliers. Ashmore also maintains appropriate oversight of cyber security arrangements for all key partners, ensuring there is additional monitoring and protection regarding their cyber security. For example, Ashmore affirms and/or attests with key partners on an annual basis that they have not been susceptible to cyber security attacks and vendors have taken all reasonable steps to continuously monitor and protect themselves on cyber security weaknesses.

Environment

Ashmore's business is based fundamentally on intellectual capital, and it does not own its business premises, therefore its direct impact on the environment is limited and there are few environmental risks associated with the Group's activities. Nevertheless, Ashmore has a responsibility to manage these risks as effectively as possible.

The Group continues to promote energy efficiency and the avoidance of waste throughout its operations. Ashmore's largest occupancy is at its headquarters at 61 Aldwych, London where it has a single floor of approximately 19,000 square feet in a nine storey multi-tenanted building. Electricity usage in London is separately monitored by floor, with energy efficient lighting installed. The building landlord allocates the usage of other utilities based on occupied floor space.

Recycling programmes operate for appropriate disposable materials. The Group seeks to minimise the use of paper and wherever possible chooses paper materials that have been sustainably sourced and are FSC or equivalently accredited.

Carbon offsetting

Ashmore Group plc donates 0.5% of its profit before tax to charities each year, a proportion of which it donates to The Ashmore Foundation. Within the Foundation's donation is a specific amount to support the Group's objective to offset its GHG emissions. In this way, the initiative will have not only the desired offsetting outcome but also deliver social benefits in the emerging countries in which Ashmore invests and operates.

Ashmore sets its internal carbon price annually using the past three months' rolling average market price of the first carbon futures contract traded on the European Energy Exchange. For FY2023, the internal carbon price is EUR 86.8 (FY2022: EUR 83.5). Ashmore will continue to review its internal carbon price methodology as industry best practice evolves.

Plant Your Future initiative

The Ashmore Foundation has developed a partnership with Plant Your Future to offset Ashmore's Scope 1, 2 and 3 emissions for FY2022 using a community approach model to reforest parts of the Peruvian Amazon in Ucayali and Loreto.

Plant Your Future's work is helping rural Amazonian communities to break the vicious cycle of deforestation and degradation that is trapping them in poverty. The project is based on a sustainable 'agroforestry' model for carbon offsetting through native species tree planting, restoring canopy cover to deforested farmland, but at the same time empowering local smallholder communities to adopt an income-generating sustainable livelihood from their land.

The Ashmore Foundation has purchased 654 tCO₂ to offset Ashmore's FY2022 emissions.

The Plant Your Future model is not just about planting trees, rather it has a community-centred approach and builds the capacity of smallholders to transition permanently to sustainable farming models and increase the productivity of their land. Agroforestry combines 'agriculture and forestry', meaning that the trees planted capture and store carbon from the atmosphere as they grow, but the trees themselves, and crops planted alongside them, provide improved livelihoods at the same time to enable local people to lift themselves out of poverty. In the Plant Your Future model, smallholders harvest cash crops (e.g. bananas or chilli peppers) for short-term income, alongside native fruit or orchard trees (e.g. cocoa or lime) for a medium-term income.

Future initiatives

The Ashmore Foundation continues to research and plan initiatives to support Ashmore's carbon offsetting objectives. While the scale of individual initiatives tends to be relatively targeted, the Group nonetheless believes that this approach is optimal because it helps communities in emerging countries and has greater direct impact than, for example, generically acquiring carbon-related securities.



The Ashmore Foundation Director visiting a local farmer with Plant Your Future's team in Loreto, Peru

The Ashmore Foundation

The Ashmore Foundation

Since its establishment in 2008, The Ashmore Foundation has partnered with over 78 local organisations in 26 Emerging Markets

countries to equip women and young people with the skills and resources they need to generate income, drive systemic change and have a positive environmental impact on their local communities and beyond.

The Ashmore Foundation functions independently of Ashmore and is registered in the United Kingdom as a charity and company limited by guarantee. It is staffed by an Executive Director who is responsible for managing the Foundation's affairs. The Ashmore Foundation board of trustees consists of eight Ashmore employees, one Ashmore Group plc Non-executive Director and one independent trustee. In addition to the board of trustees, Ashmore employees are encouraged to engage directly in the governance of the Foundation through involvement in sub-committees.

Ashmore supports the Foundation's charitable activities through the provision of pro bono office space, administrative support and a matched funding commitment for employee donations to the Foundation.

Ashmore Group plc donates 0.5% of its profit before tax to charities each year, a proportion of which it donates to The Ashmore Foundation to deliver its charitable grant strategy.

Ashmore employees actively support the Foundation through a worldwide annual giving programme as well as organising and participating in a range of fundraising events from wine tastings to sports competitions. This year will see employees from across Ashmore's Asian and European offices climb Mount Fuji and Mount Trigav to raise funds for the Foundation.

Delivering social impact in Emerging Markets

As shown opposite, The Ashmore Foundation's grant strategy is underpinned by the belief that gender equity, systemic change and a people first approach are necessary to support economic and social development at a time when inequality continues to rise in Emerging Markets.

The Ashmore Foundation believes that with the right support and investment in education, employment and entrepreneurship, people can grow and prosper to break the cycle of poverty that disproportionately affects women and young people in Emerging Markets countries. The Foundation therefore focuses its social investment strategy on programmes that aim to equip people with the skills and resources they need to increase their livelihood opportunities, enabling them to meet their basic needs while also supporting economic growth and beginning to address broader societal inequalities.



Supported by The Ashmore Foundation, World Bicycle Relief will distribute 350 bicycles, mostly to women, in the Wayuu community in northern Colombia

Mobilised communities in rural Colombia

More than nine million people live in rural areas across Colombia. La Guajira is one of the poorest of Colombia's Departments. The region has the largest population of indigenous people in the country, an estimated 20% of its population. Uribia, one of the municipalities of La Guajira, reached one of the highest multidimensional poverty indexes (92.2%) in 2020. Affordable transportation options are largely unavailable, resulting in families – especially women and girls – relying primarily on walking to reach health services, water and fuel sources, and the district's main market.

WHY we do it

Mission & model

To equip people with the skills and resources they need to generate income and meet their basic needs as well as drive systemic change and have a positive environmental impact.



WHO we do it for

Beneficiary groups

Women & girls



Children & young people



Carbon & other GHG reduction initiatives



Disadvantaged communities

WHERE we invest

Geographic areas

Where Ashmore has a local presence, invests or has existing networks, with a focus on where it has a physical presence.

Current priorities:

- India
- Indonesia
- Peru
- Colombia

Geographical focus does not apply to emergency responses.



HOW we do it

Partnership model

Build long-term relationships with small to mid-sized local NGOs to create systemic change.

However, we want to ensure these NGOs do not become reliant on the Foundation.



WHAT we do

Impact themes & grant programmes

Skills & training



Financial resilience



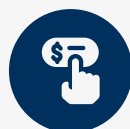
Gender equality



Emergency response



Systemic change



Income generation activities



Carbon / environmental



Access & inclusion to economic participation

Addressing climate-related risks and opportunities

Ashmore recognises the responsibilities it has as a steward of clients' capital. It explicitly considers climate-related risks and opportunities in its operations and investment processes as recommended by the TCFD framework and incorporated into the Listing Rules.

Comply or explain framework

In accordance with the Listing Rules for premium-listed companies, specifically LR 9.8.6R(8) and LR 9.8.6BG, Ashmore has made disclosures consistent with the 11 TCFD recommendations, including Sections C and D of the TCFD 2021 Annex. The Group is compliant with nine of the 11 recommendations, the exceptions being:

- recommendation five (scenario modelling), where the Group has performed only a qualitative analysis, but will consider a more detailed, quantitative approach, including additional scenarios, as data and models evolve; and
- recommendation 10 (GHG emissions), where Ashmore provides Scope 1, 2 and 3 emissions, but does not disclose financed emissions. Following recent FRC guidance, the Group will continue to consider how it can resolve the challenges to presenting a meaningful financed emissions figure.

Ashmore intends to undertake further analysis in order to make progress towards compliance with these recommendations over the next 12 months.

Investment management activities

The disclosures on the following pages are in respect of Ashmore's corporate operations. The disclosures required in respect of its investment management activities are included in the separate TCFD Investment Management report, available on the Group's website.

Introduction

Environmental challenges, and specifically the effects of climate change, can be acutely felt by Emerging Markets countries and companies. Ashmore understands the climate-related challenges faced by these markets, as well as the need for investors from both developed and emerging economies to invest in Emerging Markets to finance sustainable growth. These markets have typically not contributed to human-made climate change to the same extent as developed markets, and consequently they do not bear much of the same responsibility for global warming. Yet, many developing economies face some of the most serious physical consequences of a changing climate and must bear the

burden of building adaptation measures. Consequently, this lack of climate equity makes it important to ensure that these markets receive the monetary support and technology transfers necessary to continue to raise living standards and to support their populations without adding to the mitigation challenge. Indeed, several developing countries have stated in their Nationally Determined Contributions that they will have to rely on international climate finance if they are to reach their stated targets.

Ashmore supports urgent action to mitigate global warming. Transitioning to a low-carbon economy will be fraught with challenges, such as ensuring a Just Transition, however Ashmore believes that it will also be a source of opportunities. Nowhere is this more the case than in Emerging Markets, where there is significant potential to develop sustainable economic growth, and to support growing populations, on renewable sources of energy.

Ashmore is supportive of efforts that consider the complexity and varying needs of countries to take action on climate change. For some countries the focus might be on decarbonising existing infrastructure, while for others it might be strengthening governance or protecting natural resources. For example, Emerging Markets countries are often the guardians of some of the world's most precious ecosystems and carbon sinks. It is therefore crucial that the global economy provides such markets with the incentives to protect and restore these, treating them as the valuable resources they are.

Ashmore is headquartered in the United Kingdom and, consequently, the UK's commitment in the Climate Act 2008 (2050 Target Amendment) Order 2019 to a net zero economy has been considered as part of the Group's TCFD disclosures.

Currently, the main framework for asset managers in this regard is the voluntary NZAMI, which Ashmore joined in July 2021. Ashmore submitted its NZAMI Interim Targets in July 2022, and this initiative serves as the main mechanism by which the Group addresses climate change mitigation. Refer to the TCFD Investment Management report for further information.

Governance

1. Describe the Board's oversight of climate-related risks and opportunities. (Compliant)

Ashmore Group plc has a premium listing on the London Stock Exchange. The Board has ultimate responsibility for the Group's strategy and maintains full and effective control over appropriate strategic, financial, operational and compliance matters, including material climate-related issues through its corporate governance framework. This framework provides for regular reporting and other updates to the Board, through which it is able to oversee progress against the Group's targets, including those relating to climate issues.

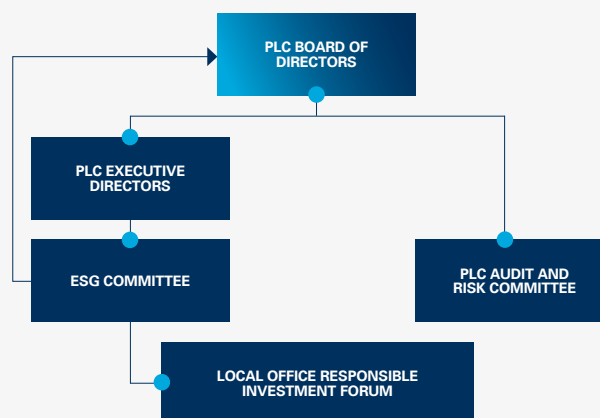
Hence, overall responsibility for climate-related risks and opportunities lies with the Board. However, on a day-to-day basis the authority is delegated to the Executive Directors and the Group's specialised committees. The Board's annual review and challenge of Ashmore's strategy explicitly includes areas of focus relating to ESG and responsible investment.

It is important to note that from an operational perspective, physical climate risk has limited impact on an asset management business. Instead, climate risks are predominantly transitional and may impact the Group's products, and costs of business travel and office use.

The consideration of climate-related issues as they relate to guiding strategy, major plans of action, risk management policies, annual budgets and business plans is guided by the Responsible Investment Strategy presented to the CEO, extracts of which are also included and discussed in the annual update to the Board.

The consideration of climate-related issues is a core part of the investment framework applied by Ashmore's investment teams and consequently it is a component of their performance objectives. The oversight, monitoring and implementation of a range of responsible investment activities also forms part of the performance objectives of senior management, with ESG matters being one of the areas of performance considered by the Remuneration Committee when determining variable remuneration on an annual basis for the Executive Directors.

ESG in the context of Ashmore's governance structure



2. Describe management's role in assessing and managing climate-related risks and opportunities. (Compliant)

The Board has delegated certain authorities to the Executive Directors who in turn have formed several specialist committees with terms of reference to carry out the functions delegated to them. One such specialised committee is the ESGC, which is chaired by the CEO and with members drawn from across Ashmore's investment, distribution, risk, legal, operations and other support functions. This ensures that responsible investment topics are appropriately understood, assigned to and discussed by all relevant areas of the firm.

The ESGC has oversight of relevant climate-related issues and the Group's Head of Responsible Investment and ESG Policy, or a delegate, provides updates to the Board. The Board is informed about goals and targets designed to address climate-related issues and these are consequently reported on the following year. Additionally, ESGC members provide the Board, its Audit and Risk Committee and the RCC with multiple formal points of contact throughout the year.

Furthermore, Ashmore created the Local Office Responsible Investment Forum to ensure the sharing of knowledge, expertise, process and initiatives between the ESGC and the Group's local offices.

From an investment management perspective, Ashmore's ICs are ultimately responsible for the management of client portfolios. Through the oversight by these committees, the Group has integrated the assessment and management of ESG risks and opportunities, including those related to climate, into all its investment processes, including both global and local investment platforms and all investment themes. Reports presented both at the ESGC and the relevant ICs ensure the effective monitoring of ESG-related risks.

The processes described in the Risk management section on pages 35 to 38 incorporate how senior management is informed about climate-related issues and their assessment and management of such risks faced by the Group.

Strategy

3. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term. (Compliant)

Ashmore considers material climate-related risks and opportunities over the short term (up to three years, which is consistent with the planning horizon under the ICARA process), the medium term (up to 10 years, being an appropriate timeframe for a reasonable long-term investor), and the long term (beyond 10 years). The process to determine the risks and opportunities that could have a material financial impact on the Group is embedded in Ashmore's day-to-day operations and includes consideration of climate-related risks and opportunities through the Group's internal control and risk management framework, the activities of the ESGC including the Local Office Responsible Investment Forum, the ICs, and the Group's financial planning.

Over the short and long term, to the extent possible, Ashmore has identified limited direct exposure to material operational climate-related risks. The medium-term opportunity relating to Emerging Markets capital flows has been identified, for example the IEA estimates US\$1 trillion per annum will be required to fund clean energy initiatives consistent with achieving net zero by 2050. Ashmore's Emerging Markets specialism means it is well-placed to facilitate and to benefit from these capital flows, and in the meantime it is gaining further understanding through membership of organisations such as the Glasgow Financial Alliance for Net Zero (GFANZ).

Over the short term, a prominent climate-related risk that could have a material financial impact on Ashmore is the evolving climate-related regulation and industry developments, potentially leading to duplication, contradiction and diminishing effectiveness of initiatives. Ashmore remains focused on actions that support its purpose to deliver long-term investment performance for clients and to generate value for shareholders through market cycles. While evolving regulation poses implementation risks, it also creates opportunities for an active manager to develop new products and strategies to fulfil clients' investment objectives. In line with client preferences, and through its Product Committee, Ashmore will continue to seek opportunities to manage capital to deliver appropriate investment outcomes, including those related to climate risk. Since Ashmore invests across fixed income, equity and alternatives asset classes, and its investment universe

encompasses the full range of diversified Emerging Markets, these opportunities are assessed on a broad basis.

Over the medium term, there will be further opportunities to influence perceptions and methods of measuring some of the factors commonly linked to climate change. For example, investors typically view GHG emissions from a producer perspective, which is to the detriment of developing countries that serve as manufacturing bases, whereas a consumer perspective would shift the emphasis to patterns of behaviour in developed countries. Developing countries will require investment capital to achieve domestic and international ambitions related to climate change. The first phase of Ashmore's corporate strategy, which explicitly targets higher allocations to Emerging Markets, and therefore a greater focus by investors on the impact of, and action required to mitigate, climate-related risks, means that more capital should continue to flow to Emerging Markets over time.

Over the long term, the most prominent climate-related risk that could have a material financial impact on Ashmore is failure to deliver on its net zero commitment.

During the year, Ashmore conducted a review of the physical climate-related risks faced by seven of its 11 offices and concluded that the impact in the short term is limited given its office-based asset management model and mitigating factors.

Ashmore's office network spans both developed and emerging countries and therefore the Group faces a wide range of climate-related physical risks and with different national adaptation capabilities. For example, while the UK may experience changing weather patterns, it has a high GDP per capita and is relatively well-prepared. In contrast, India is experiencing the consequences of severe weather events on its population, including large-scale migration to urban areas that is putting pressure on commuting infrastructure. In Colombia, the reliance on services such as access to drinking water is expected to be affected. However, Ashmore's offices are located in large cities and benefit from the associated infrastructure; the offices are leased, which provides medium-term operational flexibility; and working from home is an established option for employees.

Identified climate-related risks and opportunities for Ashmore Group plc

	Risks	Opportunities
Transition to low-carbon world	<ul style="list-style-type: none"> – Evolving regulatory landscape & reporting requirements (S) – Changes in consumer preferences (M) – Market-wide climate-related shocks (S) – Net zero delivery (L) 	<ul style="list-style-type: none"> – Product development (S) – Increased capital allocations to Emerging Markets (M)
Physical impacts of climate change	<ul style="list-style-type: none"> – Weather events (S) – Flooding (S) – Higher temperatures (S) 	

Timeframes considered: S = short term; M = medium term; L = long term

4. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning. (Compliant)

The identified climate-related issues outlined above have not significantly affected Ashmore's business, strategy and financial planning. From an operational standpoint this is, as explained above, less material. Energy prices could pose a financial risk related to operational running costs, but this is not considered a material risk at this time. The main area of impact relates to the Group's products and services with opportunities for its investment management activities. Ashmore's investment processes currently incorporate investment solutions that respond to the evolving regulatory and industry requirements as they relate to climate change, including establishing net zero capabilities. For client portfolios, Ashmore uses its proprietary ESG scorecard to make an assessment of the impact of climate-related risks and opportunities.

Please refer to Ashmore's TCFD Investment Management and Sustainability reports on its website for further information.

Ashmore will assess and act upon climate-related issues that might affect its planning processes, as appropriate, through the Group's established processes including the Operating Committee, ICs, the ESGC, the Product Committee, and via the Board's regular strategy reviews. Thus far, no direct and material impact of climate-related issues on Ashmore's financial performance has been identified. Furthermore, over the medium to longer term, Ashmore's business model provides for significant mitigating factors, such as flexibility afforded through being a leasehold tenant rather than landlord and the potential for remote working, together with regional or national government commitments to address climate-related challenges.

Major categories of potential financial impact

Financial performance

Revenues: The need for private capital to contribute to addressing climate mitigation and adaption can potentially act as an opportunity for Ashmore.

Expenditures: Ashmore's flexible cost structure is well-placed to accommodate its required response to climate-related issues.

Financial position

Assets and liabilities: Ashmore is conscious of how climate-related risks may impact its assets and liabilities and includes this consideration in its assessments.

Capital and financing: Climate-related risks have been considered unlikely to affect Ashmore's capital, and it has no debt.

5. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario. (Partially compliant)

Qualitative and quantitative scenario analysis, subject to appropriate data being available to support quantitative models, can help to highlight the transformations required to meet certain climate targets, warn about policy changes, challenge conventional wisdom about the future, and question business-as-usual assumptions.

Over the past year, Ashmore's approach to scenario analysis has remained largely qualitative with the aim of exploring the range of potential climate change implications for its business. Ashmore is also assessing the array of scenario analysis techniques available, as set out below.

Transition risks are considered as part of the Group's risk management and internal control framework, and do not currently pose a significant threat to Ashmore's overall strategy. Similarly, from a Group perspective, the review of physical risks to offices concluded that the risks are unlikely to have a material impact in the short term. Over the medium to longer term, there are significant mitigating factors, such as flexibility afforded through being a leasehold tenant rather than a landlord, the potential for remote working and regional or national government commitments to address climate-related challenges.

Therefore, Ashmore concludes that its strategy will prove to be resilient if faced with more severe effects of climate change. The Group will keep its position under review and where appropriate will also consider additional scenario analysis tools to complement its reviews including, as appropriate data and models permit, the consideration of a transition to a low-carbon economy consistent with a 2°C or lower scenario. Ashmore intends to make further progress in this area over the next financial year, including an assessment of the three main scenario frameworks available, being the Intergovernmental Panel on Climate Change's Representative Concentration Pathway scenarios; the IEA's transition risk scenarios; and the Network for Greening the Financial Sector's scenarios covering physical and transition risks.

Risks and opportunities

6. Describe the organisation's processes for identifying and assessing climate-related risks. (Compliant)

Ashmore's internal control framework, described in detail in the Risk management section on pages 35 to 38, provides a set of processes for identifying, evaluating and managing the Group's emerging and principal risks, and identifies associated controls and mitigants. The Board's Audit and Risk Committee regularly reviews the framework. Ashmore's Principal Risk Matrix explicitly identifies climate risk and ensures senior management is made aware of, and acts on, such risks. For example, the principal risk includes the failure to understand and plan for the potential impact to the business that investor or business sentiment, climate change and sustainability regulations may have on product preferences and on underlying asset prices that may be affected by the transition to a low-carbon economy.

In addition, consideration of the regulatory requirements for asset managers, including those relating to climate change (and ESG more generally), is a principal risk for the Group. This is monitored through the ESGC's standing agenda item covering regulatory updates.

Further information relating to Ashmore's investment processes, including sovereign and corporate engagements, is available in the Group's Sustainability, Engagement, UK Stewardship Code and TCFD Investment Management reports, available on its website.

7. Describe the organisation's processes for managing climate-related risks. (Compliant)

Ashmore reviews and prioritises climate-related risks and associated controls and mitigants as part of its Principal Risk Matrix and, where appropriate, on a quarterly basis challenge is provided by the RCC and the Audit and Risk Committee (see Risk management section on pages 35 to 41).

Climate change and the failure to understand and plan for the potential impact to the business that investor sentiment,

climate change and sustainability regulations may have on product preferences and on underlying asset prices that may be affected by the transition to a low-carbon economy are mitigated by a combination of policy setting and governance by the ESGC. At the Group level, this risk is managed in relation to Ashmore's GHG emissions, which are offset via The Ashmore Foundation.

8. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management. (Compliant)

Climate-related risks are considered in a similar manner to other emerging or principal risks, since they may affect various aspects of the Group's strategy, business model, clients and operational and financial performance. In this context, the identification, assessment and management of such risks are integrated into Ashmore's robust risk management culture and its internal control framework.

For example, within Ashmore's Principal Risk Matrix, the different aspects of climate risks would impact distribution and client oversight activities, integration within investment

management processes as well as regulatory requirements and the Group's overall reputation. These are considered both on a standalone basis as well as in combination to ensure related risks are assessed, managed and, where appropriate, mitigated through the development of internal controls and processes.

Metrics and targets

9. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. (Compliant)

The main climate-related metric used by Ashmore is its operational GHG emissions, which are modest and are disclosed in accordance with the Act and SECR requirements. The latest disclosures can be found in the Directors' report.

As part of the process to offset its GHG emissions, Ashmore sets an internal carbon price based on the three-month rolling average market price of the first carbon futures contract traded on the European energy exchange.

This methodology is unchanged from last year and for the period ending 30 June 2023 resulted in a price of €86.82 per tonne CO₂e.

Ashmore's Remuneration Committee takes into consideration qualitative and quantitative ESG factors, including those relating to climate issues, when determining Executive Directors' performance-related variable remuneration, as described in the Remuneration report.

Summary of climate-related metrics

	Ashmore Group plc metric	Investment management metric ¹
GHG emissions	Scope 1, 2 & 3 provided in tCO ₂ e	WACI (tCO ₂ e/US\$ million revenue) Total/Absolute Carbon Emissions (tCO ₂ e) Carbon Footprint (tCO ₂ e/US\$ million invested)
Transition risks	Qualitative assessment	Stranded assets
Physical risks	Qualitative review	Qualitative assessment
Climate-related opportunities	Industry demand for dedicated ESG-labelled products	Qualitative assessment
Capital deployment	N/A	Qualitative assessment
Internal carbon price	Carbon price calculated using average price over three months	

1. Refer to TCFD Investment Management report for further information, including details of NZAMI targets.

10. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks. (Partially compliant)

Ashmore reports its GHG emissions annually, as required by the Companies Act. The latest disclosures are in the Directors' report on page 113, and summarised in the chart opposite.

In July 2023, the FRC published a thematic review of climate-related metrics and targets with specific guidance and expectations for asset managers. This included the view that financed emissions are likely to be material for most asset managers, and therefore relevant to the consideration of this TCFD recommendation. Ashmore does not currently calculate financed emissions beyond its regulatory requirements under SFDR (see Ashmore website for related disclosures) and client reporting on specific portfolios, and hence it has concluded that it is currently only partially compliant with this TCFD

recommendation. The Group will continue to consider how to resolve the inherent challenges in presenting a meaningful financed emissions figure, which include the availability of consistent and reliable data from Emerging Markets issuers; the treatment of data from corporate and sovereign issuers; and the choice of appropriate intensity measures.

Ashmore Group plc's GHG emissions by scope (tCO₂e)

FY2023	989.5
FY2022	653.9
FY2021	227.0
FY2020	689.7

11. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. (Compliant)

Operationally, Ashmore leases its offices, typically alongside other tenants, meaning that in many cases it is allocated a share of total building emissions based on leased footprint. Therefore, the ability to measure, and hence to directly influence changes in the Group's gross GHG emissions, is severely limited. Nonetheless, Ashmore seeks to offset its operational GHG emissions through a thoughtful, socially responsible and measurable approach via The Ashmore Foundation.

As described in the Sustainability section, the Foundation has developed a partnership with Plant Your Future, through which it has purchased 654 tCO₂ to offset the Group's emissions relating to FY2022. This will be delivered through a community approach model to reforest parts of the Peruvian Amazon in Ucayali and Loreto, and will assist local communities to break the vicious cycle of deforestation and degradation that is trapping them in poverty.

Committed to robust standards of governance

Mark Coombs

Chief Executive Officer

Appointed to the Board: December 1998

Skills, experience and contribution:

Mark Coombs founded the business which became Ashmore in 1992 and has overseen its successful growth for over 30 years.

Other roles past and present:

Mark was appointed a Director on the incorporation of the Company and has served as its Chief Executive Officer since then. He held a number of positions at ANZ and led Ashmore's buyout from ANZ in early 1999. He is Co-Chair of EMTA, having been on the Board since 1993. Mark holds an MA in Law from Cambridge University.

Tom Shippey

Group Finance Director

Appointed to the Board: November 2013

Skills, experience and contribution:

Tom Shippey is a chartered accountant with extensive experience in investment management, mergers and acquisitions, capital raising and financial and regulatory reporting.

Other roles past and present:

Tom was appointed to the Board as GFD in November 2013. Prior to joining Ashmore in 2007, he worked at UBS Investment Bank, including advising on the Ashmore IPO in 2006. He is currently a trustee of the Resurgo Trust.

Tom qualified as a Chartered Accountant with PricewaterhouseCoopers in 1999 and is a Fellow of the ICAEW. Tom holds a BSc in International Business and German from Aston University.

Clive Adamson

Non-executive Chair

Appointed to the Board: October 2015
and as Chair: April 2022 (independent on appointment)

Skills, experience and contribution:

Clive Adamson has enjoyed a career in financial services for over 40 years, spanning executive roles in banking and regulation and Non-executive Director roles, including Board and Committee Chair positions, across wholesale and retail banking, insurance and asset management.

Other roles past and present:

Clive spent 20 years in wholesale banking, holding senior positions with Citigroup and Bank of America. He moved into regulation as an adviser at the Bank of England before joining the newly formed Financial Services Authority and then the FCA upon formation where he was Director of Supervision and an Executive Member of the Board. Clive was a Non-executive Director of Virgin Money plc and a Senior Adviser at McKinsey & Company. He is currently Chair of J.P. Morgan Europe Ltd and its Nominations Committee (the Chase UK digital consumer bank), a Non-executive Director and Chair of the Audit Committee of J.P. Morgan Securities plc, and Chair of Nutmeg Saving and Investment Ltd. He is a Non-executive Director and Chair of the Risk Committee of both M&G plc and Prudential Assurance Company Limited. Clive holds an MA in Economics from Cambridge University.

Committee membership: **N** **R**

Key to membership of committees

- A** – Audit and Risk
- N** – Nominations
- R** – Remuneration

(A square denotes the Chair)

Board and committee attendance

The table below sets out members' attendance at scheduled and additional meetings of the Board and its committees.

Meeting attendance between 1 July 2022 and 30 June 2023	Board Attended	N: Nominations Committee Attended	A: Audit and Risk Committee Attended	R: Remuneration Committee Attended
Mark Coombs	7/7	–	–	–
Tom Shippey	7/7	–	–	–
Clive Adamson ¹	7/7	5/5	2/2	7/7
Helen Beck	7/7	5/5	7/7	7/7
Jennifer Bingham	7/7	5/5	7/7	7/7
Thuy Dam ²	1/1	1/1	1/1	1/1
Shirley Garrood ³	6/6	4/4	7/7	6/6

Members of executive management are invited to attend scheduled Board committee meetings as required but do not attend as members of those committees.

¹ Clive Adamson stood down as a member and Chair of the Audit and Risk Committee on 23 January 2023.

² Thuy Dam was appointed to the Board on 1 June 2023.

³ Shirley Garrood was appointed to the Board on 1 August 2022 and took over from Clive Adamson as Chair of the Audit and Risk Committee on 23 January 2023.

Helen Beck

Independent Non-executive Director

Appointed to the Board: June 2021

Skills, experience and contribution:

Helen Beck is a commercial international adviser with significant experience in advising boards on remuneration and human resources. She has a strong executive track record in building and growing client centric businesses with extensive financial services experience across a broad range of asset management firms and banks.

Other roles past and present:

Helen was formerly a Partner and Head of Financial services remuneration practice at Deloitte LLP. Prior to joining Deloitte, she held a number of senior executive appointments in human resources, remuneration and consultancy, including at Standard Bank, McLagan Partners and Fidelity Asia-Hong Kong. Helen is currently a Non-executive Director of Funding Circle Holdings plc and Chair of its Remuneration Committee, an Independent Governor of University of Bedfordshire, and an Independent Member of the Remuneration

Committee for the British Olympic Association. She was previously a Non-executive Director of Irwin Mitchell Holdings Limited. Helen holds a BA(Hons) in Social Administration from the University of Nottingham, is a Member of the Institute of Personnel Development and holds a Post Graduate Diploma in Personnel Management.

Committee membership: **A N R**

Jennifer Bingham

Senior Independent Director

Appointed to the Board: June 2018

Skills, experience and contribution:

Jennifer Bingham has in-depth experience in investment oversight of the investment portfolios of family offices and charitable foundations and in her previous executive role in the Emerging Markets fund management business.

Other roles past and present:

Jennifer is an accountant and between 1992 and 2003 she was a senior executive of Brunswick Capital Management Limited, an investment manager specialising in the Russian equity market. During this period she variously held the offices of Chief Executive, Chief Operating and Chief Financial Officer. Since 2003 Jennifer has held finance, administration and investment oversight roles with investment company PCHB Limited (part of the Cundill

group of companies). She is currently an Executive Director of FPC Philanthropies Ltd (the Peter Cundill Foundation) and sits on the investment committee of PCHB Limited. Jennifer is also an Executive Director of Valley Management (UK) Limited, an Executive Director of Stichting Pamina, a Dutch Charitable Foundation, and a Trustee of The Ashmore Foundation.

Committee membership: **A N R**

Thuy Dam

Independent Non-executive Director

Appointed to the Board: June 2023

Skills, experience and contribution:

Thuy Dam has extensive investment and banking knowledge and has a thorough understanding of the complexity of Emerging Markets, particularly in Asia.

Other roles past and present:

Thuy began her career as an entrepreneur, co-founding Vietnam's first private foreign investment consultancy firm. She then joined ANZ, helping to set up ANZ's banking business in Asia and becoming the first Vietnamese citizen to lead an international bank in Vietnam. Thuy was ANZ's Vice Chair to the Greater Mekong region prior to joining the National Australia Bank as its Chief Representative in Vietnam. She has previously served as a

Non-executive Director and Chair of the Remuneration Committee of VinaCapital Vietnam Opportunity Fund Ltd and was the President of the Fulbright University Vietnam. Thuy is Non-executive Director of Thien Minh Group Limited, TASCO JSC and EQuest Education Group. Thuy holds a BA in English from the University of Hanoi and an MBA in Finance from the Wharton School of Business at the University of Pennsylvania.

Committee membership: **A N R**

Shirley Garrood

Independent Non-executive Director

Appointed to the Board: August 2022

Skills, experience and contribution:

Shirley Garrood has extensive financial services experience built up over many years with a focus on operations, finance and risk matters within financial services and investment management.

Other roles past and present:

Shirley was Chief Financial Officer and Chief Operating Officer of Henderson Group plc and, since finishing her executive career, has held roles at esure Group plc as Deputy Chair, Chair of the Audit Committee and Senior Independent Director; and Chair of the Audit and Risk Committees and Senior Independent Director of Hargreaves Lansdown plc. She also served as a governor of the Peabody Trust housing association; a Non-executive Director of Royal London Mutual Insurance Society Limited, and Chair of Royal London Asset Management Holdings Limited and Royal London Asset Management Limited, also

chairing their Risk and Capital Committee; and a Non-executive Director and Chair of the Audit and Risk Committee of the BBC. Shirley is currently an Independent Non-executive on Deloitte LLP's Audit Governance Board, providing oversight of the external audit and assurance business only. She is also Chair of Dignity Group Holdings Limited and Chair of the Audit Committee. Shirley holds a BSc in Economics and Accounting from the University of Bristol and is a qualified Chartered Accountant and Corporate Treasurer.

Committee membership: **A N R**

Commitment to robust governance

Dear shareholder,

At the end of my first full year as Chair of the Board, I am pleased to say that Ashmore continues to have a knowledgeable, engaged and effective Board. We welcomed two new Board members during the year, Shirley Garrood and Thuy Dam, and I look forward to their participation continuing to enhance our Board discussions. I would like to thank all of my fellow Directors for their ongoing commitment to Ashmore.

The past year has seen notable improvements in many global macro factors, although regrettably the war in Ukraine continues. Although market cycles present challenges, they also provide investment opportunities and Ashmore's consistent approach and experience of investing in Emerging Markets over the past 30 years means that it is delivering significant outperformance for clients as markets begin to recover from headwinds such as rising interest rates. The Group's flexible and resilient business model has helped to mitigate the impact of lower average AuM levels on the financial performance, and the Board is recommending the payment of an unchanged final ordinary dividend to shareholders.

I would also like to thank Ashmore's employees for their efforts during the year. They continue to show professionalism, dedication and team spirit, which is key to Ashmore's success.

Governance and Company purpose

Ashmore's governance structure remains appropriate to the size and complexity of the business. It enables the Board to oversee the execution and delivery of Ashmore's purpose, as a specialist Emerging Markets investment manager, to deliver long-term investment outperformance for clients and generate value for shareholders across market cycles. In fulfilling its role, the Board is guided by the Group's purpose in the shaping of key decisions, culture and values. The Board follows the highest ethical and professional standards in the business, supported by a strong internal culture and staff values, which drive appropriate behaviour, embedded by the Company's compliance, risk management and employment policies and practices.

The Board's work during the year is set out on page 71 and shows the usual schedule of business as well as updates on specific topics. The Company's consistent three-phase strategy remains to capitalise on the substantial growth opportunities available in the Emerging Markets in order to create value for clients and shareholders. More detail can be found in the Strategy description on page 14.

Board changes and time commitments

The Nominations Committee regularly discusses succession planning and diversity for both the Board and senior management. This year we put this planning into practice by approving the establishment of a Diversity Committee and by welcoming two new Non-executive Directors.

Shirley Garrood joined the Board on 1 August 2022 and she became a member of the Nominations, Remuneration and Audit and Risk Committees on appointment. Following the receipt of FCA approval, Shirley took over as Chair of the Audit and Risk Committee on 23 January 2023, capitalising on her extensive financial services and audit experience.

We then welcomed Thuy Dam to the Board on 1 June 2023 and she also became a member of the Nominations, Remuneration and Audit and Risk Committees on appointment. Thuy is our first Non-executive Director based in an Emerging Market, Vietnam, and brings valuable local markets insights on the Southeast Asia region to Ashmore.

In both cases, any potential conflicts and other time commitments were declared to the Nominations Committee and considered by the Board at the time of appointment. Shirley and Thuy each took part in a comprehensive induction programme to support their introduction to Ashmore.

All external appointments are disclosed to and considered by the Board in the context of the overall time commitments of the relevant Director (bearing in mind any roles that have also been relinquished) and whether such commitments impinge on their duties to Ashmore. Details of the Directors' external commitments are provided on pages 62 to 63. The Nominations Committee report gives details on how it considered applications by Non-executive Directors to take on new external appointments on page 77.

Details of each Director's profile can be found on pages 62 to 63 of this report and the Board is recommending the election or re-election of all Directors at this year's AGM.

Board evaluation

This year, I led the annual evaluation of the Board, its committees and the Directors, assisted by a questionnaire and meetings with each member of the Board. All views were shared and discussed in an informal meeting of the Board. All Directors were of the opinion that the Board and its committees are effective in carrying out their responsibilities. Nevertheless, we found certain areas where we can focus in the coming year. More detail is provided in the Nominations Committee report on page 77.

The Board values the experience of face-to-face meetings, in-person management presentations and informal 'meet the teams' sessions, which this year included visits to our Singapore and Indonesia offices as detailed below. However, the benefits of remote meetings are recognised and will ensure that Thuy Dam is able to participate fully on occasions when she is not present in London for Board and committee meetings. It is anticipated that Thuy will attend meetings in person at least three times a year.

Board visit to Singapore and Indonesia

In December 2022, the Board held its Board and committee meetings in Ashmore's office in Jakarta, Indonesia, and also visited the Ashmore office in Singapore. As part of the visit, the Directors held 'meet the teams' sessions to meet the local employees in both the Singapore and Indonesia offices. Members of the Singaporean and Indonesian teams were also invited to join the Board for dinner, which offered the Directors an opportunity to engage more informally with Ashmore employees. The Board felt that the trip was highly informative and intends to undertake similar visits to other Ashmore offices in future years to continue to expand its understanding of the Group's local market operations.

Our people

In addition to the Board visit, the Directors have continued to engage directly with Ashmore's workforce, by hosting informal discussions with employees from different departments. This approach allows Directors to meet directly and informally with employees and helps us assess and monitor the culture of the firm.

Jennifer Bingham is the Non-executive Director for workforce engagement. As such, she chairs the 'meet the teams' sessions and acts as a conduit for the Board to facilitate interaction and understanding of workforce sentiment. This engagement helps to inform our discussions and decision making. A summary of the Board's engagement with employees and other stakeholders is included in the Section 172 statement on page 42 and the Directors' report on page 113.

The Board has responsibility for oversight of the Group's whistleblowing arrangements and the Chair of the Audit and Risk Committee is the nominated Director with responsibility for whistleblowing. An independent agency provides a means through which employees can raise concerns confidentially, if they do not wish to bring these to the attention of management. All employees are made aware of and have access to these arrangements.

Details of how Ashmore invests in and rewards its people are provided in the Remuneration report on pages 78 to 111. The Board believes that the current remuneration structure for all employees works to benefit clients, shareholders and employees alike. The proposed changes to the Directors' Remuneration policy are intended to maintain this alignment under the new structure for the Executive Directors.



ArtScience Museum, Singapore

Diversity

In order to execute its strategy, the Group needs to continue to attract, develop and retain a diverse workforce. Ashmore is an organisation that spans multiple cultures and ethnicities, and the Board and Nominations Committee understand the importance of improving its gender and ethnic diversity. The Board regularly discusses diversity and the diversity policies of the Board and the Group are reviewed at least annually. A new Diversity Committee, chaired by Jennifer Bingham, was established during the year. Our progress on diversity is described further in the Nominations Committee report on page 77 and the Directors' report on page 113.

I am pleased to confirm that the Board meets the requirement to have a minimum of 40% of Board positions held by women and we have a female Senior Independent Director, meaning that Ashmore was in compliance with the FTSE Women Leaders Review and the Listing Rules throughout the year. Following the appointment of Thuy Dam on 1 June 2023, the Board also now has at least one Director from an ethnic minority background in line with the Parker Review and the Listing Rules. The gender and ethnic diversity of the Board, senior management and employees is reported on pages 47 and 48.

CHAIR'S STATEMENT AND INTRODUCTION TO CORPORATE GOVERNANCE (CONTINUED)

Our shareholders

Understanding the views of shareholders is essential to the Group's long-term success. The Board regularly considers shareholder feedback at its meetings and factors these views into its decision making. We keep shareholders updated on performance and news through annual and half-year results, quarterly AuM statements and via the regulatory news service.

The Executive Directors hold regular meetings with a range of shareholders and potential investors and I also met several of Ashmore's major shareholders during the year. Ashmore's AGM provides an opportunity for all shareholders to meet with the Board and raise matters of interest.

At the 2022 AGM, 78% of shareholders voted in favour of the Remuneration report. Through our ongoing programme of engagement with shareholders and proxy advisers, we are aware of the views held by certain governance teams in relation to the Remuneration report, leading to the votes against.

In preparation for the triennial shareholder vote on the Directors' Remuneration policy at the 2023 AGM, the Remuneration Committee has reviewed Ashmore's approach to executive remuneration and a comprehensive governance roadshow was held, which covered c.75% of the institutional shareholder register and the main proxy advisers. This enabled Helen Beck, in her role as Chair of the Remuneration Committee, to discuss proposed changes to the Directors' Remuneration policy and other matters. Further details on this review and the subsequent roadshow can be found in the Remuneration report on pages 81 to 84. The proposed Directors' Remuneration policy is set out on pages 85 to 93.

Wider society

Ashmore continues to engage with investors, governments and NGOs across a range of issues that are important to the business and the wider world. Management shares insight and feedback from this engagement with the Board, helping us understand how Ashmore's products and services can better serve its stakeholders.

Our Section 172 statement on pages 42 to 45 sets out how Ashmore has taken account of our stakeholders, and the Sustainability report on pages 50 to 55 describes the good work that has been done this year by The Ashmore Foundation and the offsetting of the Group's carbon emissions. ESG is integrated into Ashmore's investment processes and we are committed to providing transparent reporting to stakeholders on ESG outcomes. A more extensive review of Ashmore's ESG activities can be found in the Sustainability Report, which is available on the Group's website.

Dividend

The Board recognises the importance of the ordinary dividend to shareholders, and, taking into consideration the annual profit, the unrealised nature of the seed capital result, the cash flows delivered, the balance sheet's strength and the continued growth opportunities available to Ashmore over the longer term, it is recommending a final dividend of 12.1 pence per share, to give total dividends per share for the year of 16.9 pence.

Clive Adamson
Chair

5 September 2023

2018 UK Corporate Governance Code Compliance Statement:

Ashmore has complied with the Code during the year, save for Provision 24 (membership of the Audit and Risk Committee) for part of the year. Ashmore explains on pages 67 to 68 how each of the Principles of the Code have been applied and why there was a departure from Provision 24 on an interim basis.

Operational resilience

During the period, Ashmore addressed the FCA's operational resilience requirements. A working group chaired by the GFD identified Ashmore's important business services which are delivered to clients and mapped out the processes that enable those services to function. It was then determined how much disruption each important business service could tolerate and this impact tolerance was then tested. This self-assessment was completed in March 2023 and approved by the Board in May 2023. A similar operational resilience self-assessment will be completed annually, starting in early 2024 and therefore well ahead of the FCA's deadline of March 2025.

Complying with the Code

Ashmore explains below how it applied the Principles of the Code during the year ended 30 June 2023. The explanation references the alphabetic coding of the Provisions of the Code. Ashmore complied with all Provisions, save as indicated below (Provision 24).

Board Leadership and Company Purpose

- A. Board's role. A formal schedule of matters reserved for the Board is reviewed and approved by the Board on an annual basis. It sets out the framework under which the Board manages its responsibilities, discharges its authority and manages its own activities. A yearly planner seeks to ensure the most important and current topics are discussed at meetings during the year. The Board's main activities throughout the year are detailed on page 71.
- B. Purpose and culture. The Company's purpose, as a specialist Emerging Markets investment manager, is to deliver long-term investment outperformance for clients and generate value for shareholders through market cycles. Its strategy for doing so is set out in the Strategic report and includes, among other matters, how in pursuing the objectives set out within the purpose, Ashmore ensures its culture and working practices align both with its purpose and its broader set of stakeholders through effective and entrepreneurial leadership. The Board receives regular reports on employees' compliance with regulatory and risk management requirements, hears presentations and updates from different departments and offices and meets employees on an informal basis after each Board meeting. These elements underpin Ashmore's assessment of its culture, which is also considered as part of internal audit reviews.
- C. Resources and controls. It is the duty of the Board to ensure that adequate resources are in place for the delivery of its strategy over the long term. The use of those resources is set out in a delegated authority framework, designed to ensure that decisions over those resources are taken by the right persons at the right level with accountability to the Board. The Risk management section of this report further describes the framework of controls by which Ashmore enables risk assessment and risk management.
- D. Stakeholder engagement. The Section 172 statement made on pages 42 to 45 includes examples of matters considered by the Board during the year and what was taken into account when making those decisions, including engagement with shareholders and other stakeholders. The Board's monitoring and response to any Director's potential conflict of interest is carried out by the Nominations Committee. An agreement is in

place with respect to the controlling shareholding of Mark Coombs where independence provisions are in place. This is explained in more detail in the Directors' report on page 113. Any Director with any concerns about the Board or management of the Company may have these recorded in the minutes.

- E. Workforce engagement. Jennifer Bingham, the Senior Independent Director, is the designated Non-executive Director with responsibility for engagement with Ashmore's workforce. An explanation as to how she undertook this function during the year is given on page 113. The Chair of the Audit and Risk Committee performs the role of whistleblowing champion for the Group. A confidential hotline is available for any employees who wish to raise concerns of wrongdoing in the workplace on an anonymous basis. The Board receives regular reports on the functioning of the independent reporting arrangements in place for any such matter raised.

Division of Responsibilities

- F. Role of the Chair. Clive Adamson was independent upon appointment as Chair of the Board. He leads on the effectiveness of the Board by setting the agendas and timetable for meetings, and encouraging an open and constructive dialogue during meetings, inviting the views of all Board members. He ensures that Board members receive accurate, timely and clear information in his regular interactions with Executive Directors and the Company Secretary.
- G. Composition of the Board. The Board consists of two Executive Directors, four Non-executive Directors and a Non-executive Chair who was considered independent upon appointment to the Board. Their responsibilities have been set out in writing and agreed by the Board and are available on the Group's website. Their roles and responsibilities are also further described on page 70, which show the division between the Board responsibilities and the executive leadership of the Company. These roles and responsibilities are reviewed annually. A Senior Independent Director has been appointed and Jennifer Bingham led this year's appraisal of the Chair. More details are given on page 77.

- H. Role of the Non-executive Directors. The Non-executive Directors' engagement with management, their constructive challenge and contribution to Board discussion are assessed as part of the Board's annual effectiveness review. Their expected minimum time commitment is set out in their appointment letters and they are required to seek approval for any new external appointments in advance, as set out in the Nominations Committee report on page 77. All Directors' other appointments are listed on pages 62 to 63 and their attendance at meetings on page 62.
- I. Role of the Company Secretary. All Directors have access to the advice and support of the Group Company Secretary and her team. Directors can request the arrangement of additional briefings on the business, external developments and professional advice independent of the Company, at the Company's expense. The appointment or removal of the Group Company Secretary is a matter for the Board.

Composition, Succession and Evaluation

- J. Appointments to the Board and succession planning. The Nominations Committee report on pages 76 to 77 sets out its activities and areas of focus during the year, including the recruitment of a new Non-executive Director, Board and committee composition and progress on diversity and inclusion. All the independent Non-executive Directors are members of the Nominations Committee and the Chair of the Board is also Chair of the Committee, save where it considers the role of Board Chair. All Directors are subject to shareholder election or re-election at each AGM, unless retiring at the conclusion of the meeting. None of the Non-executive Directors has served over nine years on the Board.
- K. Skills, experience and knowledge of the Board. During the year, the Nominations Committee recommended the appointment of a new Non-executive Director based on an analysis of the skills, experience and knowledge needed. The Nominations Committee report on page 76 gives further details of that recruitment process. Following the appointment of Shirley Garrod and Thuy Dam to the Board, a series of induction meetings was set up to enable each of them to gather further insights into the Company. There is a programme of ongoing training for all Board members in addition to the regular programme of presentations at Board meetings.
- L. Board evaluation. The internal Board evaluation, which took place during the year, is described in the Nominations Committee report on page 77, together with its outcomes.

Audit, Risk and Internal Control

- M. Internal and external audit. The Audit and Risk Committee currently comprises four independent Non-executive Directors. From 21 April 2022 to 23 January 2023, following the resignation of David Bennett and appointment of Clive Adamson as Chair of the Board, the Company did not comply with Provision 24 of the Code which states that the Chair of the Board should not be a Committee member. Clive Adamson retained the role of Chair of the Audit and Risk Committee when he took over as Chair of the Board. This was an interim solution, while FCA approval was awaited for Shirley Garrod to take on the role of Chair of the Audit and Risk Committee following her appointment to the Board on 1 August 2022. On 23 January 2023, Shirley Garrod succeeded Clive Adamson as Chair of the Audit and Risk Committee and Clive stepped down as a member of the Committee. Further details are set out in the Nominations Committee report on page 76.

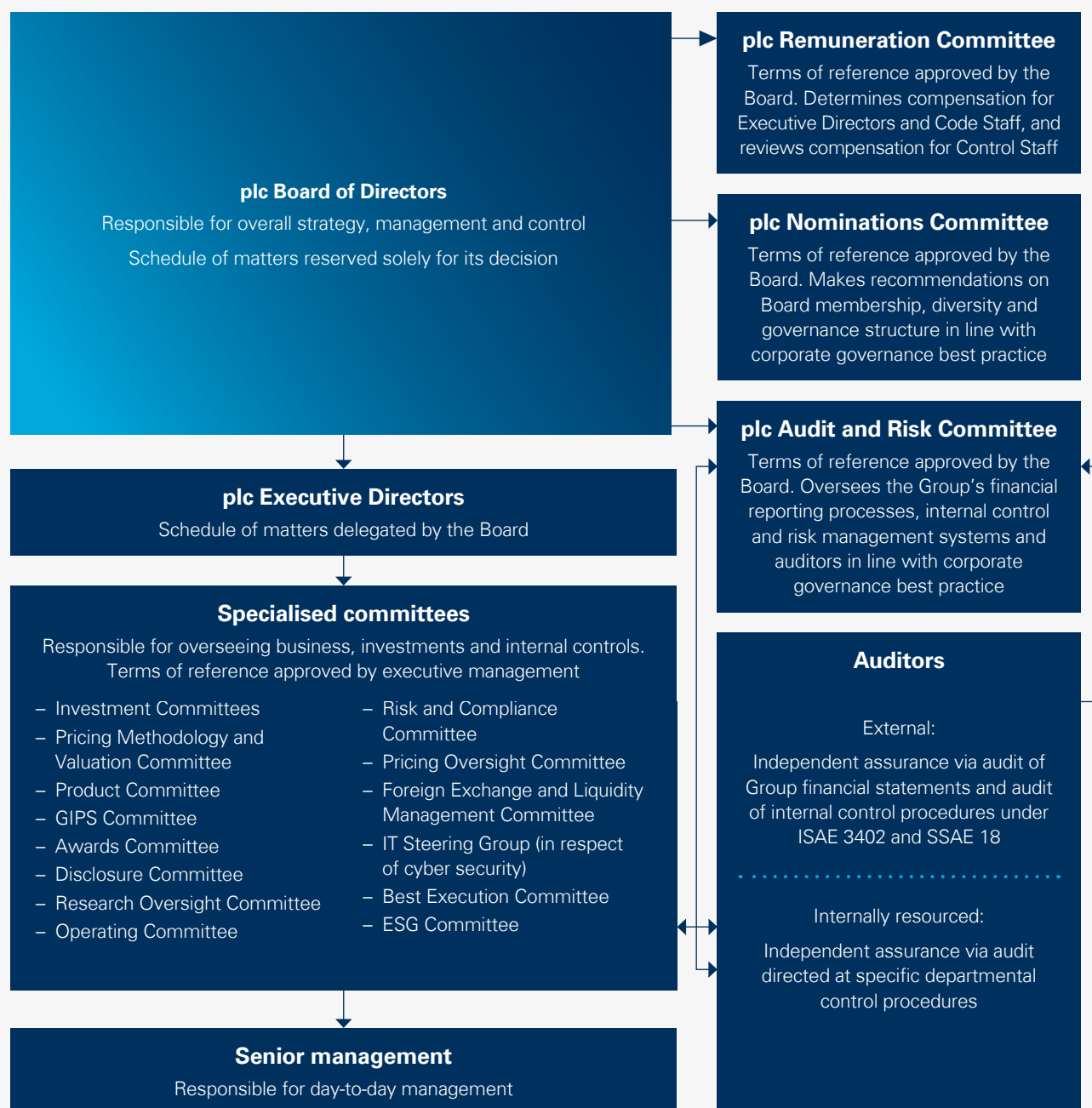
The Board delegates a number of responsibilities to the Audit and Risk Committee, including oversight of the Group's financial reporting processes, internal control and risk management systems and the work undertaken by the external and internal auditors. The Committee also supports the Board's consideration of the Company's viability statement and its ability to operate as a going concern. The Audit and Risk Committee report on pages 72 to 75 describes the work of the Committee during the year and how it discharged its duties and responsibilities.

- N. Fair, balanced and understandable assessment. When taken as a whole, the Directors consider the Annual Report and Accounts is fair, balanced and understandable and provides information necessary for shareholders to assess the Company's performance, business model and strategy. A description of how the Audit and Risk Committee ensures that a robust process is in place for ensuring this is described on page 72.
- O. Risk management and internal control framework. The Board is responsible for setting the Company's risk appetite in line with its long-term strategic objectives, and annually reviews the effectiveness of the Company's risk management and internal control systems. The internal control framework is described on pages 35 to 39. The Audit and Risk Committee has oversight of the effectiveness of internal controls and for developing proposals in respect of overall risk appetite and tolerance as well as metrics to monitor the Group's risk management performance. Further details are set out in the Audit and Risk Committee report on pages 72 to 75 and a description of the principal risks facing the Company is set out on pages 40 to 41.

Remuneration

- P. Remuneration policies and practices. The Remuneration Committee comprises all the independent Non-executive Directors and is chaired by Helen Beck. The Chair of the Board, who was independent on appointment, is also a member of the Committee. The Remuneration report provides details of the Group's approach to remuneration on page 94.
- Q. Executive remuneration. The Remuneration Committee has responsibility for determining the policy for executive remuneration and for setting remuneration for the Chair of the Board, Executive Directors and senior management. No Director is involved in deciding their own remuneration and the remuneration of the Chair of the Board and the Non-executive Directors is designed to reflect their time commitment and responsibilities. Further details are set out in the Remuneration report on pages 78 to 111.
- R. Remuneration outcomes and independent judgement. Details of the composition and the work of the Remuneration Committee are reflected in its terms of reference and are set out in the Remuneration report.

Corporate governance framework



Roles of the Board

Executive roles

Chief Executive Officer

Responsible for managing and leading the business and its employees

Chair of the fixed income, equities, healthcare and special situations ICs

Developing an effective relationship with the Chair and the Board

Leading the business towards achievement of the strategy

Maintaining an effective dialogue with shareholders and stakeholders

Making business decisions (within the framework of the Board's delegated authorities)

Group Finance Director

Managing the Group's capital, cash flow and liquidity

Leading and overseeing the Finance, Middle Office and IT functions, which are responsible for Operational Risk, Transaction Processing, Fund Administration, Performance, Data and Client Reporting, Information Technology development and infrastructure

Responsible for the Group's financial reporting and leading the annual budget process

Maintaining an effective dialogue with shareholders and analysts on the performance of the Company

Responsible for investor relations and corporate development, including mergers and acquisitions

Governance of the Group's subsidiaries

Non-executive roles

Chair

Responsible for leading the Board and its overall effectiveness

Building an effective and diverse Board with complementary skills which is progressively refreshed

Facilitating and encouraging an effective contribution from all Board members

Ensuring the Board has clear, accurate and timely information

Facilitating an annual evaluation of the Board, its committees and individual Directors

Senior Independent Director

A sounding board for the Chair and an intermediary for the other Directors and shareholders

Facilitating an annual review of the performance of the Chair

Independent Non-executive Directors

Providing oversight of, but not managing, the business

Providing effective independent oversight and challenge of executive management

Scrutinising the performance of executive management

The **Group Company Secretary** is responsible for advising the Board on all governance matters.

Board activity during the year

In addition to its regular business, specific topics considered by the Board at its meetings this year included:

July 2022	<ul style="list-style-type: none"> – Appointment of Shirley Garrood as a Non-executive Director
September 2022	<ul style="list-style-type: none"> – Annual Review on the Effectiveness of Risk Management and Internal Control Systems – ICAAP report – Distribution presentation – Operational resilience update
October 2022	<ul style="list-style-type: none"> – Operations and IT presentation – AGM arrangements, results of proxy voting and governance agency reports – Operational resilience update
December 2022	<ul style="list-style-type: none"> – Board visit to offices in Singapore and Indonesia – Annual review of Culture, Conduct and Diversity – Group strategy review – Annual review of delegated authorities and matters reserved to the Board – Modern Slavery Act statement – Chief Risk Officer review – Local office presentation: Indonesia – ICARA approval
February 2023	<ul style="list-style-type: none"> – Review of Seed Capital Policy – Review of FX and Liquidity Management Framework Policy and activities – External debt team presentation – Tax presentation – Interim ICARA update – Operational resilience update
April 2023	<ul style="list-style-type: none"> – Appointment of Ernst & Young LLP as external auditor, subject to shareholder approval – Appointment of Thuy Dam as a Non-executive Director – Consumer Duty overview – Compliance officer reports – Renewal of the Group and funds' insurances – Operational resilience update
June 2023	<ul style="list-style-type: none"> – FY2024 Budget – ESG presentation – The Ashmore Foundation presentation – Operational resilience update

Standing agenda items:

- Declaration of Directors' potential conflicts of interest and any significant additional time commitments
- Reports from Chairs of Committees
- Monthly management report
- Investor relations update
- Strategy update

Additional meetings and training:

- 'Meet the teams' sessions
- Non-executive Directors' private sessions
- Board effectiveness review
- Diversity and inclusion training
- Remuneration Committee training in preparation for the review of the Directors' Remuneration policy
- Operational resilience feedback session
- GDPR briefing (via the Audit and Risk Committee)
- Cyber security update (via the Audit and Risk Committee)

Providing oversight and challenge

This report outlines the activities of the Audit and Risk Committee for the year ended 30 June 2023. The Committee remains central to the oversight of the Group's financial reporting, risk management, control and assurance processes and internal and external audit. During the year, the Committee led the tender for the Group's external audit.

Shirley Garrood
Chair

Committee membership

The following Directors served on the Committee during the year:

- Shirley Garrood (member from 1 August 2022 and Chair from 23 January 2023)
- Clive Adamson (stood down as a member and Chair on 23 January 2023)
- Jennifer Bingham
- Helen Beck
- Thuy Dam (from 1 June 2023)

The members of the Committee at the date of this report are all independent Non-executive Directors.

The Code states that the Chair of the Board should not be a member of the Audit and Risk Committee. For part of the year, until Clive Adamson stood down as a member and Chair of the Committee, the Committee's composition was not fully compliant with the Code. An explanation is given in the Nominations Committee report on page 76.

The attendance record of Committee members is set out in the table on page 62.

The Board is satisfied that for the year under review and going forward, Shirley Garrood is the Committee member with recent and relevant financial experience, and the Committee as a whole has competence relevant to the sector in which the Company operates.

The terms of reference for the Committee can be found on Ashmore's website.

Meetings

During the year ended 30 June 2023, the Committee held four scheduled meetings. Each of these meetings is divided into two sessions: the first to address risk management and compliance reporting; and the second to address financial and audit reporting. The GFD, Head of Risk Management and Control, Head of Internal Audit, Group Head of Finance and Group Head of Compliance are invited to attend the relevant sessions of each meeting. The Chair of the Committee typically holds one-to-one meetings prior to the Committee meetings, with the attendees and the external auditor.

The Committee has adopted an integrated assurance approach to assess the various key matters relative to its terms of reference and to satisfy itself that the sources of assurance and information the Committee has used to carry out its role to review, monitor and provide assurance or recommendations to the Board are sufficient and objective. This approach relies on the work of the external auditor, on management assurances received through reports from the GFD, the Group Head of Compliance, the Head of Risk Management and Control, the Head of Internal Audit and the Group Head of Finance, and on the existing Ashmore governance framework such as specialised management committees. Other independent assurance is received from the compliance monitoring programme, Internal Audit and the externally audited ISAE 3402 report on the control environment.

The Committee considered a range of standing topics throughout the year, including product governance, balance sheet risks and risk appetite metrics, updates in line with the IFPR requirements on capital and liquidity, and subsidiary and funds reporting and governance. The Committee also received reports on the Annual Review of Risk Management and Internal Control Systems as well as special topics such as cyber security and GDPR. The Chair reports to the Board on the business of each Committee meeting.

For each of the half-year and annual financial statements, a review is undertaken by a panel comprising the GFD, the Head of Investor Relations, the Group Company Secretary and the Group Head of Finance to ensure that the reporting is 'fair, balanced and understandable', and other members of senior management attend as appropriate. This review is taken into account by the Committee in advising the Board as to whether these criteria have been met.

Financial statements

The Committee reviewed the 2023 Annual Report and Accounts, the interim results and reports from the external auditor, KPMG LLP, on the outcome of its reviews and audits in FY2023.

Significant accounting matters

During the year, the Committee considered key accounting issues, matters and judgements in relation to the Group's financial statements and disclosures. The principal areas of estimates and judgements are disclosed in note 2 of the financial statements.

Other accounting matters

During the year, the Committee received communications from management and from the external auditor on other accounting matters. The Committee has also reviewed the adoption of the going concern basis in preparing the interim and year end consolidated accounts and considered the longer-term viability statement for the Group, which is described in more detail on page 39.

External auditor

KPMG LLP (including its prior entity KPMG Audit plc) has acted as external auditor to Ashmore since the IPO in October 2006. The lead audit partner rotates every five years to ensure independence.

The external auditor provides reports at each Committee meeting on topics such as the control environment, key accounting matters and mandatory communications. An annual audit plan for the full year and a review plan for the interim statement are presented for the Committee's approval each year, covering key audit matters and scope. There were no new financial accounting Standards or Interpretations in issue and required to be adopted by the Group during the current year.

The Committee also receives presentations from the independent auditors of Ashmore sponsored SICAV, US 40 Act, Guernsey and Cayman funds auditors on the conduct and outcome of the audits for the year, including any key accounting matters and developments, and no material issues were raised.

External auditor independence

It is the responsibility of the Committee to monitor the performance, objectivity and independence of the external auditor. A policy is in place for permitted non-audit services, to ensure that these do not impair these requirements. In practice, the majority of such services provided to the Company by KPMG LLP are closely related to audit work. All contracts for non-audit services over £25,000 must be notified to and approved by the Chair of the Committee.

In FY2023 the value of non-audit services provided by KPMG LLP amounted to £0.2 million (FY2022: £0.2 million). Non-audit services as a proportion of total fees paid to the auditor were approximately 20% (FY2022: 21%). The Committee considers this proportion acceptable. The non-audit services provided related to supplying mandatory assurance reports in relation to client assets to the FCA (as the regulator of Ashmore Investment Management Limited and Ashmore Investment Advisors Limited), a review of Ashmore's half-year financial statements and for work on ISAE 3402. ISAE 3402 covers internal control systems and is applicable to Ashmore's offices in London and Dublin, in line with investment management industry standards.

The assurance provided by the Group's external auditor on the items listed above is considered by the Committee to be strictly necessary in the interests of the business and, by their nature, these services could not easily be provided by a separate professional auditing firm. KPMG LLP does not supply tax compliance or advisory services to the Group. Independent tax advice is supplied by Deloitte LLP.

At the end of each Committee meeting, the Non-executive Directors meet with the external and internal auditors without the Executive Directors present to permit them to raise any matters of concern in confidence.



Wisma 46 skyscraper downtown Jakarta, Indonesia

The Committee is required to assess the quality and effectiveness of the external audit process as well as the controls and procedures in place to ensure auditor independence and objectivity. Measures taken by the Committee included detailed questions for both management and the external auditor, and a review of the audit quality statistics. During the year, the Committee also received the outcome of the FRC's Audit Quality Review of KPMG LLP's audit of the Company's 30 June 2022 financial statements, which was undertaken as part of the FRC's annual inspection of audit firms and in which no significant improvements were required. Based on its review, the Committee concurred with management's view that there had been appropriate focus and challenge of the primary areas of audit risk and assessed the quality of the audit to be satisfactory. The Committee was satisfied with the work of KPMG LLP and considered that it remained objective and independent.

External audit tender

The Committee previously undertook a tender process in March 2016. Mandatory audit firm rotation is required after 20 years and a re-tender must be conducted at least every 10 years.

During the year, the Committee led a comprehensive tender process for the Group and funds' external audits. On the basis that the maximum of 20 years would soon be reached, KPMG LLP did not participate in the tender.

Four firms were considered to have the required expertise and geographical reach and were invited to participate, including 'challenger' firms, with two firms taking part in the tender. The Committee communicated with the two firms opting not to participate in the tender to understand the reasons for this.

AUDIT AND RISK COMMITTEE REPORT (CONTINUED)

Once the request for proposal setting out the scope of the external audit and the expectations of the successful firm had been issued, written responses were submitted for consideration by the Committee at an additional meeting. A number of calls and meetings were convened with the tendering firms. The two firms were then invited to present to the Committee, following which the Committee met to consider their recommendation to the Board.

Throughout the process, the Committee was conscious of the need to base its selection on audit quality, including independence, challenge and technical competence, rather than price or perceived cultural fit, and Committee discussions centred on these factors. The Committee concluded that both audit firm options presented to the Board would undertake a high-quality external audit, and the reasons for the preference were set out for consideration by the Board.

At the conclusion of the tender process, the Committee recommended to the Board that a resolution be put to shareholders for the appointment of Ernst & Young LLP as the Company's external auditor at the AGM. The Board accepted the Committee's recommendation and the negotiation of the audit fee was then concluded.

Internal controls and risk management systems

The Head of Risk Management and Control attends each scheduled meeting of the Committee and provides reports. These reports have addressed a number of risk-related topics and have demonstrated how the output of the different IC, RCC and Pricing and Valuation Methodology Committees' discussions throughout the period have been effective in highlighting, tracking and contributing towards managing key market, liquidity, credit, counterparty and operational risks. For example, the Committee received updates on the impact of the macro-economic conditions arising from the combined effects of the Russia/Ukraine conflict and China as well as global inflation and growth concerns and also on trading counterparty exposure. In relation to operational risk, the Committee continued to review and discuss the Group's Principal Risk Matrix which functions as an effective tool to highlight and monitor the principal risks facing the Group. During the year, the Committee reviewed climate-related transition and physical risks, as well as potential risks related to greenwashing.

The Committee also received a report on, and conducted a review and evaluation of, the system of internal control and risk management operated within the Company pursuant to the Guidance, prior to final review by the Board.

During the year, the Committee received regular updates on the Group's consolidated capital and liquidity positions in line with the IFPR requirements which took effect from January 2022. The Committee also received a more detailed report on the first ICARA for Ashmore Investment Management Limited prior to its publication in December 2022.

A detailed description of the risk management framework and the manner in which risks are identified and managed is set out on pages 35 to 41.

Internal Audit

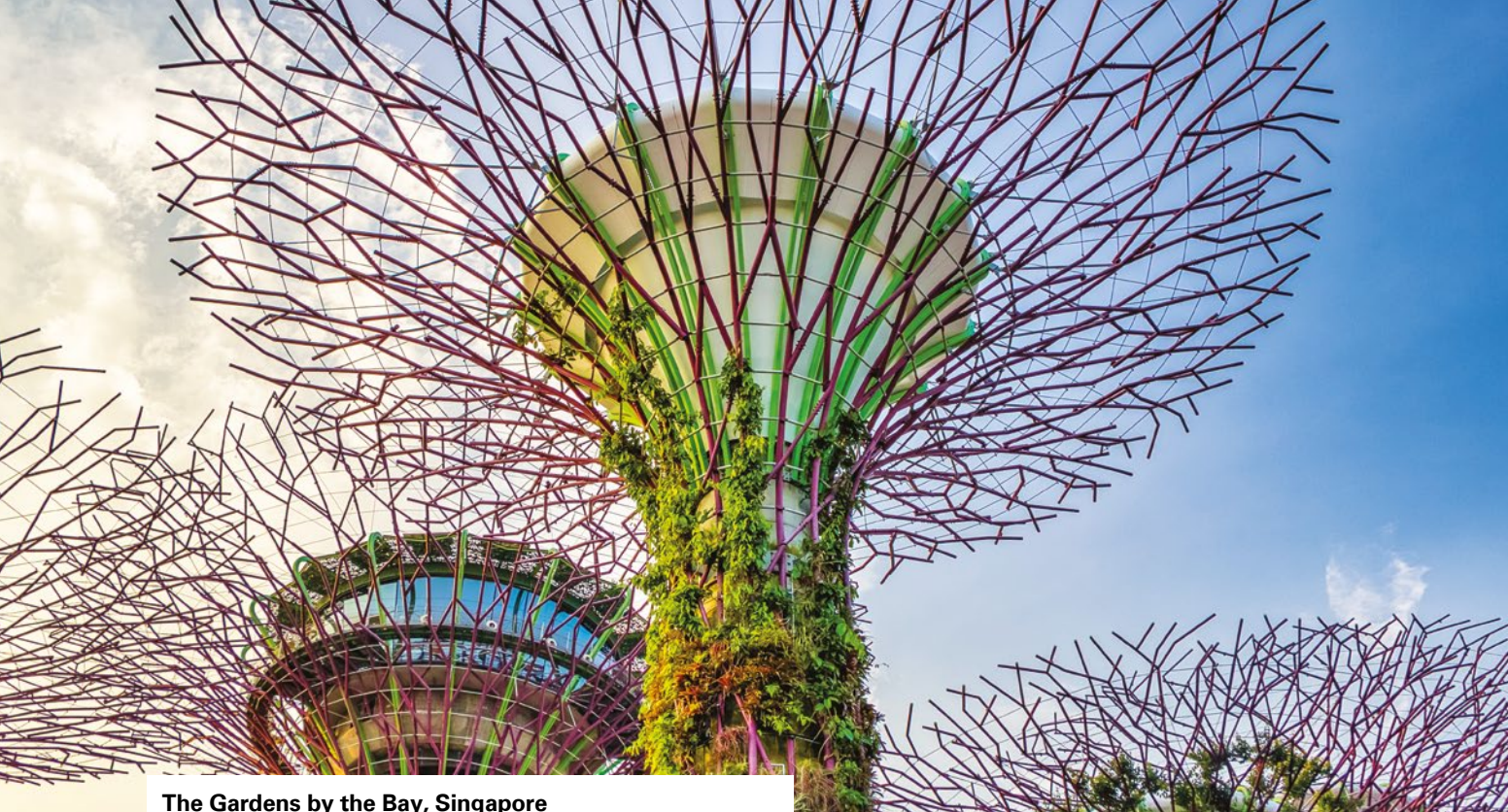
The Internal Audit function derives its authority from the Board and operates under its own terms of reference that are reviewed each year. The Board has delegated oversight of the function to the Committee which is responsible for ensuring that it has adequate standing, is properly resourced and free of management or other restrictions.

The Head of Internal Audit has regular meetings with the Chair of the Committee and attends all scheduled meetings of the Committee. The Committee continues to monitor the Internal Audit plan on an ongoing basis to ensure that it remains effective and relevant to the needs of the business and to ensure that it can be adapted or changed if a particular focus area necessitates this.

During the year, the Committee received presentations from Internal Audit on a number of topics including the Internal Audit plan for the year and the outcomes of any internal audits conducted during the period under review. The Committee also received presentations from Internal Audit on the implementation of the assurance framework in the year and the results of the assurance review over the effectiveness of the controls and mitigants in place for the principal risks. Based on the work described, and in accordance with the requirements of the Internal Audit Financial Services Code of Practice, Internal Audit has provided the Committee with its assessment of the overall effectiveness of Ashmore's governance and risk and control framework and its conclusions with regard to Ashmore's adherence to its risk appetite framework.

Internal Audit provides annual confirmations to the Committee on four areas: internal independence, Internal Audit's ongoing conformance with relevant professional standards, any potential conflicts of interest and the ongoing suitability of the Internal Audit terms of reference. In addition, the Internal Audit Financial Services Code of Practice recommends that committees should obtain an independent and objective external assessment of the Internal Audit function at least every five years, and that this assessment should explicitly include whether Internal Audit conforms with the Internal Audit Financial Services Code of Practice. Accordingly, the Committee approved BDO LLP to conduct this independent review and they presented their findings to the Committee during the year. The conclusions were that Ashmore's Internal Audit function demonstrates 'general conformance' with the standards laid out by the Institute of Internal Auditors Standards and the Financial Services Code in all areas. The review also recommended minor enhancements and the Committee is pleased to report that these have been implemented, including the publication of the Internal Audit Charter on the Group's website.

After due consideration, and in accordance with the Internal Audit Financial Services Code of Practice, the Committee remains satisfied that the quality, experience and expertise of the Internal Audit function are appropriate, that it is operating effectively for the business and that it has adequate and appropriate resources to fulfil its remit.



The Gardens by the Bay, Singapore

Compliance

In order to ensure a co-ordinated reporting process with the Risk Management and Internal Audit functions, Compliance is invited to attend and present to the Committee at its regular scheduled meetings. Reports from Compliance include details of the Group's interactions with regulators, the compliance monitoring programme, material breaches, errors and complaints, anti-money laundering controls and sanctions compliance. The Committee also approves the compliance monitoring programme and reviews the Group's procedures for ensuring compliance with regulatory reporting requirements.

Information security

Information security, including cyber security, is identified as a principal risk to the business and is subject to Ashmore's governance, policies and procedures and risk assessment. The Committee receives annual updates from the Ashmore IT department on cyber security developments and potential cyber security threats and how Ashmore would respond to a significant event. During the year the Committee also received a briefing on GDPR.

Shirley Garrood

Chair of the Audit and Risk Committee

5 September 2023

Ensuring a fair and balanced Board

This report details the role of the Nominations Committee and the important work it has undertaken during the year ended 30 June 2023. The Committee's focus has continued to be on maintaining a strong, value-adding and effective Board, with a broad range of professional backgrounds, skills and perspectives.

Clive Adamson
Chair

Committee membership

The following Directors served on the Committee during the year and to the date of this report:

- Clive Adamson (Chair)
- Jennifer Bingham
- Helen Beck
- Shirley Garrood (from 1 August 2022)
- Thuy Dam (from 1 June 2023)

The Committee's membership was fully compliant with the Code. Clive Adamson was an independent Non-executive Director prior to taking up his appointment as Committee Chair. The other Committee members are independent Non-executive Directors. Shirley Garrood joined the Board and the Committee on 1 August 2022. Thuy Dam joined the Board and the Committee on 1 June 2023.

The attendance record of the Committee members is set out in the table on page 62.

The terms of reference for the Committee can be found on Ashmore's website.

During the year ended 30 June 2023, the Committee met five times and was fully compliant with the Code in respect of its own proceedings.

Only Committee members have the right to attend its meetings. Other individuals such as the CEO, the Group Head of Human Resources, senior management and external advisers may attend meetings as and when appropriate.

As previously reported, following the retirement of David Bennett as Non-executive Director and Chair of the Board on 20 April 2022, Clive Adamson was appointed as the new Chair of the Board and Chair of the Nominations Committee in his place. The Committee agreed to recommend to the Board that Clive should retain his existing role as Chair of the Audit and Risk Committee on an interim basis, given that he had the most appropriate experience, and he continued in that role whilst a successor was found. In this respect, the Committee noted that, for a period, the Company would not be in compliance with the Code requirement that the Chair of the Board should not be a member of the Audit and Risk Committee.

Clive Adamson stood down as a member of the Audit and Risk Committee on 23 January 2023, and Shirley Garrood took over as Chair of that Committee from that date.

Shirley Garrood joined the Board as a Non-executive Director on 1 August 2022, and the process leading to her appointment was set out in the FY2022 Annual Report and Accounts. Following her appointment, the Committee's focus on Non-executive Director succession planning continued, and it was agreed that an additional Non-executive Director would strengthen the Board. The Committee undertook to source potential candidates with Emerging Markets experience to enrich Board discussions and who had the right combination of skills and experience in the context of Ashmore's commitment to diversity and inclusion. As a result of this search, Thuy Dam was appointed to the Board as a Non-executive Director on 1 June 2023.

Thuy Dam was identified as a potential candidate by the CEO given their industry connections during their period working together at ANZ. In considering her appropriateness, the Committee focused on Thuy's extensive Emerging Markets expertise and valuable local market insights. The Committee also undertook a thorough investigation into her skills, past experience, other time commitments and any potential conflicts of interest. Therefore, while the Committee is aware of the Code expectation that an external search consultancy or open advertising should generally be used for the sourcing of candidates, given the availability and suitability of Thuy Dam as well as the cost savings involved, it was considered that departure from this expectation was acceptable. Since joining the Board on 1 June 2023, Thuy Dam has undertaken a comprehensive induction programme which included meetings with all department heads to enable her to gather further insights into the firm and its operations.

During the year, the Committee considered the composition of the Board, particularly in the context of the requirements of the Listing Rules, and the recommendations of the Parker Review and the FTSE Women Leaders Review. Following Shirley Garrood and Thuy Dam's appointments, 57% of the Board members are women, the Senior Independent Director is a woman, and there is one ethnic minority member of the Board. In line with the recommendations of the Parker Review, the Committee agreed a target to be achieved by the end of 2027 of 40% for ethnic minority membership of the senior management team, defined as the Operating Committee and their direct reports who are leaders. The Committee also monitored progress towards the target for the end of 2025 of 40% women in the senior management team as set by the FTSE Women Leaders Review. Details of the gender and ethnicity balance of the Board, the senior management and the workforce as a whole are provided on pages 47 and 48 in accordance with the Listing Rules.

In order to assist with ensuring that the Group diversity policies remain in line with best practice and to monitor their implementation, particularly in light of the various diversity initiatives, the Committee agreed to establish a new Diversity Committee during the year. This committee is chaired by Jennifer Bingham, with employees including the Group General Counsel and Company Secretary and the Group Head of HR as members, and will report to the Nominations Committee at least annually.

The Committee's terms of reference require it to note any changes to Ashmore's leadership with a view to ensuring the Company's continued ability to compete effectively in the marketplace. During the year, any changes to the roles held by senior management were noted and succession plans for the leadership team were reviewed and agreed to be satisfactory.

The Committee is also tasked with considering significant new appointments for Non-executive Directors to ensure that any additional time commitment does not compromise their commitment to their roles at Ashmore and, as part of this, the Committee also notes when previous external roles come to an end. During the year, the Committee considered proposals for Non-executive Directors to take on other roles. Taking into account the proposed time commitments of each of these new roles and the time already committed to existing roles, it was decided that they would not impair the Directors' commitment to Ashmore. Having confirmed that there were no conflicts of interest, these proposed appointments were considered and approved.



Kathedraal van Jakarta, Jakarta, Indonesia

Following the triennial externally facilitated Board evaluation in 2021 and the internal assessment of the Board's performance carried out in 2022, this year there was another internal Board effectiveness review in accordance with the Code. As part of this process, the Chair interviewed each Director and held discussions with the Board, together with the Group Company Secretary, focusing on the Board's priorities during the year, the committees' responsibilities and how they were discharged, and the quality of reporting. Jennifer Bingham, in her capacity as Senior Independent Director, also conducted an appraisal of Clive Adamson in his role as Chair. It was concluded that the Board and each of its committees is operating effectively and the Board is satisfied with the governance structures in place and with the quality of information being provided. The Board agreed areas of focus for the coming year, including continuing to embed the two Non-executive Directors who have joined the Board during the year, continued focus on efficiency and oversight of culture, and opportunities for informal catch ups of the Non-executive Directors between scheduled meetings and Board dinners.

Clive Adamson

Chair of the Nominations Committee

5 September 2023

Ensuring alignment between employees and shareholders

This report outlines the activities of the Remuneration Committee for the financial year ended 30 June 2023. The Committee is responsible for setting and overseeing the operation of the Remuneration Policy for both Executive Directors and the wider workforce. During the year, the Committee has consulted widely with shareholders on our proposed Directors' Remuneration Policy.

Helen Beck
Chair

Committee membership

The following Directors served on the Committee during the year and to the date of this report:

- Helen Beck (Chair)
- Clive Adamson
- Jennifer Bingham
- Shirley Garrood (from 1 August 2022)
- Thuy Dam (from 1 June 2023)

Shirley Garrood joined the Board and the Committee on 1 August 2022, and Thuy Dam joined the Board and Committee on 1 June 2023.

Clive Adamson was an independent Non-executive Director prior to taking up his appointment as Chair of the Board within the meaning of the Code. The other Committee members are independent Non-executive Directors of the Board. Only Committee members have the right to attend its meetings. Other executives may be invited to attend as the Committee requests. The attendance record of Committee members is set out in the table on page 62.

Activities

During the year ended 30 June 2023, the Committee met seven times and was fully compliant with the Code in respect of its own proceedings.

The key focus of the Committee during FY2023 has been an extensive review and consultation process with shareholders in relation to the new Directors' Remuneration Policy, which will be put to shareholders at the 2023 AGM.

In order that sufficient time was available to the Committee to consider the new Directors' Remuneration Policy, additional Committee meetings were held during the year, which included a specific listed company market practice review delivered to the Committee by PricewaterhouseCoopers LLP.

During the year, the Committee also implemented changes to the Group's share plan in order to ensure compliance with the FCA's MIFIDPRU remuneration rules as they relate to malus and clawback for employees considered to be material risk takers, as well as other employees, and undertook a review of employee benefits.

Performance during FY2023

As noted in detail on pages 10 and 11, the past year has provided encouraging evidence that the cyclical recovery has begun across Emerging Markets despite continuing geopolitical and macroeconomic headwinds. Against this backdrop, Ashmore has delivered meaningful investment outperformance for clients with 69% of AuM outperforming their benchmarks over three years (FY2022: 28%).

The Group's financial performance naturally lags the turn in markets and so despite encouraging momentum in client activity levels over the year, average AuM was 30% lower and net revenue fell by 25%. However, a focus on cost control, and higher levels of interest earned on cash balances, meant that profit before tax was just 6% lower.

Ashmore has experienced many cycles in more than 30 years of specialist investing in Emerging Markets and its distinctive culture and flexible remuneration structure are designed to mitigate the impact of fluctuating AuM levels on its operational and financial performance.

The Committee, with input from the Committee Chair and CEO, has decided to increase the proportion of profits paid to employees in variable remuneration this year to 25% (FY2022: 21.5%). In absolute terms, the sum available for annual bonuses is 24% lower than in FY2022. However, the higher percentage payout reflects the Committee's desire to reward key employees for the much improved investment outperformance, continued client focus and support from the distribution teams in challenging markets, and the strength of the control and operational functions.

Disclosure

The Committee has provided greater transparency in the disclosures made in relation to annual performance in the Annual Report on Remuneration and there remains full disclosure of the performance measures used to determine vesting for share awards with additional performance conditions attached.

Executive Directors' performance assessment and reward for FY2023

Despite improved investment performance during FY2023, financial performance as usual lags due to the delayed impact on net inflows. As a result, the CEO requested to waive any award for this year and the Committee agreed to make no bonus award.

The Committee assessed that the GFD had performed well in FY2023, which has been the first full year of his expanded responsibilities, and he has demonstrated strong personal performance. However, with the business reporting reduced profitability, the Committee has determined that his bonus should be reduced by 10% relative to the amount awarded in FY2022 and that 70% of the award should be delivered in restricted shares. His bonus for FY2023 is £720,000.

Shares awarded to the Executive Directors in 2017 that were subject to performance conditions were due to vest during the period. No shares vested as a result of the application of the performance conditions, and the Committee did not use their discretion to vary this outcome.

Shares awarded to the Executive Directors in 2018 will be due to vest in September 2023, based on the application of performance conditions to the end of FY2023. The application of performance conditions will result in 17% of the shares vesting. The Committee does not intend to apply its discretion to vary these outcomes.

Executive Directors' salaries FY2024

The CEO's base salary will remain unchanged at £100,000. However, in line with the new remuneration policy, the base salary cap will be increased to £150,000. The Committee felt it was appropriate that the GFD's base salary is increased to £140,000 in line with other senior employees.

All employee remuneration

The Committee has spent time this year considering all employee remuneration and benefits, to ensure that, whilst maintaining Ashmore's flexible remuneration structure, which this year has reduced the sum available for variable remuneration by 24%, consideration is given to salary levels and benefits to recognise the current inflationary environment. As can be seen in figure 10 on page 109, relevant employee salaries were increased by 11% on average during the period, significantly ahead of previous periods, with the focus being on those who receive lower total compensation. Taking into account the performance achieved, the impact on relevant employees' annual bonus payments in FY2023 can be seen in figure 10 on page 109, as an average reduction relative to FY2022 of 8%.

Directors' Remuneration Policy

During FY2023 the Committee has undertaken an extensive review of the current Directors' Remuneration Policy and has consulted with shareholders and proxy voting agencies in relation to the new Directors' Remuneration Policy (the Policy) which will be put to shareholders at the 2023 AGM.

Throughout the review process it has been the Committee's intention to retain as much of Ashmore's uniquely flexible remuneration model for the Executive Directors as possible, to retain their alignment with all other Group employees, clients and shareholders and to ensure that the reward structure remains aligned with the business strategy and culture of Ashmore, whilst including some of the more common elements of remuneration structures a number of shareholders have expressed a desire to see adopted.

A summary of the key changes proposed as part of the new Policy are set out on the following pages.

An overview of the remuneration review process the Committee undertook can be found on pages 81-84 and the new Policy can be found on pages 85-93, with details relating to the performance of the Executive Directors in FY2023 on pages 96-98 followed by the Annual Report on Remuneration from page 102.

We look forward to the support of our shareholders in adopting our new Policy at the 2023 AGM, and thank all those who were so involved in the consultation process and shaping its development.

Helen Beck

Chair of the Remuneration Committee

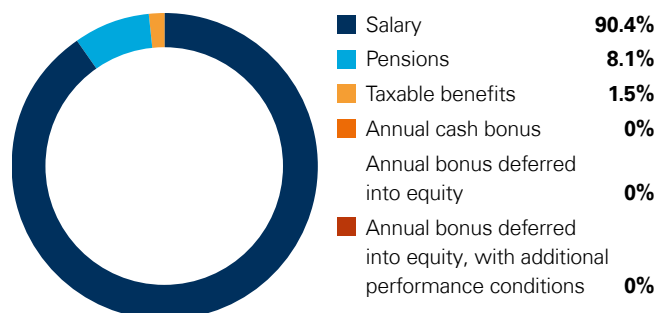
5 September 2023

REMUNERATION REPORT (CONTINUED)

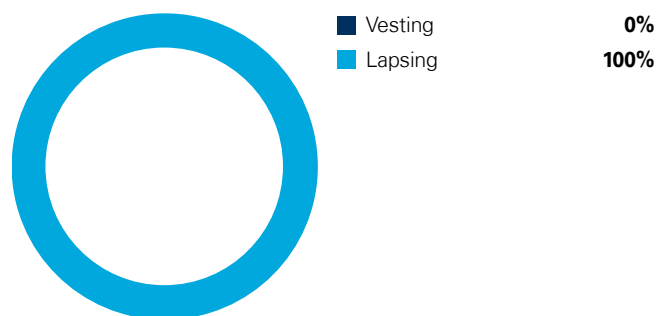
FY2023 Executive Director reward outcomes

The Chief Executive Officer's remuneration outcomes

The CEO was not awarded a bonus for FY2023, reflecting overall financial performance during the period.

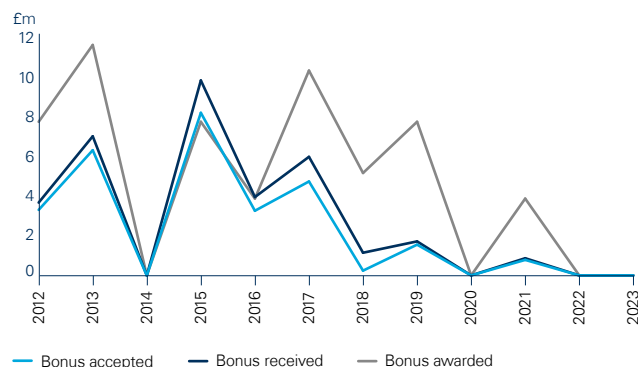


Long term incentive awards made to Executive Directors' in 2017 which were subject to the application of performance conditions lapsed in full.



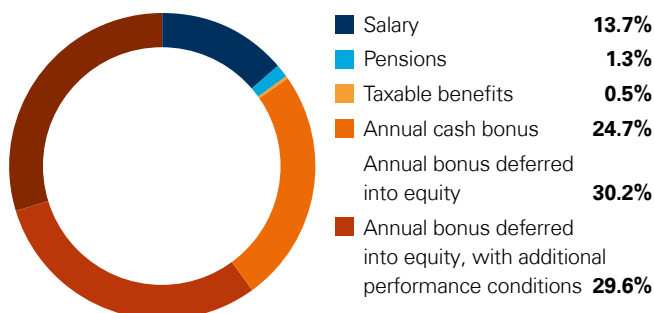
Chief Executive Officer – variable remuneration outcomes over time¹

The chart below shows variable remuneration awarded to the CEO each year between 2012 and 2023. As can be seen, the Remuneration Committee exercises its discretion in setting the annual award at an appropriate level based on the performance of the business.

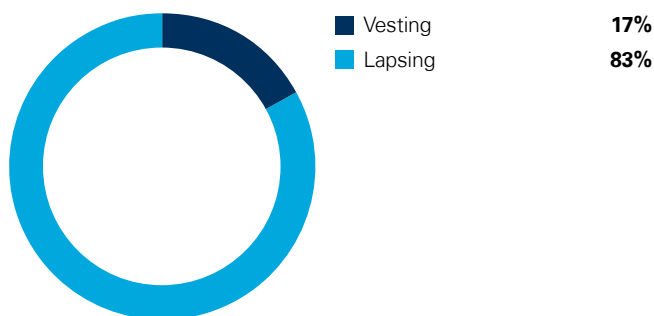


The Group Finance Director's remuneration outcomes

The GFD's annual bonus comprising cash and restricted share awards at grant value for FY2023 is £720,000 (FY2022: £1,040,000).

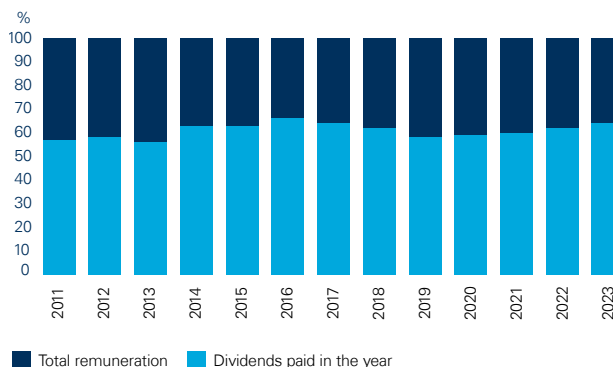


17% of long term incentive awards made to Executive Directors' in 2018, are due to vest in FY2024, which are after the application of performance conditions.



Comparison of total remuneration and dividends paid²

The chart below compares the annual total cost of remuneration paid to employees, comprising personnel expenses and variable remuneration, with the value of ordinary dividends paid to shareholders in each year.



1. This chart includes data on shares awarded between 2011 and 2017 which vested between 2016 and 2022. No cash bonus or shares were awarded in 2014, 2020, 2022 or 2023 to reflect business performance and the Remuneration Committee's application of strict discretion. The chart will be updated in future years to show the vesting outcomes for shares awarded from 2017 onwards.

2. Dividends includes the estimated cost of the proposed final dividend for FY2023.

Directors' Remuneration policy review for implementation in FY2024

Balancing shareholder requirements while retaining Ashmore's culture

The existing Directors' Remuneration Policy was approved by shareholders in 2020 for a three-year period, and at the 2023 AGM, Ashmore will ask shareholders to vote on a new Policy. In determining the new Policy, the Remuneration Committee conducted a robust review of the existing Policy and the Company's remuneration principles against the Company's strategy and the approach taken for the wider workforce.

The Committee also sought feedback from management and shareholders, including through consultation meetings with a large majority of institutional shareholders and meetings with the primary proxy voting agencies. The Committee also assessed the Policy

against the principles of clarity, simplicity, risk management, predictability, proportionality and cultural alignment.

The new Policy continues to place emphasis on variable remuneration being focused on performance measures linked to Ashmore's strategy and long-term alignment through delivering a high percentage of the variable remuneration in equity.

The Committee's aim is to evolve the Policy that has supported the Group's strategy well, providing cost flexibility in a cyclical business and creating an equity ownership culture that retains highly motivated staff, delivering investment performance for clients and incentivising value creation for shareholders across market cycles.

Ashmore's fundamental remuneration principles are:

Alignment with stakeholders

A significant portion of remuneration is delivered in Ashmore shares deferred over five years. This provides alignment between employees, executives and shareholders.

Base salaries are capped at lower market levels to ensure that fixed costs are tightly controlled.

Under the new Policy there will be compulsory deferral of at least 70% of the bonus into Ashmore shares for a period of five years, creating significant shareholder alignment.

A portion of the Executive Directors' variable remuneration, delivered in the form of a new Long Term Incentive Plan, will be subject to the achievement of performance targets, closely aligned with the Group's KPIs normally over five years.

Alignment with the Group's financial performance is critical, with the Remuneration Committee balancing the total spend on remuneration with Ashmore's financial performance, which determines a significant proportion of the variable remuneration outcomes.

Discretion and flexibility

Variable remuneration is not formulaic or capped at an individual level, an important element of Ashmore's culture that is cascaded throughout the Company. This allows the Remuneration Committee to apply discretion to ensure that awards reflect business and personal performance, as evidenced in previous years where there has been a strong pay for performance linkage; thus, the behavioural risk arising from target-based incentives is absent. As part of the new Policy we have introduced an aggregate variable remuneration cap for the Executive Directors which is an approach to balance some shareholders' requests for individual caps and maintain this key component of Ashmore's culture. The LTIP outcome is formulaic against performance measures and targets set at the start of the performance period for five years.

Consistency across the Group

The clear and simple policy has applied to all Ashmore Group employees, a material factor in defining and shaping the Ashmore culture.

The proposed Policy seeks to retain a high level of consistency of remuneration across all Group employees with low base salary caps for employees and Executive Directors who will continue to have the same pension and benefits as our UK employees. The proposed Policy aims to maintain a consistent approach to deferral between employees and Executive Directors. As set out later on, the matching share plan has been removed for Executive Directors however, it will be retained for other employees. Key to the entrepreneurial culture of Ashmore is having no individual caps to remuneration; the proposed aggregate variable remuneration cap for Executive Directors retains this crucial element of Ashmore's culture whilst also taking into account the views of some of our shareholders.

Pay for long-term performance

The Remuneration Committee considers the performance of the Executive Directors over the long term, considering progress over a multi-year period and annual performance in the context of the business progress made towards its strategic objectives and KPIs.

Awards are deferred over five years into Ashmore shares, and the LTIP for Executives Directors will have a five-year performance period, significantly longer than the usual FTSE reward structure.

REMUNERATION REPORT (CONTINUED)

DIRECTORS' REMUNERATION POLICY REVIEW FOR IMPLEMENTATION IN FY2024 (CONTINUED)

Policy changes

Removal of the matching share plan

The Committee has removed the matching share plan for Executive Directors. The matching share plan will be replaced with a separate annual bonus and LTIP, detailed below. This provides a simplified and market-aligned remuneration structure. The matching share plan will be retained for employees other than Executive Directors.

Annual bonus

The new Policy mandates that for Executive Directors at least 70% of annual bonus will be subject to deferral into Ashmore shares that will cliff vest after five years.

A deferral of at least 70% for five years is significantly above current market practice and regulatory requirements. However, this aligns Executive Directors with employees who make the full voluntary deferral into the existing share matching plan. This level of deferral also ensures significant alignment of Executive Directors with shareholders, an important aspect of Ashmore's culture that the Committee believes is important to retain.

Annual bonus performance measures

The Committee will determine the annual bonus by assessing key financial and non-financial metrics of Ashmore's performance. The most highly weighted elements will relate to the Company's financial performance and for FY2024 will include key Group metrics such as, but not limited to, profitability, adjusted EBITDA margin, management of costs, AuM development and investment performance relative to benchmarks over one, three and five years by investment theme.

The non-financial performance measures for FY2024 will include metrics such as strategic developments, risk management, compliance matters, outcomes for investors and clients, employees, culture and conduct, ESG metrics, and personal objectives, e.g. management of teams and departments.

This provides the Remuneration Committee with an overview of Ashmore's business performance, supports Ashmore's sustainability values and meets regulatory and shareholder requirements. The annual bonus will also be subject to appropriate risk and compliance review and malus and clawback if appropriate.

Long-Term Incentive Plan (LTIP)

Linking remuneration to long-term performance is a fundamental element of Ashmore's culture; therefore the proposed introduction of an LTIP for the Executive Directors aims to reinforce this important value.

The LTIP will normally be measured over five years and will incorporate consistent performance measures as currently used to determine the vesting of Executive Directors' deferred awards with performance conditions, namely:

- investment performance relative to benchmarks over three and five years;
- growth in assets under management over five years; and
- profitability.

These measures represent the key drivers of Ashmore's long-term performance, but will be kept under review by the Remuneration Committee. The measures will be fully disclosed when the LTIP is awarded and performance relative to the measures will be fully disclosed at the vesting measurement point after five years. The LTIP will also be subject to malus and clawback if appropriate.

Following shareholder feedback, the Committee has determined that the value of the LTIP will be equivalent to at least 25% of the individual annual bonus awarded and can be up to 100% of the total variable remuneration award made in a year, subject to overall performance and affordability.

Introduction of an aggregate Executive Directors' variable remuneration cap

Ashmore's current policy does not apply caps or targets to individual incentives. Ashmore's employees are not provided with target ranges or maximum levels of variable remuneration. The reward philosophy has been, and will continue to be, entrepreneurial and pays only for performance, in that all incentives are discretionary and linked to overall Company and individual performance. Therefore, imposing individual variable remuneration caps on the Executive Directors would be countercultural.

As discussed during Ashmore's consultation meetings with shareholders and proxy voting agencies, the Committee is proposing to introduce an aggregated variable remuneration cap for the two Executive Directors of £20 million. The cap will be based on the total bonus and LTIP awarded in respect of a performance year and is intended to provide additional certainty to shareholders, whilst maintaining flexibility to operate a fully variable pay approach. In establishing the level of variable remuneration cap, the Committee has considered the previous highest remuneration levels paid to Ashmore's Executive Directors, the impact of inflation

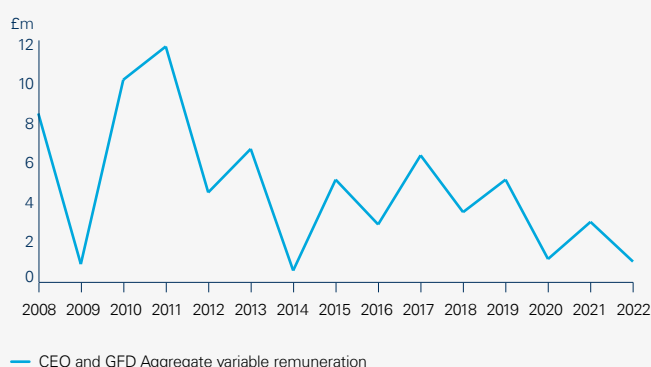
over time and external compensation benchmarking data sourced independently from AON/McLagan and based on a peer group of global asset management organisations appropriate to Ashmore. The cap is set at a level to provide headroom to reward performance in years of considerable financial growth.

The Remuneration Committee always placed considerable focus on variable remuneration being aligned with Company performance and, as highlighted by the chart below, has demonstrated that it is prepared to reduce Executive Director remuneration levels when there are periods of diminished business performance and increase them when it is justified in doing so.

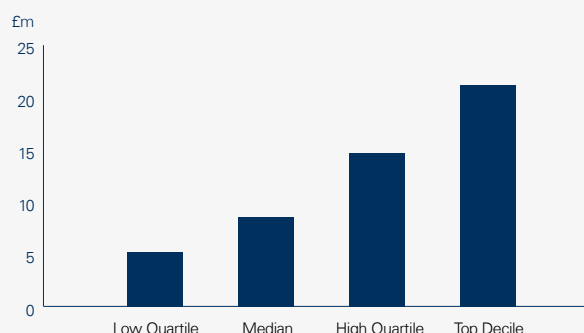
The discretion that the Remuneration Committee can apply, combined with the absence of threshold or target levels that produce formulaic outcomes, means that Ashmore's remuneration outcomes are more variable than may be seen in peer organisations but more accurately reflect and align with the economic performance of the business and the experience of clients and shareholders. The Committee also remains highly aware that in determining variable remuneration, it is essential that an appropriate balance between returns to shareholders and employees is maintained.

In order to provide some clarity to shareholders, when the previous highest award level is considered, the business performance across the key Group KPIs is shown overleaf.

Ashmore CEO and GFD aggregate variable remuneration



AON/McLagan aggregate peer group market data for CEO and GFD roles¹



1. Source: AON/McLagan, 2021 data.

REMUNERATION REPORT (CONTINUED)

DIRECTORS' REMUNERATION POLICY REVIEW FOR IMPLEMENTATION IN FY2024 (CONTINUED)

Business performance in FY2011, when the highest variable awards to date were made

	FY2011
AuM (\$bn)	65.8
YoY growth	86%
Revenues (£m)	333.8
YoY growth	17%
Adjusted EBITDA (£m)	250.9
Adjusted EBITDA margin	73%
Diluted EPS (p)	28.1
YoY growth	18%
AuM outperforming over 1 & 3 years	99% / 91%
Aggregate variable remuneration for Executive Directors (£m)	£12

It should be noted that the Committee has, in recent years, reduced variable remuneration awards when key Group KPIs have not been achieved, and this will continue with the new Policy.

Base salary positioning

Ashmore's base salaries are capped at or below the lower end of the market to ensure that fixed costs are tightly controlled and that a more significant proportion of total remuneration is determined by Company and individual performance than at peer organisations. The Remuneration Committee reviewed and considered the base salary for Executive Directors levels compared with market data provided by Deloitte LLP and AON/McLagan. The base salary cap will move to £150,000, which is consistent with the base salary cap for other UK employees, and remains significantly below market levels. The salary level for the CEO for FY2024 will remain unchanged at £100,000. The salary for the GFD has been reviewed and will increase to £140,000, taking into account his increased responsibilities through the full period and in alignment with other senior employees within Ashmore.

Shareholding requirement during employment and post-employment

In response to shareholder feedback, the Remuneration Committee has reviewed the current shareholder requirement level of 200% of base salary and has increased it to 300% of base salary during employment and for two years post-employment.

Remuneration disclosure

Discretion and flexibility are crucial elements of Ashmore's Policy, and therefore, formulaic arrangements are not part of the Company's remuneration culture. The key measures of performance for the annual bonus are outlined above and are aligned with Ashmore's strategy, placing a heavy emphasis on financial results. Ashmore has provided greater transparency in the disclosures made in relation to these in the Annual Report on Remuneration. There is currently full disclosure of the performance measures used to determine vesting for share awards with additional performance conditions attached, and this level of disclosure will continue with the new LTIP.

Non-executive Director fees

To align with typical market practice it is proposed that going forwards Non-executive Director fees will be structured with a base fee and separate fees for additional responsibilities. The Non-executive Director base fee will be set at £60,000, with an additional fee of £15,000 for the Senior Independent Director, Audit and Risk Committee Chair, and Remuneration Committee Chair. The Chair fee will remain at £150,000, inclusive of Chairing the Nominations Committee. This change will result in an increase in the fee for the Senior Independent Director to £75,000.

Key Policy Changes

	New Policy	Current Policy
Base salary	£150,000	£120,000
Annual bonus	With at least 70% mandatory deferral for 5 years	40% mandatory deferral with voluntary deferral above this
LTIP	LTIP for 5 years	Matching share plan
Cap	Aggregate Cap for Executive Directors	Uncapped at an individual level
Shareholding requirements	300% of base salary	200% of base salary

Policy review conclusion

The new Policy incorporates the views of shareholders and retains key elements that remain aligned with Ashmore's culture and long-term business strategy. A consistent remuneration structure across all employees has been and remains vital, and this structure is retained by introducing a high level of deferral for the Executive Directors. Ashmore focuses on long-term performance, with deferral of the majority of annual bonus for five years and the LTIP being based principally on performance over five years. Both the deferral periods and proportion of remuneration, which is deferred into equity, are significantly greater than Ashmore's peers. Ashmore values the consistency of approach with other employees and past practices and the alignment it creates with clients and shareholders. These awards are also subject to a full risk and compliance review and both malus and clawback if appropriate.

The new Policy retains a critical element of the current policy by not introducing individual variable remuneration caps, while also providing an aggregate variable remuneration cap for the Executive Directors to address an issue raised by certain shareholders through the consultation process.

Ashmore would like to thank all those shareholders and proxy agencies who engaged with this process and whose feedback and candid challenge were highly valuable, allowing the Committee to conclude that it should adapt the policy but retain a number of aspects which are fundamental to Ashmore's culture.

Directors' Remuneration policy

This section of the Remuneration report has been prepared in accordance with Part 4 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and sets out the Remuneration Policy for the Company. The Policy has been developed taking into account the principles of the Code and shareholders' executive remuneration guidelines. It is intended that the Policy will be put before shareholders for approval by way of a binding vote at the Company's AGM on 18 October 2023. If approved by shareholders, the Policy will apply for up to three years from FY2024.

Policy overview

The Remuneration Committee determines and agrees with the Board the Company's Policy on the remuneration of the Board Chairman, Executive Directors and senior managers, including employees designated as material risk takers or code staff under the FCA's Remuneration Codes. The Remuneration Committee's terms of reference are available on the Company's website.

In determining the new Policy, the Committee followed a robust process that included discussions on the content of the Policy at four Remuneration Committee meetings. The Committee considered input from management and advisers PricewaterhouseCoopers LLP and Deloitte LLP and sought the views of Ashmore's major shareholders, further detail of which is set out below. The Committee also assessed the Policy against the principles of clarity, simplicity, risk management, predictability, proportionality and cultural alignment.

The key aims underpinning the review were:

- the need to encourage and promote the long-term success of the Company;
- the need to attract, retain and motivate talented Executive Directors and senior management;
- consistency with the remuneration principles applied to Ashmore employees as a whole;
- external comparisons to examine current market trends and practices and equivalent roles in similar companies taking into account their size, business complexity, international scope and relative performance; and
- the requirements of the Remuneration Codes of the FCA.

Key changes to Remuneration policy

The key changes to the policy are:

1. Simplification of the variable remuneration plan by removing the voluntary deferral and the performance and non-performance related share matching element;
2. An increase in the level of compulsory deferral of the annual bonus to at least 70% of the award, normally for a period of five years;
3. The introduction of a separate Long-Term Incentive Plan element, normally with a five-year performance period;
4. The introduction of an aggregated cap on Executive Director variable remuneration;
5. An increase in the shareholding guideline for the CEO and GFD to 300%;
6. An increase of the base salary cap from £120,000 to £150,000; and
7. The annual Non-executive Director fee will now be structured to align with current market practice of a base fee and a supplementary fee for Committee Chairs and a Senior Independent Director fee.

Other changes have been made to aid operation and increase clarity.

How the views of shareholders are taken into account

In developing this Policy, the Committee Chair met with shareholders representing a substantial majority of its shareholder base and the proxy voting agencies.

The Committee has made a number of changes to the Policy to take into account shareholder feedback, including the introduction of an aggregate cap on Executive Directors' variable remuneration, removal of the matching shares element for Executive Directors', an increase in the level of annual bonus compulsory deferral, the introduction of a LTIP, a commitment that the value of the LTIP will typically be equivalent to no less than 25% of the Executive Director's total annual bonus award for the year, and an increase to the shareholding guidelines.

The feedback received as part of this process has been positive and constructive and we thank shareholders for their time.

REMUNERATION REPORT (CONTINUED)

DIRECTORS' REMUNERATION POLICY (CONTINUED)

Figure 1

Remuneration Policy (the Policy) for Executive Directors

Policy table

The table below summarises the key aspects of the Company's Remuneration policy for Executive Directors.

	Purpose and link to short and long-term strategy	Operation	Maximum opportunity
Base salary	Provides a sufficient level of fixed remuneration. The cap on base salary helps to contain fixed costs.	Base salaries are paid monthly in cash. This reflects broader practice below the Board.	<p>Consistent with the approach taken throughout the Company, base salaries for all employees, including Executive Directors' are currently capped at £150,000.</p> <p>The cap is reviewed periodically; the Policy permits the cap to be changed if this is deemed necessary to meet business, legislative or regulatory requirements.</p>
Benefits	Provide cost-effective benefits to support health and wellbeing.	<p>Executive Directors are eligible to receive benefits in line with other UK employees. Benefits currently include (but are not limited to) medical insurance and life insurance. The Company may reimburse any reasonable business related expenses (including tax thereon) incurred in connection with their role, if these are determined to be taxable benefits.</p> <p>Additional benefits may be provided if required, for example, in the event of a relocation of an executive, the Company may provide appropriate relocation assistance.</p>	Benefits are not subject to a specific cap, but represent only a small percentage of total remuneration.
Pension	Provides a basic level of Company contribution, which individuals can supplement with their own contribution.	Company contributions are made, normally on a defined contribution basis, either to a pension plan or in the form of an equivalent cash allowance.	<p>The current level of Company contribution is 9% of base salary, with a further matching contribution of up to 1% of base salary, should the Executive Director make a personal contribution of an equivalent amount. The contribution level for Executive Directors is currently aligned with UK employees.</p> <p>Whilst no changes are currently anticipated, it is intended that any changes to the pension Policy for UK employees, or to participants in the pension plan in the relevant country, will also apply to the Executive Directors.</p>

	Purpose and link to short and long-term strategy	Operation	Maximum opportunity
Aggregate variable remuneration cap	To provide shareholders with clarity on the maximum variable remuneration that may be awarded to Executive Directors each year.	The Policy caps the aggregate variable remuneration for Executive Directors rather than cap individual awards. The cap is based on the grant value or award value made in that year.	The aggregate maximum variable remuneration for Executive Directors is capped, currently, at £20 million. The Policy permits the Remuneration Committee to vary this cap if necessary in the event of a change in the number of Executive Directors on the Board.
Annual bonus	<p>To incentivise and reward performance in the year.</p> <p>Bonus deferral enhances alignment of interests with those of shareholders over the longer term.</p>	<p>Executive Directors are considered for discretionary variable remuneration awards each year based on performance assessed at the end of the financial year.</p> <p>The assessment of performance will be based on both Company and personal performance and will take into account a range of performance indicators such as (but not limited to) financial performance including profitability, growth in AuM, investment performance relative to benchmarks, strategic and operational achievements and personal objectives.</p> <p>Awards will be delivered as a combination of cash following the end of the financial year and deferred shares. At least 70% of the award will be deferred into shares which will normally vest after a period of five years.</p> <p>Deferred shares will normally be delivered as restricted shares, although awards may be granted in such other form that the Committee determines has the same economic effect.</p> <p>Deferred shares may include the right to receive dividends or dividend equivalents in respect of dividends paid, calculated on such basis as the Committee determines.</p> <p>Malus and clawback provisions will apply to awards, as set out in the notes to this table.</p>	Awards will be made within the aggregate variable remuneration cap above.

REMUNERATION REPORT (CONTINUED)

DIRECTORS' REMUNERATION POLICY (CONTINUED)

	Purpose and link to short and long-term strategy	Operation	Maximum opportunity
Long-Term Incentive Plan	Rewards long-term performance and ensures the interests of Executive Directors are closely aligned with other shareholders.	<p>LTIP awards are share-based awards typically granted to Executive Directors following the end of the financial year. The LTIP will typically be equivalent to no less than 25% of the Executive Director's total bonus award for the year, and can be up to 100% of the total variable remuneration awarded subject to overall performance and affordability.</p> <p>LTIP awards will normally have a five-year performance period.</p> <p>The Committee will determine the performance conditions for each award which aim to closely align the Executive Directors' remuneration outcomes with the performance of the business relative to its KPIs, e.g. investment performance relative to benchmarks, profitability and growth in assets under management. Targets will be set that are appropriately challenging relative to relevant internal and external benchmarks.</p> <p>The maximum level of vesting for achieving threshold performance is 25%, with 100% vesting for maximum performance.</p> <p>The LTIP may be granted in the form of restricted shares or in such other form that the Committee determines has the same economic effect.</p> <p>LTIP awards may include the right to receive dividend equivalents in respect of dividends paid, calculated on such basis as the Committee determines.</p> <p>The Committee has discretion to vary LTIP payments downwards or upwards in appropriate circumstances, including if it considers the outcome would not be a fair reflection of performance.</p> <p>Malus and clawback provisions will apply to awards, as set out in the notes to this table.</p>	Awards will be made within the aggregated variable remuneration cap above.

	Purpose and link to short and long-term strategy	Operation	Maximum opportunity
Shareholding requirements	Ensures greater alignment with the interests of shareholders and focus on long-term strategy.	<p>Levels are set in relation to annual base salary, and are normally required to be built up over a five-year period.</p> <p>Any shares held as part of the variable remuneration schemes that are not subject to any further performance conditions will count towards meeting the guideline on a net of tax basis where appropriate.</p> <p>Post-cessation of employment, Executive Directors are usually required to maintain their in-employment shareholding guideline (or their actual shareholding if lower) for two years post termination of their employment.</p> <p>The Committee retains discretion to waive these guidelines if it is not considered appropriate in the specific circumstances (e.g. in compassionate circumstances).</p>	Executive Directors are usually required to build up and then maintain a shareholding equivalent to 300% of salary.

Malus and clawback

In addition to the performance conditions described above, the Remuneration Committee has the discretion to apply malus and clawback provisions to all elements of variable remuneration, including to unvested equity awards made in prior periods in the period up to six years from the date of grant or such longer period as the Remuneration Committee determines is required by any applicable law or regulation. The Remuneration Committee may choose to exercise this discretion for a number of reasons, for example:

- a material misstatement of the financial results;
- an error in the calculation;
- a material failure of risk management;
- serious reputational damage;
- misconduct, misbehaviour and material error on the part of the participant, or failure of the participant to meet appropriate standards of fitness and propriety;
- a material downturn in financial performance;
- the participant committed an act of fraud or other conduct with intent or severe negligence which led to significant losses; or
- any other circumstances which the Remuneration Committee in its discretion considers to be similar in their nature or effect.

Where malus or clawback applies, the Remuneration Committee may, in its discretion, take a number of actions including (but not limited to) reducing the number of shares to which an award relates, imposing further conditions on an award or requiring a participant to make a cash payment to the Company in respect of some or all of the shares or cash delivered to the Executive Director.

Performance measures

- When determining discretionary variable remuneration, the Remuneration Committee considers a range of financial and non-financial measures. These may include profitability, investment performance relative to benchmarks and growth in AuM. Non-financial factors may include strategic and operational achievements, environmental, social and governance factors and employees' culture and conduct may also be taken into account. The Committee considers both quantitative and qualitative measures of performance in determining the discretionary variable remuneration outcomes, including longer-term indicators. For the first LTIP awards to be made in FY2024, the performance conditions will be based on investment outperformance relative to benchmarks over three and five years; growth in assets under management, demonstrated through a compound increase in AuM over the five-year performance period; and profitability, demonstrated through Ashmore's diluted EPS performance relative to a comparator index over the five-year performance period.
- The Committee undertakes a comprehensive review of different financial and non-financial measures in determining variable remuneration to ensure that any awards are linked to wider Company performance, the shareholder experience, and the wider stakeholder experience. There are comprehensive disclosures included in the Directors' Remuneration report on how Ashmore has performed against these different measures.
- The expected levels of performance are set at appropriately stretching levels taking into account the business plan, analyst forecasts, the sector that Ashmore operates in, and the wider economic environment.

REMUNERATION REPORT (CONTINUED)

DIRECTORS' REMUNERATION POLICY (CONTINUED)

External Non-executive Director positions

Executive Directors are permitted to serve as Non-executive Directors of other companies where there is no competition with the Company's business activities and where these duties do not interfere with the individual's ability to perform his or her duties for the Company.

Where an outside appointment is accepted in furtherance of the Company's business, any fees received are remitted to the Company.

If the appointment is not connected to the Company's business, the Executive Director is entitled to retain any fees received.

Approach to remuneration for new Executive Director appointments

The remuneration package for a new Executive Director would normally be set in accordance with the terms and maximum levels of the Company's approved Remuneration Policy in force at the time of appointment.

In the case of an externally recruited Executive Director, the Remuneration Committee may offer additional cash and/or share-based elements to take account of any remuneration relinquished when leaving the former employer (a 'buy-out' award), when it considers these to be in the best interests of the Company (and therefore shareholders). In considering any such payments, the Committee would take account of the nature, vesting dates and any performance requirements attached to the relinquished remuneration. The Committee may determine to make any such buy-out related awards outside the limits set out in the Policy table. For an internal appointment, any variable remuneration element awarded in respect of the prior role may be allowed to be paid out according to its terms, adjusted, if necessary, to take into account the appointment.

For external and internal appointments, the Company may meet certain incidental and/or relocation expenses (including any tax thereon) as appropriate, including but not limited to assistance with housing, immigration, taxes and travel. This may take the form of a cash payment.

Other elements may be included in the following circumstances: (i) an interim appointment being made to fill an Executive Director role on a short-term basis; and (ii) if exceptional circumstances require that the Chair or a Non-Executive Director takes on an executive function.

Service contracts and loss of office payment Policy

Service contracts normally continue until the Executive Director's agreed retirement date or such other date as the parties agree.

The service contracts contain provisions for early termination.

Notice periods are limited to 12 months by either party. Service agreements contain no contractual entitlement to receive variable remuneration; participation in these arrangements is at the Remuneration Committee's discretion. The Executive Directors' service contracts are available for inspection at the Company's registered office during normal business hours.

If the employment of an Executive Director is terminated without giving the period of notice required under the contract, the Executive Director would be entitled to claim recompense for up to one year's remuneration subject to consideration of the obligation to mitigate the loss. Such recompense is expected to be limited to base salary due for any unexpired notice period, and any amount assessed by the Remuneration Committee as representing the value of other contractual benefits and pension which would have been received during the period. In the event of a change of control of the Company, there is no enhancement to these terms.

In summary, the contractual provisions are as follows:

Provision	Detailed terms
Notice period	12 months
Termination payment in the event of termination by the Company without due notice	Base salary plus value of benefits (including pension) paid monthly and subject to mitigation
Change of control	Same terms as above on termination

An annual variable remuneration award may be payable in the year of leaving in the case of 'good leavers'. This will be subject to performance and will normally be pro-rated for time in role during the year and subject to deferral. In respect of the year within which an individual steps down from the Board, the Committee may decide to only award an annual bonus and not grant an LTIP.

Any outstanding share-based entitlements held by an Executive Director under the Company's share plans will be determined based on the relevant plan rules.

For FY2022 onwards, any unvested shares normally lapse following cessation of employment during the relevant performance or deferral period. However, in certain prescribed circumstances, or any other circumstances at the discretion of the Committee, 'good leaver' status applies. For good leavers, awards will normally vest on their normal vesting date, and, where relevant, will be subject to the satisfaction of the relevant performance conditions at that time and reduced pro-rata to reflect the proportion of the period worked between the grant date and original vesting date (except in the case of death where the default is that pro-rating will not apply), unless the Committee determines otherwise.

An Executive Director's service contract may be terminated without notice and without any further payment or compensation, except for sums accrued up to the date of termination, on the occurrence of certain events such as gross misconduct.

The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of a compromise or settlement of any claim arising in connection with the cessation of a Director's office or employment. Any such payments may include but are not limited to paying any fees for outplacement assistance and/or the Director's legal and/or professional advice fees in connection with cessation of office or employment and/or retirement gifts.

Incentive plan discretions

The Remuneration Committee will operate the current share plans in accordance with their respective rules and the Policy set out above, and in accordance with the Listing Rules and relevant legislation or regulation. As is consistent with market practice, the Remuneration Committee retains discretion over a number of areas relating to operating and administering the plan.

These include (but are not limited to) the following:

- who participates in the plan;
- the timing of the grant of an award and/or payment;
- the size of an award and/or a payment within the plan limits approved by shareholders;
- the choice of (and adjustment of) performance measures and targets in accordance with the Policy set out above and the rules of each plan;
- discretion relating to the measurement of performance in the event of a change of control or reconstruction;
- determination of a good leaver (in addition to any specified categories) for incentive plan purposes, based on the rules of the plan and the appropriate treatment under the plan rules;
- the percentage split of award between cash and share awards to meet business, legislative or regulatory requirements;
- adjustments required in order to comply with any new regulatory requirements which the Company is compelled to adhere to; and
- adjustments required in certain circumstances (e.g. rights issues, corporate restructuring, special dividends and on a change of control).

Any use of the above discretions would, where relevant, be explained in the Annual Report on Remuneration. As appropriate, it might also be the subject of consultation with the Company's major shareholders.

The Committee may make minor amendments to this Policy (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

Legacy arrangements

For the avoidance of doubt, this Policy includes authority for the Company to honour any commitments entered into with current or former Directors prior to the approval of the Policy, provided that such commitments were consistent with the applicable remuneration policy in force at the time they were agreed. Any commitments made prior to an individual becoming a Director and not in anticipation of their appointment to the Board may also be honoured, even where it is not consistent with the Policy at the time the payment is made. Details of any payments to former Directors will be set out in the Annual Report on Remuneration as they arise.

Non-executive Directors

Non-executive Directors are engaged under letters of appointment and do not have contracts of service. They are appointed for an initial three-year period, subject to annual shareholder re-election. Their continued engagement is subject to the requirements of the Company's Articles relating to the retirement of Directors by

rotation. The letters of appointment are available for inspection at the Company's registered office during normal business hours.

Compliance with the Remuneration Codes

The Remuneration Committee regularly reviews its Remuneration policy's compliance with the principles of the FCA's Remuneration Codes, as applicable to Ashmore.

The Remuneration Policy is designed to be consistent with the prudent management of risk, and the sustained, long-term performance of the Company.

Consistent Company-wide approach to remuneration for all employees

The Company aims to apply a consistent remuneration philosophy for employees at all levels and the remuneration policy for Executive Directors is broadly consistent with that for employees across the Company as a whole. However, there are some differences that the Remuneration Committee believes are necessary to reflect the different responsibilities of employees across the Company.

The cap on base salary means that Executive Directors' base salaries are set at a similar level to other senior investment and professional employees in the Company, and the base salary range from lowest to highest in the Company is considerably narrower than the market norm.

Rates of pension contribution and fringe benefit provisions are consistent between executives and other employees within their country of employment. The Executive Directors are aligned with the UK employees.

All employees may be eligible for a performance-related annual bonus, and the principle of bonus deferral into Company shares or equivalent applies to annual bonuses for all other employees. Employees receive their variable remuneration in a mixture of cash and shares and are eligible to receive share matching where appropriate. Individuals identified as material risk takers under the regulations applicable to Ashmore are subject to deferral in line with those requirements.

The Committee discusses key remuneration topics relating to employees throughout the year, including salary levels, regulatory compensation matters and benefit trends.

The Remuneration Committee monitors the effectiveness of the Company's Remuneration Policy in recruiting, retaining, developing, engaging and motivating employees and receives reports from the CEO and the Group Head of Human Resources on how the Company's remuneration policies are viewed by employees and whether they are meeting business needs.

The Company does not operate formal employee consultation on remuneration. However, employees are able to provide direct feedback on the Company's Remuneration Policy to their line managers, the Human Resources team, and the Board directly through Ashmore's regular 'meet the teams' or individually to the Company's nominated Non-executive Director for workforce engagement.

REMUNERATION REPORT (CONTINUED)

DIRECTORS' REMUNERATION POLICY (CONTINUED)

Reward scenarios

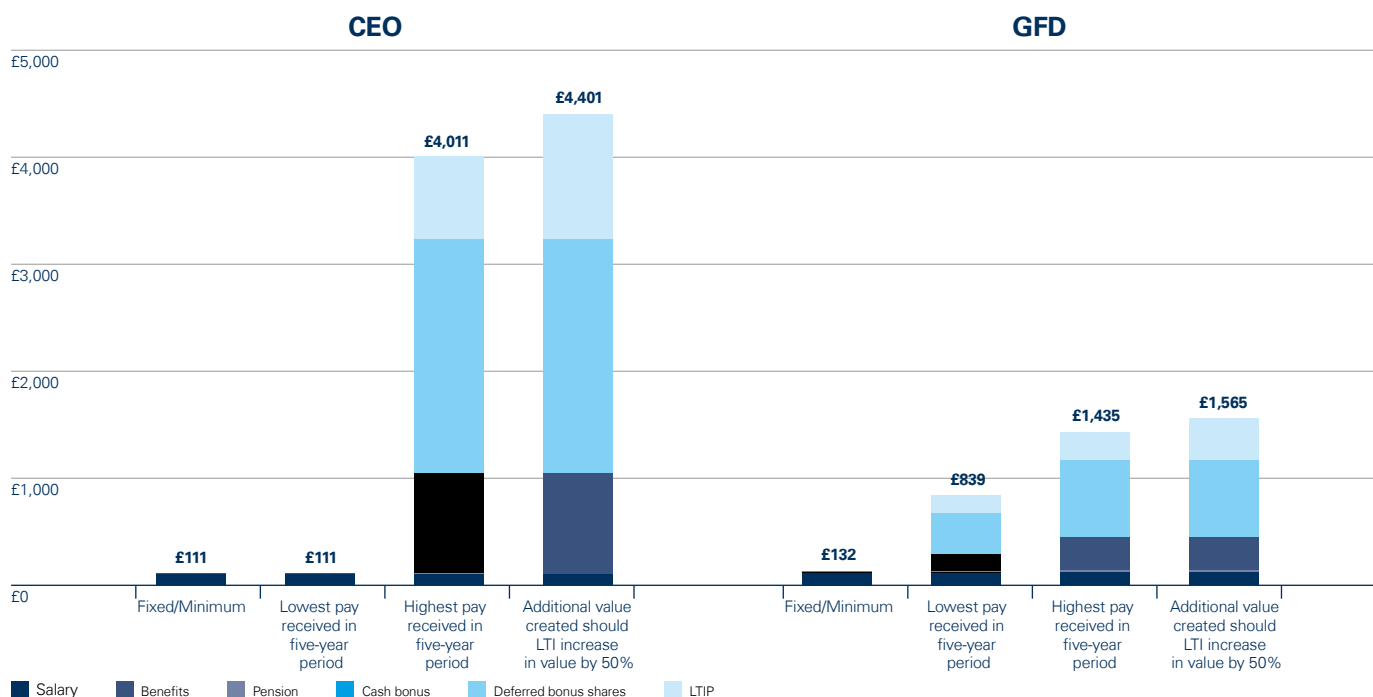
The Remuneration Policy results in the majority of the remuneration received by the Executive Directors being dependent on performance, normally with compulsory deferral of at least 70% of the bonus into shares for five years and a five-year performance period under the LTIP providing long-term shareholder alignment.

As noted earlier, the Policy is not to cap individual awards, but rather the aggregate award that may be made to all Executive Directors. As such, it is not possible to demonstrate maximum

remuneration levels. In lieu of this, an indication of the potential range of total remuneration is illustrated in Figure 2 using the highest and lowest variable remuneration awards in a five-year period. The variable remuneration awards are shown assuming full vesting five years later of the long-term incentive component based on achievement relative to the performance conditions, both at the grant price and also with 50% share price growth.

Figure 2

Executive Director total remuneration at different levels of performance (£'000)



1. Additional value created should LTI share value increase by 50%

Figure 3**Fee Policy for Non-executive Directors**

	Purpose and link to strategy	Operation	Maximum opportunity
Board Chair and Non-executive Director fees	To ensure that the Group is able to attract and retain experienced and skilled individuals	<p>The Board Chair is paid a single fee for all responsibilities, inclusive of Chairing the Nominations Committee.</p> <p>The Non-executive Directors are paid a basic fee with additional fees paid for additional responsibilities (currently Senior Independent Director, Chair of the Audit and Risk Committee and Chair of the Remuneration Committee).</p> <p>The level of the fees for the Board Chair and Non-executive Directors is reviewed periodically with reference to market levels in comparably sized FTSE companies.</p> <p>Fees may also be increased on an ongoing or temporary or ad hoc basis, to take into account changes in the working of the Board and/or changes in responsibilities or time commitments.</p> <p>The Board Chair and Non-executive Directors may be paid expenses (including any tax thereon) in relation to the performance of their role.</p>	<p>The overall fees payable to Non-executive Directors will remain within the limit stated in the Articles of Association, currently £750,000.</p> <p>The current level of fees is disclosed in the Annual Report on Remuneration.</p>

Ashmore's approach to remuneration FY2023

The Remuneration Committee is guided by a clear set of remuneration principles, with a comprehensive approach to determining variable remuneration outcomes.

These principles assist the Committee in determining its Policy and practices, and are in compliance with Provision 40 of the Code.

1. Discretion and flexibility

Variable remuneration is not formulaic or capped at an individual level, albeit there is a cap at an aggregate level, and as such the Remuneration Committee has discretion to ensure that awards reflect business and individual performance, thus the behavioural risk arising from target-based incentive plans is not present.

Malus and clawback may be applied by the Remuneration Committee to all elements of variable remuneration.

The Remuneration Committee is able to apply an ex-ante risk adjustment to the bonus pool to reflect any concerns arising.

2. Alignment with stakeholders

Base salaries are capped and set at the lower end of market levels to ensure fixed costs are tightly controlled.

On an annual basis the bonus pool is derived solely from profits made in the year and has been capped at 25% of EBVCIT, ensuring predictability of overall outcomes.

Up to 77% of variable remuneration is delivered in Ashmore shares, restricted and deferred for five years.

A significant proportion of Executive Directors' variable remuneration will only vest subject to the achievement of stretching performance targets, closely aligned with the Group's KPIs.

3. Consistency across the Group

The clear and simple Remuneration approach applies to all Ashmore employees, including Executive Directors, which is a material factor in defining and shaping both the Remuneration Policy and Ashmore's culture.

Executive Directors receive the same level of pension contributions as other employees.

4. Pay for long-term performance

The Remuneration Committee considers the performance of Executive Directors and senior managers over the long term, taking account of progress over a multi-year period, annual performance in the context of the business and progress made towards both its strategic objectives and its KPIs. Awards for Executive Directors' are subject to performance conditions over a five-year performance period.

The Remuneration Committee determines annual bonus awards based on a balanced scorecard of factors at both the Group and individual level, and applies discretion rather than a formulaic approach in order to deliver outcomes which reflect the best value for shareholders. The current policy can be found on pages 119 to 126 of the FY2022 report and accounts.

Factors considered include, but are not limited to:

Financial

- AuM development
- Adjusted EBITDA margin
- AuM outperforming benchmarks (1, 3 & 5 years)
- Profit before tax
- Net revenue
- Diluted EPS
- Cost management

Non-financial

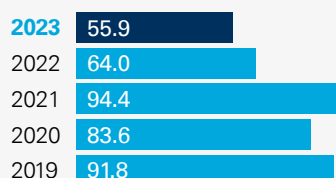
- Strategic objectives
- Sustainability
- Outcomes for investors and clients
- Risk management
- Compliance
- Employees, culture and conduct
- Personal objectives

Key business metrics aligned to long-term performance, delivering a strong equity ownership culture.

Vesting of restricted share awards is contingent on meeting stringent long-term performance conditions, clearly aligned with the achievement of the Group's strategic objectives and KPIs, leading to a proportionality of reward outcomes.

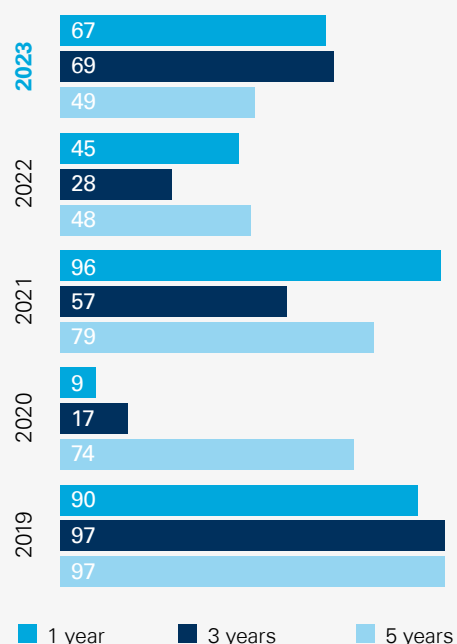
AuM development

AuM (US\$bn)



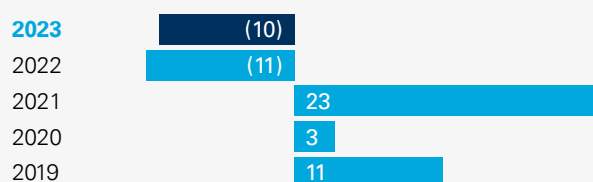
Investment performance

% of AuM outperforming benchmarks



Profitability

Diluted EPS performance relative to Emerging Markets indices (%)



To align with, encourage and maintain Ashmore's equity ownership culture, under the current approach both employees and Executive Directors may elect to reduce their annual cash bonus by up to 50%, and in exchange receive an equivalent value of restricted shares, which are in turn matched with a further award of restricted shares.

The remuneration approach generates strong retention of employees, who are able to build up a meaningful shareholding in the firm over time, thus aligning them with the long-term interests of Ashmore's clients, shareholders and their colleagues, while also complying with relevant remuneration regulations and encouraging behaviours consistent with Ashmore's culture and strategy.

The five-year deferral and cliff vesting of share awards also provides a smoothing of income over time which again aids retention of employees through market cycles.

40%

Approximately 40% of employee equity ownership

REMUNERATION REPORT (CONTINUED)

ASHMORE'S APPROACH TO REMUNERATION FY2023 (CONTINUED)

Executive Director bonuses are funded from the Group bonus pool and determined by the Committee using a balanced scorecard of financial and non-financial measures including in relation to individual personal performance. Within the FY2022 Annual Report, the Committee confirmed that it would apply broadly similar weightings and metrics for annual variable remuneration in FY2023 as in prior periods, chosen to align with the Group's key performance indicators and strategy.

Through the assessment of the Executive Directors annual short-term performance measures, the Committee evaluated the level of performance achieved against key financial and non-financial measures.






















As detailed below and overleaf, performance in FY2023 was typical of the beginning of a recovery period in Emerging Markets.

Investment performance improved significantly relative to the prior period, which, as investor confidence improves, should translate into positive AuM development. However, the broader financial picture for FY2023 reflects the currently lower level of AuM.

The overall management of the business has been effective, as can be seen from the PBT and diluted EPS outcomes relative to net revenues, with strong control of costs and effective management of balance sheet assets and higher interest income mitigating the impact of the lower revenues.

The Committee discussed the performance of the Executive Directors and the appropriate variable remuneration outcomes for them in the context of performance delivered despite the revenue headwinds faced by the Company this year.

Assessment of the financial measures for the Executive Directors

Performance measure	Year	Performance relative to the prior period	Outcome	Committee assessment
AuM	FY2023		\$55.9bn	
	FY2022		\$64.0bn	
	(see page 29 for more information)			
Adjusted EBITDA margin	FY2023		54%	
	FY2022		64%	
	(see page 32 for more information)			
AuM outperforming benchmarks (1, 3 & 5 years)	FY2023		1yr 67%, 3yr 69%, 5yr 49%	
	FY2022		1yr 45%, 3yr 28%, 5yr 48%	
	(see page 29 for more information)			
Profit before tax	FY2023		£111.8m	
	FY2022		£118.4m	
	(see page 32 for more information)			
Net revenue	FY2023		£196.4m	
	FY2022		£262.5m	
	(see page 31 for more information)			
Diluted EPS	FY2023		12.2p	
	FY2022		12.6p	
	(see page 32 for more information)			
Cost management	FY2023		£94.0m	
	FY2022		£98.5m	
	(see page 31 for more information)			

Non-financial measures		Performance in FY2023	Committee Assessment
Strategic objectives (see pages 10 to 15 for more information)			
Phase 1	Lower allocations from Developed Markets investors, to an extent mitigated by increased allocations from Emerging Markets based investors, who now make up 33% of AuM (FY2022: 27%)		
Phase 2	Continued strong Equities and other Fixed Income investment theme performance including high yield and increasing client activity levels should result in flows to support the diversification of revenue streams as investor sentiment improves		
Phase 3	Local asset management platform AuM remained stable over the period		
Sustainability (see pages 50 to 61 for more information)			
<p>In FY2023, the Group will make a payment of £0.5 million (FY2022: £0.6 million) to The Ashmore Foundation and other charitable activities. The Group's collaboration with The Ashmore Foundation continues to enable work supporting reforestation and livelihoods projects which also meet Ashmore's carbon offset needs (Scope 1-3 emissions) while generating income for farming communities through cash crops and carbon financing and providing training for women working in seed nurseries in two regions of the Amazon.</p> <p>Ashmore has maintained its 'low' ESG risk category with Sustainalytics, has maintained an AA ESG rating from MSCI and remains a member of the FTSE4Good equity index and NZAMI.</p>			
Employees (see pages 46 to 49 for more information)			
<p>The Group's average headcount increased slightly during FY2023 to 309 employees (FY2022: 305) as a result of continued local office growth. London head office headcount remains flat, maintaining strong cost control.</p> <p>Unplanned employee turnover increased during FY2023, with the London head office at 10% (FY2022: 8%) and at 14% for the Group as a whole (FY2022: 11%); the increase including subsidiaries and local asset management businesses reflects the different nature of the employment environments which they operate in.</p> <p>Average employee tenure in the London head office is over eight years and is almost seven years across the Group as a whole, providing clients and investors with continuity of employees and demonstrating retained institutional knowledge through market cycles.</p> <p>During the period succession plans were implemented for a number of roles including two Non-executive Directors and four senior management roles, with a smooth transition between individuals taking place.</p> <p>A Diversity Committee, chaired by the Non-executive Director for workforce engagement, was established to oversee Ashmore's diversity and inclusion strategies.</p>			
Compliance, culture and risk management (see pages 35 to 41 for more information)			
<p>The Remuneration Committee reviews a dashboard of indicators on a biannual basis which seek to measure and monitor aspects of organisational culture. During FY2023 the number of indicators reported on was increased from 24 to 31 under the headings of 'tone from the top', incentive structures and remuneration, effectiveness of management and governance and individual accountability. There were no matters of concern arising during FY2023 that would warrant the Remuneration Committee questioning the management of the Group or indicating poor organisational culture or conduct risks. The Remuneration Committee is satisfied that all relevant regulatory and corporate governance requirements have been met appropriately.</p>			

REMUNERATION REPORT (CONTINUED)

ASHMORE'S APPROACH TO REMUNERATION FY2023 (CONTINUED)

The Remuneration Committee considered the qualitative and quantitative inputs provided to it by the management team across the range of financial and non-financial measures detailed above and, to assist shareholders in understanding their decision making, summarises its assessment of performance as follows:

Chief Executive Officer	Group Finance Director
<p>The CEO's short-term performance is assessed:</p> <ul style="list-style-type: none"> – 75% on financial performance measures including effectively managing investment performance to deliver consistent growth relative to each investment theme, maintaining and increasing AuM and maintaining and increasing EBIT; and – 25% on non-financial management performance, including management of matters relating to ESG, strategy development and implementation, recruitment, staff turnover and succession planning and regulatory and compliance adherence. 	<p>The GFD's short-term performance is assessed:</p> <ul style="list-style-type: none"> – 85% on his management of the Finance, Middle Office Operations, Information Technology, Corporate Development and Investor Relations departments and on his management of subsidiary business activities outside the UK, including joint ventures; – 15% on contribution to the development and implementation of strategic goals and increasing value for shareholders, investor relations and communication, broadening the shareholder base and communicating effectively with all relevant stakeholders.
Personal performance	Personal performance
<p>As detailed elsewhere in this report, FY2023 has seen a significant improvement in investment performance, with local currency, external debt, investment grade and all cap equity assets performing particularly strongly. However, it remains that there is still reduced overall financial performance in the period being assessed by the Remuneration Committee due to the reduced AuM.</p> <p>The financial measures represent the greater proportion of the areas considered by the Remuneration Committee in determining annual remuneration for the CEO, in order that there is a clear alignment of annual incentives with the Group's key performance indicators and the delivery over time of value for shareholders.</p> <p>The business has remained well managed and the CEO has continued to provide strong leadership through a period of challenging market conditions, including in relation to the management of costs.</p> <p>During the period positive developments relating to non-financial measures have taken place in regards to sustainability and succession planning and the business remains well governed and controlled with the appropriate personnel and resources in place.</p>	<p>In the Remuneration Committee's assessment, the GFD has performed well in FY2023. This has been the first full year managing his expanded portfolio of responsibilities. The areas of the business he is responsible for have required restructuring and personnel changes, both within the London head office and in a number of the subsidiary businesses, which have been managed well, and the departments continue to be run effectively, with high quality teams in place delivering timely and effective outputs.</p> <p>The audit tender process ran effectively and the management and financial reporting delivered was enhanced through the period.</p> <p>The subsidiary businesses have continued to perform well, maintaining AuM and becoming a relatively more material part of the Group's operations through the period, and remain well integrated with the Group.</p> <p>Operating costs remained well managed by the GFD, reducing by 4% relative to the prior period.</p> <p>Ongoing contribution to business strategy, investor relations and shareholder and third-party relationship management remains effective.</p>

Executive Director annual bonus awards for the year ending 30 June 2023

The Remuneration Committee has considered these inputs and has determined that the reduced financial performance in the period must be recognised in this year's award levels. The Committee agreed to the CEO's request to waive any award for this year and agreed to make no bonus award. The Committee also recognised the contribution of the GFD; and awarded a bonus of £720,000, which is a reduction of 10% on the sum awarded in FY2022.

	Annual bonus award
Mark Coombs	–
Tom Shippey	£720,000

Performance conditions, vesting outcome and grant FY2023

The table below sets out the measures and targets long-term incentive awards.

Figure 4

Performance conditions' vesting scale FY2023

Performance condition	Performance	% of award vesting
TSR	Below median of peer group	Zero
	Median	25%
	Between median and upper quartile	Straight-line proportionate vesting
	Upper quartile	100%
Investment outperformance	Below 50% of assets outperforming the benchmarks over three and five years	Zero
	50% of assets outperforming the benchmarks over three and five years	25% - Threshold performance
	Between 50% and 75% of assets outperforming the benchmarks over three and five years	Straight-line proportionate vesting
	75% or above of assets outperforming the benchmarks over three and five years	100%
Growth in assets under management	Below 5% compound increase in AuM over the five-year performance period	Zero
	5% compound increase in AuM over the five-year performance period	25% - Threshold performance
	Between 5% and 10% compound increase in AuM over the five-year performance period	Straight-line proportionate vesting
	10% or above compound increase in AuM over the five-year performance period	100%
Profitability – Ashmore's diluted EPS performance relative to a combination of Emerging Markets indices representative of the markets in which Ashmore invests, determined by the Remuneration Committee and based on the underlying structure of the business	Below the benchmark return	Zero
	At the benchmark return	25% - Threshold performance
	Between the benchmark return and 10% outperformance	Straight-line proportionate vesting
	At or above 10% outperformance relative to the benchmark return	100%

Performance and vesting outcome for the CEO and GFD's long-term incentive awards

During FY2023, shares awarded to Mark Coombs and Tom Shippey in 2017 reached their vesting date on 13 September 2022. On the vesting date, all bonus shares and half of the restricted and matching shares that were not subject to additional performance measures vested. The half that was subject to additional performance measures lapsed in full.

The 2018 awards had performance conditions ending at the end of the FY2023 performance year and will vest on 13 September 2023. Performance conditions were applied to the half of the restricted and matching shares awarded due to vest. For the 2018 awards TSR was not used as a performance condition, and the remaining three performance conditions were equally weighted at 33.3%. The performance outcomes, relative to the performance conditions vesting scale shown in Figure 4, are shown in Figure 5.

REMUNERATION REPORT (CONTINUED)

PERFORMANCE CONDITIONS, VESTING OUTCOME AND GRANT FY2023 (CONTINUED)

Figure 5

Vesting outcome for CEO and GFD's 2017 long-term incentive awards subject to performance conditions

Performance measure assessment	Vesting percentage	Type of share award	CEO			GFD		
			Restricted and matching shares awarded subject to performance conditions	Shares vesting	Shares lapsing	Restricted and matching shares awarded subject to performance conditions	Shares vesting	Shares lapsing
Investment performance	Below 50% of assets outperforming the benchmarks over three and five years, actual was 38%	Restricted shares	61,818	–	61,818	14,682	–	14,682
		Matching shares	46,364	–	46,364	11,011	–	11,011
Increasing AuM	The compound annual growth in AuM over the five-year period was below 5%, actual was 1.75%	Restricted shares	61,818	–	61,818	14,682	–	14,682
		Matching shares	46,364	–	46,364	11,011	–	11,011
Profitability	On a compound basis, Ashmore's diluted EPS was below the benchmark return, actual was -5.4% compared to the benchmark index at -1.3%	Restricted shares	61,818	–	61,818	14,682	–	14,682
		Matching shares	46,364	–	46,364	11,011	–	11,011
TSR	The Company's TSR was -20.1%, which ranked Ashmore at 8.87 relative to the TSR peer group of 14 companies; the median rank which would have resulted in 25% vesting was 7.5 or a TSR of 5.9%. The upper quartile rank which would have resulted in 100% vesting was 4.25 or a TSR of 63.9%. Therefore none of the restricted and matching share awards vested	Restricted shares	61,818	–	61,818	14,682	–	14,682
		Matching shares	46,364	–	46,364	11,011	–	11,011
Totals	0%		432,727	–	432,727	102,772	–	102,772

Vesting outcome for CEO and GFD's 2018 long-term incentive awards subject to performance conditions

Performance measure assessment	Vesting percentage	Type of share award	CEO			GFD		
			Restricted and matching shares awarded subject to performance conditions	Shares vesting	Shares lapsing	Restricted and matching shares awarded subject to performance conditions	Shares vesting	Shares lapsing
Investment performance	59% of assets were outperforming the benchmarks over three and five years	Restricted shares	40,077	20,840	19,237	17,354	9,118	8,416
		Matching shares	30,058	15,630	14,428	3,757	1,954	1,804
Increasing AuM	AuM reduced over the five-year period from \$73.9bn in 2018 to \$55.9bn in 2023	Restricted shares	40,077	–	40,077	17,354	–	17,354
		Matching shares	30,058	–	30,058	3,757	–	3,757
Profitability	On a compound basis, Ashmore's diluted EPS was below the benchmark return, actual was -10.1% compared to the benchmark index at 0.2%	Restricted shares	40,078	–	40,077	17,354	–	17,354
		Matching shares	30,058	–	30,058	3,758	–	3,757
Totals	17%		210,406	36,470	173,936	63,874	11,072	52,803

The Remuneration Committee has discretion to adjust the vesting level of the awards if it considers that the vesting level does not reflect the underlying financial or non-financial performance over the vesting period; or the vesting level is not appropriate in the context of circumstances that were unexpected or unforeseen; or there exists any other reason why an adjustment is appropriate, taking into account such factors as the Remuneration Committee considers relevant. The Remuneration Committee has not applied its discretion to alter the number of awards vesting during FY2023 or due to vest on 13 September 2023.

Figure 6**Long-term incentive awards made during the year ended 30 June 2023 – audited information**

Name	Type of award	No. of shares	Date of award	Share award price ² (£)	Face value (£)	Face value (% of salary)	Performance period end date
Tom Shippey ¹	Restricted shares	149,254	21 September 2022	£2.1440	£320,001	320%	20 September 2027
Tom Shippey ¹	Matching shares	111,941	21 September 2022	£2.1440	£240,002	240%	20 September 2027

1. Executives may voluntarily defer their cash bonus into shares in order to receive an equivalent level of matching shares and are also required under the AIFMD rules to defer a portion of their cash bonus for six months. These awards are not subject to any performance conditions and so are not included in Figure 6; full details can be found in Figure 7.
2. Based on the average Ashmore Group plc closing share price for the five business days prior to the grant date.
3. Mark Combs did not receive a long term incentive award in FY2023.

Long-term incentive awards made during the year ended 30 June 2023 – performance conditions

Figure 6 provides details of the long-term incentive awards that were made during FY2023. These represent the restricted and matching share awards, 50% of which are subject to additional performance conditions, and will vest on the fifth anniversary of the award date, to the extent that the performance conditions are met. The remaining 50% are subject to continued employment.

The performance conditions for the most recent awards were a combination of:

- 33.3% investment outperformance, relative to the relevant benchmarks over three and five years;
- 33.3% growth in assets under management, demonstrated through a compound increase in AuM over the five-year performance period; and
- 33.3% profitability, demonstrated through Ashmore's diluted EPS performance relative to a comparator index over the five-year performance period.

The performance conditions' vesting scale remains unchanged in respect of these measures and is shown in Figure 4.

Payments to past Directors – audited information

No payments were made to past Directors during FY2023.

Payments for loss of office – audited information

No payments were made for loss of office during FY2023.

Non-executive Director fees at 30 June 2023

Non-executive Director fees paid at 30 June 2023 are shown below. Subject to the approval of the proposed Directors' Remuneration policy by shareholders at the AGM in October 2023, NED fees will be structured with a base fee and separate fees paid for additional responsibilities. The Non-executive Directors' base fee will be set at £60,000, with an additional fee of £15,000 for the Senior Independent Director, Audit and Risk Committee Chair and Remuneration Committee Chair. The Chair fee will remain at £150,000, inclusive of Chairing the Nominations Committee.

	All inclusive fee
Clive Adamson	150,000
Helen Beck	75,000
Jennifer Bingham	70,000
Thuy Dam ¹	60,000
Shirley Garrood ²	75,000

1. Thuy Dam joined the Board on 1 June 2023.
2. Shirley Garrood joined the Board on 1 August 2022.

Annual Report on Remuneration

This part of the report has been prepared in accordance with Part 3 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and 9.8.6R of the Listing Rules.

Figure 7

Remuneration for the year ending 30 June 2023 – audited information

The table below sets out the remuneration received by the Directors in the year ending 30 June 2023.

		Executive Directors		Clive Adamson	Helen Beck	Jennifer Bingham	Thuy Dam	Shirley Garrood
		Mark Coombs 1, 6, 7, 8, 9	Tom Shippey 1, 6, 8, 9					
Salary and fees	2023	100,000	116,667	150,000	75,000	70,000	5,000	65,538
	2022	100,000	100,000	97,365	75,000	61,782	–	–
Taxable benefits	2023	1,653	4,133	–	–	–	–	–
	2022	1,123	2,808	–	–	–	–	–
Pensions	2023	9,000	11,083	–	–	–	–	–
	2022	9,000	9,500	–	–	–	–	–
Cash bonus	2023	–	210,600	–	–	–	–	–
	2022	–	232,800	–	–	–	–	–
Voluntarily deferred share bonus ⁴	2023	–	–	–	–	–	–	–
	2022	–	240,000	–	–	–	–	–
Mandatorily deferred share bonus ⁵	2023	–	257,400	–	–	–	–	–
	2022	–	287,200	–	–	–	–	–
Total bonus	2023	–	468,000	–	–	–	–	–
	2022	–	760,000	–	–	–	–	–
Long-term incentives vesting ^{2, 3}	2023	–	–	–	–	–	–	–
	2022	542,619	271,308	–	–	–	–	–
Total for year	2023	110,653	599,883	150,000	75,000	70,000	5,000	65,538
	2022	652,742	1,143,616	97,365	75,000	61,782	–	–
Total fixed remuneration	2023	110,653	131,883	150,000	75,000	70,000	5,000	65,538
	2022	110,123	112,308	97,365	75,000	61,782	–	–
Total variable remuneration	2023	–	468,000	–	–	–	–	–
	2022	542,619	1,031,308	–	–	–	–	–

1. Benefits for both Executive Directors include membership of the Company medical scheme.
2. Long-term incentives vesting relates to share awards with performance conditions where the performance period has ended in the relevant financial year plus the value of any dividend equivalents.
3. The figure of £542,619 shown as the value of Mark Coombs' 2022 Long-term incentives vesting reflects £21,979 of share price appreciation over the period between grant and vest. The figure of £271,308 shown as the value of Tom Shippey's 2022 Long-term incentives vesting reflects £10,990 of share price appreciation over the period between grant and vest. No discretion has been exercised as a result of share price appreciation or depreciation.
4. Mark Coombs and Tom Shippey may voluntarily defer up to 50% of their cash bonus in favour of an equivalent amount of bonus share or phantom bonus share awards and an equivalent value in matching share or phantom matching share awards. All share or phantom share awards will be reported in the Directors' share and phantom share award tables in the year of grant. Tom Shippey chose to commute 50% of his cash bonus in 2022 for an equivalent value in bonus share awards. Bonus shares are deferred for five years with no service condition attached.
5. From the year ending 30 June 2015 onward, additional performance conditions are applied to 50% of any restricted or matching share award. The amounts shown in the row labelled Mandatorily deferred share bonus represent the 50% of restricted and matching share awards that do not have additional performance conditions attached, and also include the amounts detailed in note 6 below relating to compliance with the AIFMD. These amounts represent the cash value of shares awarded at grant, which will vest after five years subject to continued employment, and in the case of shares related to AIFMD, after a retention period.
6. In order to comply with the AIFMD Mark Coombs and Tom Shippey received a proportion of their bonus, which would have otherwise been delivered in cash, as an additional award of restricted shares which will vest after a retention period. In 2023, the value of this award for Mark Coombs was £0 (FY2022: £0), and for Tom Shippey it was £4,320 (FY2022: £7,200).
7. In respect of prior year deferred share awards which have been waived to charity, any dividend equivalents associated with the amounts waived are paid directly to the nominated charities. The figures shown exclude the amounts waived.
8. Dividends or dividend equivalents were paid relating to voluntarily and mandatorily deferred share or phantom share awards in the period.
9. Mark Coombs receives cash in lieu of a pension contribution. Tom Shippey's pension contribution includes an employee contribution via salary sacrifice; in 2023 this was £583 (FY2022: £500).
10. Total short-term benefits for key management personnel, including salary and fees, taxable benefits and cash bonuses, as reported in note 28 of the financial statements, is £798,591 in FY2023. In addition, the total cost of equity-settled awards for the Executive Directors charged to the statement of comprehensive income, as reported in note 28 of the financial statements, is £351,755 in FY2023 (FY2022 £223,684).

Figure 8**Outstanding share awards**

The table below sets out details of Executive Directors' outstanding share awards.

Executive	Type of Omnibus award	Date of award	Share award price	Number of shares at 30 June 2022	Granted during year	Vested during year	Lapsed during year	Number of shares at 30 June 2023	Performance period	Vesting/release date
Mark Coombs	RS ¹	14 September 2017	£3.2353	449,542	–	202,269	247,273	–	5 years	13 September 2022
	RBS ¹	14 September 2017	£3.2353	337,156	–	337,156	–	–	5 years	13 September 2022
	RMS ¹	14 September 2017	£3.2353	337,156	–	151,702	185,454	–	5 years	13 September 2022
	RS ¹	14 September 2018	£3.3269	218,342	–	–	–	218,342	5 years	13 September 2023
	RBS ¹	14 September 2018	£3.3269	163,757	–	–	–	163,757	5 years	13 September 2023
	RMS ¹	14 September 2018	£3.3269	163,757	–	–	–	163,757	5 years	13 September 2023
	RS ¹	13 September 2019	£4.3833	248,580	–	–	–	248,580	5 years	12 September 2024
	RBS ¹	13 September 2019	£4.3833	186,435	–	–	–	186,435	5 years	12 September 2024
	RMS ¹	13 September 2019	£4.3833	186,435	–	–	–	186,435	5 years	12 September 2024
	RS ¹	16 September 2021	£3.7512	144,915	–	–	–	144,915	5 years	15 September 2026
	RBS ¹	16 September 2021	£3.7512	108,686	–	–	–	108,686	5 years	15 September 2026
	RMS ¹	16 September 2021	£3.7512	108,686	–	–	–	108,686	5 years	15 September 2026
Total				2,653,447	–	691,127	432,727	1,529,593		

1. In respect of the years ending 30 June 2017, 2018, 2019 and 2021 Mark Coombs chose to waive 10% of his potential non-AIFMD related variable remuneration award in return for the Remuneration Committee considering and approving a contribution to a charity or charities nominated by himself. The 'Number of shares at 30 June 2022', 'Granted during year' and 'Number of shares at 30 June 2023' figures are shown excluding the amounts waived. On the vesting/release date, any shares waived to charity will vest to them to the extent that any relevant performance conditions have been satisfied.

Key

RS – Restricted shares

RBS – Restricted bonus shares

RMS – Restricted matching shares

ANNUAL REPORT ON REMUNERATION (CONTINUED)

Figure 8 continued

Outstanding share awards

Executive	Type of Omnibus award	Date of award	Share award price	Number of shares at 30 June 2022	Granted during year	Vested during year	Lapsed during year	Number of shares at 30 June 2023	Performance period	Vesting/release date
Tom Shippey	RS	14 September 2017	£3.2353	117,455	–	58,728	58,728	–	5 years	13 September 2022
	RBS	14 September 2017	£3.2353	88,091	–	88,091	–	–	5 years	13 September 2022
	RMS	14 September 2017	£3.2353	88,091	–	44,046	44,045	–	5 years	13 September 2022
	RS	14 September 2018	£3.3269	105,204	–	–	–	105,204	5 years	13 September 2023
	RBS	14 September 2018	£3.3269	22,544	–	–	–	22,544	5 years	13 September 2023
	RMS	14 September 2018	£3.3269	22,544	–	–	–	22,544	5 years	13 September 2023
	RS	13 September 2019	£4.3833	91,256	–	–	–	91,256	5 years	12 September 2024
	RBS	13 September 2019	£4.3833	68,442	–	–	–	68,442	5 years	12 September 2024
	RMS	13 September 2019	£4.3833	68,442	–	–	–	68,442	5 years	12 September 2024
	RS	18 September 2020	£3.6009	99,976	–	–	–	99,976	5 years	17 September 2025
	RBS	18 September 2020	£3.6009	74,982	–	–	–	74,982	5 years	17 September 2025
	RMS	18 September 2020	£3.6009	74,982	–	–	–	74,982	5 years	17 September 2025
	RS	16 September 2021	£3.7512	90,638	–	–	–	90,638	5 years	15 September 2026
	RBS	16 September 2021	£3.7512	67,979	–	–	–	67,979	5 years	15 September 2026
	RMS	16 September 2021	£3.7512	67,979	–	–	–	67,979	5 years	15 September 2026
	RS ¹	21 September 2022	£2.1440	–	3,359	3,359	–	–	5 years	15 March 2023
	RS	21 September 2022	£2.1440	–	149,254	–	–	149,254	5 years	20 September 2027
	RBS	21 September 2022	£2.1440	–	111,941	–	–	111,941	5 years	20 September 2027
	RMS	21 September 2022	£2.1440	–	111,941	–	–	111,941	5 years	20 September 2027
Total				1,148,605	376,495	194,224	102,772	1,228,104		

1. In order to comply with the AIFMD remuneration principles in regard to the delivery of remuneration in retained instruments, a proportion of Tom Shippey's cash bonuses relating to the year ending 30 June 2022 were delivered in the form of restricted shares, subject to a six-month retention period, rather than being delivered in cash. These shares vested in full on the date shown and were not subject to any additional performance conditions.

Key

RS – Restricted shares

RBS – Restricted bonus shares

RMS – Restricted matching shares

The Company's obligations under its employee share plans can be met by newly issued shares in the Company, or shares purchased in the market by the trustees of the EBT.

The overall limits on new issuance operated under the existing share plans were established on the listing of the Company in 2006. Under these agreed limits, the number of shares which may be issued in aggregate under employee share plans of the Company over any 10 year period following the date of the Company's Admission in 2006 is limited to 15% of the Company's issued share capital. It is expected that all of the awards made to date will be satisfied by the acquisition of shares in the market, thus none of the Company's obligations under its employee share plans have been met by newly issued shares. As at 30 June 2023, the Company had 5.57% of the Company's issued share capital outstanding under employee share plans to its staff.

Defined benefit pension entitlements

None of the Directors has any entitlements under Company defined benefit pension plans.

Directors' shareholding and share interests

Details of the Directors' interests in shares are shown in the table below. As set out earlier, subject to the approval of the proposed Directors' Remuneration Policy by shareholders at the AGM in October 2023, the shareholder requirement is being increased from 200% of salary to 300% of salary. New Executive Directors would normally be expected to achieve this within five years from appointment.

Mark Coombs meets both the current and future shareholding requirements. Tom Shippey's salary was increased to £120,000 effective 1 September 2022, increasing his shareholding requirement under the current policy to 57,526 shares, which he will be required to hold within three years of the date of salary increase. Tom Shippey meets the future shareholding requirement.

Under the Directors' Remuneration Policy, the post-employment shareholder requirement will also increase to 300% of salary, or the actual shareholding if lower, for two years post termination of their employment. The Committee retains discretion to waive this guideline if it is not considered appropriate in the specific circumstances, e.g. compassionate circumstances.

Figure 9

Share interests of Directors and connected persons at 30 June 2023 – audited information

	Beneficially owned	Shares held that are not subject to any further performance conditions	Shares held that are subject to further performance conditions	Total interest in shares ¹	Shareholding as a percentage of salary ²
Executive Directors					
Mark Coombs	222,063,615	939,686	589,907	223,593,208	462,928%
Tom Shippey	52,390	786,995	441,109	1,228,104	814%
Non-executive Directors					
Clive Adamson	2,304	–	–	2,304	–
Helen Beck	–	–	–	–	–
Jennifer Bingham	–	–	–	–	–
Shirley Garrood	–	–	–	–	–
Thuy Dam	–	–	–	–	–

1. Save as described above, there have been no changes in the shareholdings of the Directors between 30 June and 5 September 2023. The Directors are permitted to hold their shares as collateral for loans with the express permission of the Board.

2. Shareholding as a percentage of salary is calculated as the value of the Directors' interests in shares which are either beneficially owned or not subject to future performance conditions, and where currently unvested on a net of tax basis, divided by the FY2023 year end share price of £2.08.

Statement on implementation of the Remuneration Policy in the year commencing 1 July 2023

The Remuneration Committee intends to continue to apply broadly the same metrics and weightings to the measures which determine annual variable remuneration in the year ending 30 June 2024 as have been applied in the current period. The Committee also intends to apply the same three performance conditions and targets to any long-term incentive awards made with the same weightings as used in FY2023, these being in relation to investment outperformance relative to benchmarks, growth in assets under management and profitability.

There will be no change to the CEO's salary (£100,000) for the year ending 30 June 2024. The Committee intends to increase the basic salary for the GFD to £140,000, subject to the approval of the proposed Directors' Remuneration Policy by shareholders at the AGM in October 2023. This takes into account his increased responsibilities through the full period.

As set out earlier on, subject to the approval of the proposed Directors' Remuneration Policy by shareholders at the AGM in October 2023, NED fees will be structured with a base fee and separate fees paid for additional responsibilities. The Non-executive Director base fee will be set at £60,000, with an additional fee of £15,000 for the Senior Independent Director, Audit and Risk Committee Chair and Remuneration Committee Chair. The Chair fee will remain at £150,000 inclusive of chairing the Nominations Committee.

Membership of the Remuneration Committee

The members of the Remuneration Committee during the period are listed in the table below. All of these are independent Non-executive Directors, as defined under the Code, with the exception of the Company Chair who was independent on his appointment.

Remuneration Committee attendance

	Percentage of meetings attended out of potential maximum
Clive Adamson	100%
Helen Beck	100%
Jennifer Bingham	100%
Shirley Garrood	100%
Thuy Dam	100%

The Company's CEO attends the meetings by invitation and assists the Remuneration Committee in its decision making, except when his personal remuneration is discussed. No Directors are involved in deciding their own remuneration. The Company Secretary acts as Secretary to the Remuneration Committee. Other executives may be invited to attend as the Remuneration Committee requests.

Terms of reference

The terms of reference for the Remuneration Committee include:

- reviewing the ongoing appropriateness and relevance of the Remuneration Policy;
- reviewing the design of all incentive and share incentive plans for approval by the Board and shareholders;
- ensuring that members of the executive management of the Company, including material risk takers, are provided with appropriate incentives to encourage enhanced performance and that remuneration incentives are compatible with the Company's risk policies and systems;
- making recommendations to the Board as to the Company's framework or Policy for the remuneration of the Chair, the Executive Directors and the Company Secretary and to determine their total individual remuneration packages including bonuses, incentive payments and share options or other share awards;
- ensuring that a significant proportion of Executive Directors' remuneration is structured so as to link rewards to corporate and individual performance and that performance conditions are stretching and designed to promote the long-term success of the Company; and
- ensuring that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

Activities of the Remuneration Committee

During FY2023, the Remuneration Committee comprised the following Non-executive Directors:

- Clive Adamson
- Helen Beck
- Jennifer Bingham
- Shirley Garrood (from her appointment on 1 August 2022)
- Thuy Dam (from her appointment on 1 June 2023)

The members of the Remuneration Committee have the appropriate balance of skills, experience, independence and knowledge of the Company to enable them to discharge their respective duties and responsibilities effectively, and met seven times during the year. The Directors' attendance at the Remuneration Committee meetings is set out in the table above.

The key areas of focus during the year for the Remuneration Committee

The key focus of the Committee during FY2023 has been an extensive review and consultation process with shareholders in relation to the new Directors' Remuneration Policy which will be put to shareholders at the 2023 AGM.

In order that sufficient time was available to the Committee to consider the new Directors' Remuneration Policy, additional Committee meetings were held during the year, which included a specific listed company market practice review delivered to the Committee by PricewaterhouseCoopers LLP; included within this was a detailed assessment of shareholder and proxy advisers requirements.

The Committee debated the shareholder feedback following the consultation process.

During the year, the Committee also implemented changes to the Group's share plan in order to ensure compliance with the FCA's MIFIDPRU remuneration rules as they relate to malus and clawback for employees considered to be material risk takers and also to other employees.

The Committee also reviewed the employee benefit arrangements following a review conducted by senior management.

The Committee reviewed the performance assessments of the CEO, the GFD, and the material risk takers and determined or reviewed the incentive allocations as appropriate.

Regulatory considerations for FY2023

For remuneration relating to FY2023, the Remuneration Committee has again ensured that remuneration will be delivered to Executive Directors and other employees categorised by the FCA as material risk takers or code staff consistent with the requirements of the MIFIDPRU remuneration regime and AIFMD. This has meant that Executive Directors and other relevant employees will receive a proportion of their cash bonus delivered as an award of restricted shares, which are retained and restricted from sale for a six-month period, rather than as cash. Further details of this can be found on page 102. Throughout the period, regular regulatory updates were provided to the Committee.

Ashmore's UK employee headcount remains significantly under 250, and as a result of this, Ashmore is not required to include a CEO pay ratio calculation as part of the Remuneration report.

Consideration of malus and clawback for FY2023

A malus and clawback principle applies to variable remuneration awarded to senior staff, including Executive Directors, enabling the Remuneration Committee to recoup variable remuneration under certain circumstances. Malus and clawback can be applied to both the cash and share-based elements of variable remuneration via the reduction or cancellation of any outstanding unvested deferred share awards regardless of the year to which they relate, or via the repayment of amounts to the Company. The Remuneration Committee considered there were no events or circumstances that would have made it appropriate to recoup remuneration from the Executive Directors during FY2023.

External advisers

The Remuneration Committee received independent advice from Deloitte LLP throughout the period from 1 July 2022 to 30 June 2023. Deloitte LLP abides by the Remuneration Consultants' Code of Conduct, which requires it to provide objective and impartial advice. Deloitte LLP's fees for the year ending 30 June 2023 were £28,350 and were charged on a time and materials basis. Deloitte LLP also provides other tax, employee mobility and share plan administration-related services to the Company. During the period, PricewaterhouseCoopers LLP provided the Committee with training on competitor remuneration structures and shareholder principles. PricewaterhouseCoopers LLP's fees for the year ending 30 June 2023 were £15,000 and were charged on a time and materials basis.

Compliance with the Code

The Code requires a description of how the Remuneration Committee has addressed the following factors during FY2023:

Code requirements	How the Committee has addressed the requirement
Clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce	Remuneration arrangements for Executive Directors and the workforce are substantially the same, and are described in detail within the Directors' Remuneration Policy. A significant proportion of variable remuneration is deferred for five years into Company shares creating a direct alignment with external shareholders.
Simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand	Remuneration is simple for Executive Directors and the workforce, comprising a capped basic salary and an annual bonus, delivered partly in cash and partly in Company shares which are deferred for five years.
Risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated	The Remuneration Committee has discretion to vary the bonus pool, to vary individual annual award levels and to apply malus or clawback to existing awards. There is no formulaic or target-based incentive plan to drive negative behaviours. The Remuneration Committee will determine the appropriate outcomes based solely on individual and Company performance.
Predictability – the range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the Policy	The bonus pool is currently capped at a Group level, at 25% of EBVCIT. Awards at an individual level are uncapped, however the Company does not apply its discretion to deliver excessive rewards, as can be seen in looking back at outcomes over previous performance years which are fully aligned with performance.
Proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance	The Remuneration Committee strictly applies its discretion to reward performance, and to recognise periods of underperformance, as has been demonstrated on more than one occasion where senior management and risk takers have had very material reductions in annual variable remuneration and the CEO has not been awarded an annual bonus, reflecting business performance at the time.
Alignment to culture – incentive schemes should drive behaviours consistent with company purpose, values and strategy	Ashmore's purpose is to deliver long-term investment outperformance for clients and generate value for shareholders through market cycles. The Committee has ensured the remuneration policies of the Company support this, building employee retention through cycles and delivering significant equity alignment between employee shareholders and external shareholders.

Figure 10**Percentage changes in the remuneration of the Executive Directors and the fees of Non-executive Directors relative to the remuneration of a relevant comparator employee group**

	2022 to 2023 % change	2021 to 2022 % change	2020 to 2021 % change	2019 to 2020 % change	2018 to 2019 % change
Mark Coombs base salary	0%	0%	0%	0%	0%
Tom Shippey base salary	20%	0%	0%	0%	0%
Clive Adamson fees ^{1,2}	54%	15%	0%	4%	22%
Helen Beck fees ^{1,3}	0%	25%	0%	–	–
Jennifer Bingham fees ^{1,4}	13%	3%	0%	0%	–
Shirley Garrood fees ^{1,5}	0%	–	–	–	–
Thuy Dam fees ^{1,6}	0%	–	–	–	–
Relevant comparator employees' base salary	11%	2%	1%	1%	3%
Mark Coombs taxable benefits ⁸	47%	25%	(87%)	(6%)	(8%)
Tom Shippey taxable benefits ⁸	47%	25%	0%	(6%)	(4%)
Relevant comparator employees' taxable benefits ⁸	47%	25%	0%	0%	(5%)
Mark Coombs annual bonus ⁷	N/A	(100%)	N/A	(100%)	50%
Tom Shippey annual bonus	(10%)	(6%)	(6%)	(10%)	14%
Relevant comparator employees' annual bonus	(8%)	(16%)	4%	(12%)	10%

1. Non-executive Directors do not receive a bonus.

2. Clive Adamson joined the Board on 22 October 2015 and chaired the Remuneration Committee from 31 December 2017 until 19 October 2018; he became the Senior Independent Director and Audit and Risk Committee Chair on 19 October 2018, and became the Chair on 21 April 2022.

3. Helen Beck joined the Board on 1 June 2021 and became the Remuneration Committee Chair on 1 July 2021.

4. Jennifer Bingham became the Senior Independent Director on 21 April 2022.

5. Shirley Garrood joined the Board on 1 August 2022, and became the Audit and Risk Committee Chair on 23 January 2023.

6. Thuy Dam joined the Board on 1 June 2023.

7. Mark Coombs did not receive a bonus in 2020, 2022 or 2023.

8. The increase in taxable benefits is a result of the cost increase of private medical coverage.

Figure 10 compares the year-on-year percentage change from 2018 to 2023 in remuneration elements for the CEO, the GFD and the Non-executive Directors with the average year-on-year change across relevant comparator employees as a whole. Relevant comparator employees are all full-time employees and part-time employees on a full-time equivalent basis of Ashmore Group, who have been employed throughout the full performance year. Figures do not include amounts of cash waived to charity.

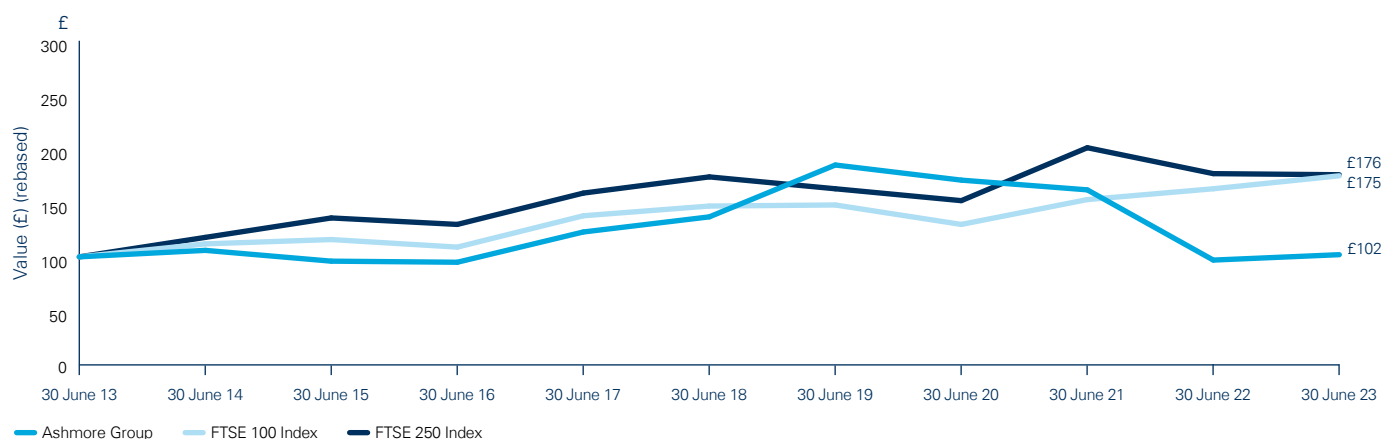
ANNUAL REPORT ON REMUNERATION (CONTINUED)

Performance chart

Figure 11 shows the Company's TSR performance (with dividends reinvested) against the performance of the FTSE 250 and FTSE 100 for the period since 30 June 2013. These indices have been chosen as they represent companies of a broadly similar market capitalisation to Ashmore. Each point at a financial year end is calculated using an average TSR value over the month of June (i.e. 1 June to 30 June inclusive). As the chart indicates, £100 invested in Ashmore on 30 June 2013 was worth £102 10 years later, compared with £175 for the same investment in the FTSE 100 Index, and £176 for the same investment in the FTSE 250 Index.

Figure 11

TSR – value of hypothetical £100 holding



This graph shows the value, by 30 June 2023, of £100 invested in Ashmore Group on 30 June 2013, compared with the value of £100 invested in the FTSE 100 and FTSE 250 indices on the same date. Source: Factset

Figure 12

Chief Executive Officer

Figure 12 shows the total remuneration figure for the CEO during each of the financial years shown in the TSR chart. The total remuneration figure includes the annual bonus and share awards, which vested based on performance in those years. As there is no cap on the maximum individual bonus award, a percentage of maximum annual bonus is not shown.

Year ended 30 June	Salary	Benefits	Pension	Annual bonus	Performance-related restricted and matching phantom shares vested ¹	Percentage of restricted and matching phantom shares vested	Total
2023	£100,000	£1,653	£9,000	–	–	–	£110,653
2022	£100,000	£1,123	£9,000	–	£542,619	79.55%	£652,742
2021	£100,000	£901	£9,000	£1,241,700	£1,108,587	57.00%	£2,460,188
2020	£100,000	£7,203	£9,000	–	–	–	£116,203
2019	£100,000	£7,627	£9,000	£2,491,200	£997,173	30.23%	£3,605,000
2018	£100,000	£8,293	£9,000	£1,261,277	–	–	£1,378,570
2017	£100,000	£8,404	£9,000	£3,071,748	£95,574	–	£3,284,726
2016	£100,000	£8,400	£9,000	£1,083,458	£284,932	–	£1,485,790
2015	£100,000	£8,388	£8,000	£2,415,000	£462,159	–	£2,993,547
2014	£100,000	£8,934	£7,000	–	£452,386	–	£568,320

1. Performance-related restricted and matching or phantom share equivalent awards vested during the years ending 30 June 2019, 2021 and 2022 plus the value of any dividend equivalents. The sums shown in earlier years relate to dividends or dividend equivalents paid on share or phantom share awards.

Figure 13**Relative importance of spend on pay**

Metric	2023	2022	2022 to 2023 % change
Remuneration paid to or receivable by all employees of the Group (i.e. accounting cost)	£66.2m	£73.4m	(10%)
Average headcount	309	305	1%
Distributions to shareholders (dividends and/or share buybacks)	£118.4m	£118.5m	0%

Figure 14**Statement of shareholder voting**

At the 2020 AGM, the Directors' Remuneration Policy received the following votes from shareholders:

Remuneration Policy	2020 AGM resolution to approve the Directors' Remuneration Policy for the years ending 30 June 2021, 2022 and 2023	% of votes cast
Votes cast in favour	386,652,049	69.16%
Votes cast against	172,385,927	30.84%
Total votes cast	559,037,976	100.00%
Abstentions	38,657,285	N/A

At the 2022 AGM, the Directors' Remuneration report received the following votes from shareholders:

Remuneration report	2022 AGM resolution to approve the Directors' Remuneration report for the year ended 30 June 2022	% of votes cast
Votes cast in favour	433,517,825	78.02%
Votes cast against	122,140,125	21.98%
Total votes cast	55,657,950	100.00%
Abstentions	38,468,005	N/A

For additional information, Figure 15 shows the history of financial results for the last five years.

Figure 15**Five-year summary of financial results**

	2023	2022	2021	2020	2019
AuM US\$ billion (at period end)	55.9	64.0	94.4	83.6	91.8
Operating profit £ million	77.4	119.2	258.3	209.7	202.8

Approval

This Directors' Remuneration report including both the proposed Directors' Remuneration Policy and the Annual Report on Remuneration has been approved by the Board of Directors.

Signed on behalf of the Board of Directors.

Helen Beck

Chair of the Remuneration Committee

5 September 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements on the same basis.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Remuneration report and Corporate governance statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with DTR 4.1.14R, the financial statements will form part of the annual report and accounts prepared using the single electronic reporting format under ESEF. The auditor's report on these financial statements provides no assurance over the ESEF format.

Responsibility statement of the Directors in respect of the annual financial report

The Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic report and Directors' report include a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Clive Adamson

Chair

5 September 2023

The Directors present their Annual Report and Accounts for the year ended 30 June 2023.

The financial statements have been prepared in accordance with UK adopted international accounting standards.

Principal activity and business review

The principal activity of the Group is the provision of investment management services. The Company is required to set out in this report a fair review of the business of the Group during the financial year ended 30 June 2023 and of the position of the Group at the end of that financial year and a description of the principal risks and uncertainties facing the Group (referred to as the Business review). The information that fulfils the requirements of the Business review, along with an indication of the likely future developments in the business, can be found in the financial highlights on the inside front cover, the CEO review on page 10, the Business review on pages 28 to 34 and the Corporate governance report on pages 62 to 71.

The Group's approach to financial risk management and the principal operating risks facing the business, including price risk, credit risk, liquidity risk and cash flow risk, are detailed on pages 35 to 41.

Results and dividends

The results of the Group for the year are set out in the consolidated statement of comprehensive income on page 126.

The Directors are recommending a final dividend of 12.1 pence per share (FY2022: 12.1 pence) which, together with the interim dividend of 4.8 pence per share (FY2022: 4.8 pence) already declared, makes a total for the year ended 30 June 2023 of 16.9 pence per share (FY2022: 16.9 pence). Further details relating to dividends are set out in note 14 to the financial statements.

Subject to approval at the AGM, the final dividend will be paid on 8 December 2023 to shareholders on the register on 3 November 2023 (the ex-dividend date being 2 November 2023).

Related party transactions

Details of related party transactions are set out in note 28 to the financial statements.

Directors

The members of the Board together with their biographical details are shown on pages 62 to 63. Shirley Garrood was appointed as a Director on 1 August 2022 and Thuy Dam was appointed as a Director on 1 June 2023. All other members of the Board served as Directors throughout the year.

Details of the service contracts of the current Directors are described on page 117.

Under the Articles, the minimum number of Directors is two and the maximum is nine. Directors may be appointed by the Company by ordinary resolution or by the Board. A Director appointed by the Board must offer himself/herself for election at the next AGM following their appointment. That Director is not taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting. Notwithstanding these provisions, the Board has adopted provision 18 of the Code and all Directors will retire and seek re-election at each AGM. The Listing Rules require that the election/re-election of independent directors is by a majority of votes cast by independent shareholders as well as by a majority of votes cast by all shareholders.

The Board confirms that the Company and Mark Coombs entered into a relationship agreement on 1 July 2014 as required under Listing Rule 9.2.2ADR(1); and that: (i) the Company has complied with the independence provisions included in that agreement; (ii) so far as the Company is aware, Mark Coombs has complied with the independence provisions included in that agreement; and (iii) so far as the Company is aware, Mark Coombs has complied with the procurement obligation included in that agreement pursuant to Listing Rule 9.2.2BR(2)(a), in each case during the financial year ended 30 June 2023.

Diversity

The Nominations Committee and the Board recognise the importance of diversity and ensuring candidates for Board appointments, whilst being assembled on merit and objective criteria, wherever possible reflect different genders, ethnic and social backgrounds. The Board's diversity policy applies to appointments to the Board as well as to the Audit and Risk, Nominations and Remuneration Committees and reflects the Board's belief that diversity includes and extends beyond gender and encompasses, amongst other things, experience, skills, tenure, age, geographical expertise, professional and socio-economic background, ethnicity, disability and sexual orientation. In addition, the Nominations Committee, in assessing the suitability of a prospective Director, will consider whether the candidate is 'over-boarded' and has sufficient time available to discharge their duties, and the overall balance of skills, experience and knowledge on the Board.

It is Ashmore's policy to attract and retain a diverse workforce. Whilst there are no quotas set in respect of gender, age, ethnicity, educational or professional background for its employees, Ashmore is committed to providing equal opportunities and seeks to ensure that its workforce reflects, as far as is practicable, the diversity of the many communities in which it operates and this is set out in the Group's diversity policy. Details of the gender and ethnicity balance across the Group and in relation to the Board and senior management are provided on pages 47 and 48.

It is the Group's policy to give appropriate consideration to applications from persons with disabilities, having regard to their particular aptitudes and abilities. For the purposes of training, career development and progression (including those who become disabled during the course of their employment), all are treated on equal terms with other employees.

Engagement with employees and wider stakeholders

The Board, at a series of 'meet the teams' sessions chaired by Jennifer Bingham as the Non-executive Director for workforce engagement, listened to employees' views on the Group. These interactive sessions help shape the Group's culture, in addition to other forms of employee engagement such as regular employee newsletters and off-site team building exercises across the Group's offices. Ashmore's engagement with other stakeholders and the outcomes are detailed in the Section 172 statement on pages 42 to 45.

Insurance and indemnification of Directors

The Company maintains Directors' and officers' liability insurance for all Directors. To the extent permissible by law, the Articles of Association also permit the Company to indemnify Directors and former Directors against any liability incurred whilst serving in such capacity.

DIRECTORS' REPORT (CONTINUED)

Directors' conflicts of interest

The Companies Act imposes upon Directors a statutory duty to avoid unauthorised conflicts of interest with the Company. The Company's Articles of Association enable Directors to approve conflicts of interest and also include other conflict of interest provisions. Such conflicts are then, where appropriate, considered for approval by the Board.

Save as disclosed on page 62, the Executive Directors do not presently hold any external appointments with any non-Ashmore-related companies.

Directors' share interests

The interests of Directors in the Company's shares are shown on page 105 within the Remuneration report.

Significant agreements with provisions applicable to a change in control of the Company

Save as described, there are no agreements in place applicable to a change in control of the Company.

Resolution 19 in the Notice of AGM will seek approval from shareholders to a waiver of the provisions of Rule 9 of the Takeover Code in respect of the obligation that could arise for Mark Coombs to make a mandatory offer for the Company in the event that the Company exercises the authority to make market purchases of its own shares. Further details will be contained in the separate Notice of AGM.

Relations with shareholders

The Company places great importance on communication with its investors and has regular communication with institutional and retail shareholders, and sell-side analysts throughout the year.

Annual and interim reports and quarterly AuM updates are distributed to other parties who may have an interest in the Group's performance. These documents are also made available on the Company's website where formal regulatory information service announcements are posted. The CEO and GFD report to the Board on investor relations and on specific discussions with major shareholders.

The Company will be issuing a separate circular and Notice of Meeting in respect of this year's AGM. The Group will announce the number of votes cast on resolutions at the AGM via a regulatory information service.

The Senior Independent Director is available to shareholders if they have a concern where contact through the normal channels of Chair, CEO or GFD has failed to resolve it or for which such contact is inappropriate.

Share capital

The Company has a single class of share capital, ordinary shares of 0.01 pence, each of which rank pari passu in respect of participation and voting rights. The shares are in registered form. The issued share capital of the Company at 30 June 2023 was 712,740,804 shares. There were no shares held in Treasury.

Details of the structure of and changes in share capital are set out in note 22 to the financial statements.

Restrictions on voting rights

A member shall not be entitled to vote at any general meeting or class meeting in respect of any share held by him if any call or other sum then payable by him in respect of that share remains unpaid or if a member has been served with a restriction notice (as defined in the Articles of Association) after failure to provide the Company with information concerning interests in those shares required to be provided under the Companies Act. Votes may be exercised in person or by proxy. The Articles of Association currently provide a deadline for submission of proxy forms of 48 hours before the meeting.

Purchase of own shares

In the year under review, the Company did not purchase any of its own shares for Treasury and the EBT purchased 7,038,639 shares worth £15.6 million. Until the date of the next AGM, the Company is generally and unconditionally authorised to buy back up to 35,637,040 of its own issued shares. The Company is seeking a renewal of the share buyback authority at the 2023 AGM.

Power to issue and allot shares

The Directors are generally and unconditionally authorised to allot unissued shares in the Company up to a maximum nominal amount of £23,758.03 (and £47,516.05 in connection with an offer by way of a rights issue).

Substantial shareholdings¹

The Company has been notified of the following significant interests in accordance with DTR 5 (other than those of the Directors which are disclosed separately on page 105) in the Company's ordinary shares of 0.01 pence each.

	Number of voting rights disclosed as at 30 June 2023	Percentage interests ³	Number of voting rights disclosed as at 5 September 2023	Percentage interests ³
Overseas Pensions and Benefits Limited ²	50,648,181	7.10	50,648,181	7.10
BlackRock, Inc.	42,956,269	6.01	44,196,398	6.19
Jupiter Fund Management PLC	36,034,780	5.05	36,034,780	5.05
Schroders plc	34,470,970	4.85	34,470,970	4.85
Allianz Global Investors GmbH	32,695,220	4.58	32,695,220	4.58

¹ The shareholding of Mark Coombs, a Director and substantial shareholder, is disclosed separately on page 105.

² In addition to the interests in the Company's ordinary shares referred to above, each Executive Director and employee of the Group has an interest in the Company's ordinary shares held by Overseas Pensions and Benefits Limited under the terms of the EBT. The voting rights disclosed for the EBT in this table reflect the last notification made to the Company in accordance with DTR 5. The actual number of shares held by the EBT as at 30 June 2023 is disclosed in note 23 to the financial statements.

³ Percentage interests are based on 712,740,804 shares in issue (2022: 712,740,804).

A further authority has been granted to the Directors to allot the Company's shares for cash, up to a maximum nominal amount of £7,127.40, without regard to the pre-emption provisions of the Companies Act. No such shares have been issued or allotted under these authorities, nor is there any current intention to do so, other than to satisfy outstanding obligations under the employee share schemes where necessary.

These authorities are valid until the date of the 2023 AGM when a resolution for such renewal will be proposed.

Employees

Details of the Company's employment practices can be found in the People & culture report on page 46.

Overseas Pensions and Benefits Limited as trustee of the EBT has discretion as to the exercise of voting rights over shares which it holds in respect of unallocated shares, namely those shares in which no employee beneficial interests exist.

Corporate governance

The Company is governed according to the applicable provisions of company law and by the Company's Articles. As a listed company, the Company must also comply with the Listing Rules and the DTRs. Listed companies are expected to comply as far as possible with the provisions of the Code, and to state how its principles have been applied. There is a report from the Chair on corporate governance on pages 64 to 66 and a description of how the Company has applied each of the principles of the Code on pages 67 to 68. The Company complied throughout the financial period with all the relevant provisions set out in the Code other than Provision 24 where Clive Adamson retained the role of Chair of the Audit and Risk Committee on an interim basis for part of the year whilst also being Chair of the Company.

Mandatory GHG reporting and SECR requirements

In line with the Companies Act (Strategic Report and Directors' Report) Regulations 2013, all companies listed on the main market of the London Stock Exchange have been required to report their GHG emissions within their annual report. In addition, as of 1 April 2019, the Group is required to meet the mandatory SECR requirements. These comprise disclosure of Scope 1 and 2 emissions and energy consumption, at least one intensity metric (e.g. emissions per revenue, or per FTE), a list of energy efficiency actions taken (if applicable), and a comparison with the emissions of the previous year, when available. An explanation of the methodology and the sources of the conversion factors used is also required.

Operational control methodology

The Group has followed the operational control method of reporting. The emissions reported below are for the 11 offices around the world where the Group exercised direct operational control in FY2023. The office emissions reported, as well as emissions originating from their operations, are those which are considered material to the Group and for which data was available.

Emission scopes

In accordance with mandatory GHG reporting, Scope 1 and Scope 2 are required to be reported. In line with the GHG Protocol's dual reporting requirements, Scope 2 emissions have been reported both in terms of 'market-based' emissions and 'location-based' emissions.

It is not mandatory to report Scope 3. However, the Group continues to report on key Scope 3 emission categories (e.g. air travel, water, waste) in order to provide more complete disclosure to stakeholders.

FY2023 saw the inclusion of well-to-tank emissions¹ for the first time, to increase the completeness of Ashmore's Scope 3 disclosure.

Exclusions and estimation

Overall, 14% of total emissions generated were based on estimation (135 tCO₂e). Best endeavours have been undertaken at each office to provide the required data; however, in some cases data was not available for reporting and estimation was required.

Estimation methodologies adopted are summarised in the following approaches:

- For offices located within shared and leased buildings, many were only able to provide an estimated consumption rate based on the apportionment of the building total as sub-metered data was not available.
- Where only spend data was available, an average price per unit estimate was applied to the total cost to calculate the consumption rate.
- For some offices, waste data could only be provided in terms of volume disposed. The waste volume was converted to weight using UK Government waste-type specific weight conversion factors.
- For offices unable to provide any waste or water data, it was decided that estimation was inappropriate due to the significant differences in disposal rates by building, office size and per employee, and therefore no waste data was included.
- For offices unable to provide their emissions data relative to the last quarter of the Group's financial year, the impact of this quarter was estimated by projecting the available data for the remaining months of this financial year.

Exclusions were based on three types of criteria: relevancy to the Company's operations, materiality² and data availability. In particular, Scope 1 and 2 emissions areas that are not covered in this analysis³ are not applicable; the excluded upstream Scope 3 categories⁴ are expected to have an immaterial impact on emissions, and none of the downstream Scope 3 categories⁵ are applicable except for category 15 (investments). The Group invests across multiple asset classes and in markets where disclosure requirements are still evolving, therefore it has not currently calculated an aggregate figure for category 15. Please refer to the TCFD section on page 56 for further information.

1 Well-to-tank emissions are the Scope 3 emissions associated with the extraction, refining and transportation of the raw fuel sources prior to their combustion. They are calculated from the data on fuels burned in company owned vehicles and fuels and electricity used in the company's premises.

2 A materiality threshold of 5% of total emissions is used to determine whether an emissions source is required to be included as per SECR requirements.

3 Process emissions, electric vehicles, and heat and steam consumption.

4 Category 1 material use and supply chain, category 2 capital goods, and category 4 upstream freight.

5 Categories 9 to 15.

DIRECTORS' REPORT (CONTINUED)

Quantification and reporting methodology

Data collection and analysis has strictly followed the GHG Protocol Corporate Accounting and Reporting Standard. The WRI and the WBCSD developed the standard to promote standardised global carbon accounting methodologies and, as such, the GHG Protocol Standard is one of the recommended methodologies under the SECR requirements. The UK Government's 2022 emission factors, generated by DEFRA, have been used to quantify all emissions, with the exception of overseas electricity, which has been quantified using data from European Investment Bank's 2022 Project Carbon Footprint Methodologies (Colombia, India, Indonesia, Peru, Saudi Arabia, Singapore, United Arab Emirates), the IEA's 2022 emissions factors (Ireland), the 2021 Climate Transparency Report (Japan), and the 2022 factors from the United States Environmental Protection Agency (United States). The market-based (supplier-specific) conversion factors have been supplied by the Group's offices in Colombia and Ireland.

The Group's data inputs and outputs have been reviewed and processed by Carbon Responsible Limited.

Consumption and emissions

The Group emitted a total of 990 tonnes of CO₂e across its global offices for all scopes (including Scope 3 which is not mandatory to report). Scope 3 accounted for 68% of the total emissions, Scope 2 for 23% and Scope 1 for 10% of total emissions.

Overall, the Group's GHG emissions increased by 51% compared to FY2022. The significant difference in emissions is primarily due to an increase in reported business travel to pre-Covid levels, access to wider data and inclusion of additional GHG categories.

Recorded emissions were generated by various sources, across the three scopes. As a proportion of the total emissions, the biggest source of emissions was business travel (531 tCO₂e, 54% of total emissions), followed by electricity generation (225 tCO₂e, 23% of total emissions), fuel and electricity well-to-tank (71 tCO₂e, 7% of total emissions), hotels (47 tCO₂e, 5% of total emissions), stationary fuel (41 tCO₂e, 4% of total emissions), refrigerants (38 tCO₂e, 4% of total emissions), mobile fuel combustion (17 tCO₂e, 2% of total emissions) and electricity transmission and distribution (16 tCO₂e, 2% of total emissions). All other emission sources contributed less than 1% of the total emissions.

Carbon offset

The Group seeks to offset its GHG emissions via The Ashmore Foundation. It uses a carbon price methodology to establish a donation amount and then the Foundation identifies project(s) to target the required offset in the emerging countries in which the Group invests and operates. The activities relating to the FY2023 GHG emissions will be reported in the Group's FY2024 Annual Report and Accounts.

Consumption of GHG emitting sources

Scope emissions by source	FY2022	FY2023	Year-on-year change
Scope 1 Natural gas (kWh)	212,833	222,083	+9,250
Other fuels (kWh)	29,849	65,186 ¹	+35,337
Owned vehicles (km)	6,670	– ¹	-6,670
Refrigerants (kg)	1	59	+58
Scope 2 Electricity (kWh)	509,618	554,956	+45,338
Scope 3 Air travel (passenger km)	2,434,869	4,825,046	+2,390,177
Hotel stay (room nights)	241	1,465	+1,224
Third-party vehicles (km)	498	15,280	+14,782
Water (m ³)	1,454	1,877	+423
Waste (kg)	33,913	19,615	-14,298

1. Fuel consumption data was available for all the vehicles owned by the Group, so the data on the distance travelled by owned vehicles was not used in FY2023. This does not mean that the emissions decreased, but simply that the emissions from mobile fuel are all included in 'other fuels' instead.

Emissions by scope

Scope	FY2022	FY2023	Change in tCO ₂ e	% of total change
1	51.9	94.9	+43.0	13%
2 (market-based)	221.1	224.6	+3.5	1%
2 (location-based)	227.3	233.1	+5.8	
3	380.8	670.1	+289.3	86%
Total (market-based)	653.8	989.6	+335.6	
Total (location-based)	660.0	998.1	+338.1	
Scope 1,2&3 tCO ₂ e/FTE	2.2	3.3	+1.1	
Scope 1&2 tCO ₂ e/FTE	0.9	1.1	+0.2	
Scope 1,2&3 kgCO ₂ e/office m ²	118	177	+59	
Scope 1&2 kgCO ₂ e/office m ²	49	57	+8	

Year-on-year change in emissions (UK and global)

UK/non-UK	FY2022	FY2023	Change in tCO ₂ e	% of total change
UK & offshore	246	361	+115	34%
Global (non-UK)	408	629	+221	66%
Total	654	990	+336	

Intensity metrics

Two intensity metrics have been calculated for emissions, one based on FTE and one on office area (m²). Intensity metrics are a useful way to assess changes in emissions within a growing company, as whilst absolute emissions increase, the impact per chosen unit can reduce.

The table on the following page shows the emissions per FTE and office m² for FY2022 and FY2023. In both cases, the intensity metrics are provided both for total (Scope 1, 2 and 3) emissions and for Scope 1 and 2 emissions only. While providing intensity metrics based on all the reported emissions is a requirement for SECR, the intensity metrics regarding Scope 1 and 2 emissions only are provided to facilitate a valuable comparison with the other companies in the same sector who only disclose Scope 1 and 2 emissions to comply with SECR requirements. Emissions per FTE are expressed in tonnes of CO₂e per FTE; emissions per office area are expressed in kilograms of CO₂e per office squared metre.

By observing the table below, it is notable that reported Scope 1, 2 and 3 emissions per FTE and office area have both increased substantially since FY2022, while both intensity metrics relative to Scope 1 and 2 emissions only have remained similar to their FY2022 values. Since neither the number of FTE nor the area of offices have varied substantially since last year, the increase in these intensity metrics is reflective of an increase in emissions (especially Scope 3 emissions) as presented above.

Intensity metrics relative to both total emissions and Scope 1 and 2 emissions only

	FY2022	FY2023
Scope 1,2&3 tCO ₂ e/FTE	2.22	3.34
Scope 1&2 tCO ₂ e/FTE	0.93	1.08
Scope 1,2&3 kgCO ₂ e/office m ²	118	177
Scope 1&2 kgCO ₂ e/office m ²	49	57

The report covers all the main emissions sources that are required to be reported under the SECR requirements and for which data has been collected. Optional disclosure of Scope 3 impacts has been undertaken as far as practicable to reflect the impact from the Group's core operations.

Charitable and political contributions

During the year, the Group made charitable donations of £0.5 million (FY2022: £0.6 million). The work of The Ashmore Foundation is described in the Sustainability section of this report on pages 50 to 55. It is the Group's policy not to make contributions for political purposes.

Creditor payment policy

The Group's policy and practice in the UK are to follow its suppliers' terms of payment and to make payment in accordance with those terms subject to receipt of satisfactory invoicing. Unless otherwise agreed, payments to creditors are made within 30 days of receipt of an invoice. At 30 June 2023, the amount owed to the Group's trade creditors in the UK represented approximately 21 days' average purchases from suppliers (FY2022: 17 days).

Auditors and the disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware, and each Director has taken all the steps that they ought to have taken as Directors to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Resolutions will be proposed at the AGM to appoint Ernst & Young LLP as auditor and to authorise the Audit and Risk Committee to agree their remuneration. Note 11 to the financial statements sets out details of the auditor's remuneration.

2023 Annual General Meeting

Details of the AGM will be given in the separate circular and Notice of Meeting.

Going concern

The Company and Group have considerable financial resources and the Directors believe that both are well placed to manage their business risks successfully.

Further information regarding the Group's business activities, together with the factors likely to affect its future development, performance and position, are set out on pages 28 to 34.

After making enquiries, the Directors are satisfied that the Company and the Group have adequate resources to continue to operate for the next 12 months from the date of this report and confirm that the Company and the Group are going concerns. For this reason they continue to adopt the going concern basis in preparing these financial statements.

Companies Act

This Directors' report on pages 113 to 117 inclusive has been drawn up and presented in accordance with and in reliance on English company law and the liabilities of the Directors in connection with that report shall be subject to the limitations and restrictions provided by such law.

References in this Directors' report to the financial highlights, the Business review, the Corporate governance report and the Remuneration report are deemed to be included by reference in this Directors' report.

Directors' service contracts

The summary below provides details of the Directors' service agreements/letters of appointment:

Directors' service contracts	Date appointed Director	Contract commencement date	Notice period	Expiry/review date
Executive Directors				
Mark Coombs	3 December 1998	21 September 2006	1 year	Rolling
Tom Shippey	25 November 2013	25 November 2013	1 year	Rolling
Non-executive Directors				
Clive Adamson	22 October 2015	22 October 2015	1 month	22 October 2024
Jennifer Bingham	29 June 2018	29 June 2018	1 month	29 June 2024
Helen Beck	1 June 2021	1 June 2021	1 month	1 June 2024
Thuy Dam	1 June 2023	1 June 2023	1 month	1 June 2026
Shirley Garrood	1 August 2022	1 August 2022	1 month	1 August 2025

Approved by the Board and signed on its behalf by:

Alexandra Autrey

Group Company Secretary
5 September 2023

Independent auditor's report to the members of Ashmore Group plc only

Year ended 30 June 2023

Our opinion is unmodified

We have audited the financial statements of Ashmore Group plc (the Company) for the year ended 30 June 2023 which comprise the Consolidated statement of comprehensive income, Consolidated balance sheet, Consolidated statement of changes in equity, Consolidated cash flow statement, Company balance sheet, Company statement of changes in equity, Company cash flow statement, and the related notes, including the accounting policies in notes 1 to 4.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 June 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards, and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit and Risk Committee.

We were first appointed as auditor of the Company (then Ashmore Group Limited) by the Directors following its incorporation on 30 November 1998. Subsequent to the Company's conversion into a public limited company and the public listing of its shares on the London Stock Exchange on 3 October 2006, we were reappointed as auditor of Ashmore Group plc by the Directors on 31 October 2007. The period of total uninterrupted engagement is 24 years ended 30 June 2023 (16 years since the Company's public listing). We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

No non-audit services prohibited by that standard were provided.

Overview

Materiality:	£8.1m (2022: £9.1m)
Group financial statements as a whole	5.2% of Group profit before tax adjusted for investments gains and losses averaged over three years (2022: 5.5% of Group profit before tax adjusted for investments gains and losses)
Coverage	89% (2022: 89%) of Group profit before tax

Key audit matters

		vs 2022
Recurring risks	Management fees	◀ ▶
	Recoverability of parent Company's loan to subsidiaries	◀ ▶

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters (unchanged from 2022), in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and our findings from those procedures in order that the Company's members as a body may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Revenue recognition: Management fees £185.4 million; (2022: £247.0 million) Refer to page 140 (accounting policy).	Data capture and calculation error Management fees is the most significant item in the consolidated statement of comprehensive income and represents an area that had the greatest effect on the overall Group audit. Management fees comprise segregated and pooled management fees. The two key components to management fee calculations are fee rates to be applied and the amount of assets under management (AuM). The following are identified as the key risks for management fee income: <ul style="list-style-type: none"> – Risk in relation to fee rates: There is a risk that fee rates have not been entered appropriately into the fee calculation and billing systems when new clients are onboarded or agreements are amended. – Risk in relation to AuM: There is a risk that AuM data from the third-party service providers and other in-house systems is not complete and/or accurate. – Risk in relation to calculation of management fee income: There is a risk that management fee income is incorrectly calculated. 	Our procedures included: Procedures in relation to fee rates <ul style="list-style-type: none"> – Control design and operation: We tested the design and operating effectiveness of controls over new and amended fee agreements. – Tests of details: We agreed a selection of fee rates used in the system calculation to the original investment management agreements (IMAs), fee letters or fund prospectuses outlining the latest effective fee rates. Procedures in relation to AuM <ul style="list-style-type: none"> – Control design and operation: For segregated management fees, we tested the design and operating effectiveness of controls over the production of AuM valuations used in calculating management fees. – For pooled funds management fees, we inspected the internal controls reports prepared by the outsourced service organisations (in particular Northern Trust) to check whether the key controls over the production of AuM valuations used in calculated management fees were designed and operating effectively. General procedures <ul style="list-style-type: none"> – Test of details: We independently recalculated 100% of in-scope component pooled management fees and a sample of segregated management fees. We agreed the recalculated fees to the general ledger records. This represented 91% (2022: 82%) of total revenue for the Group. – Assessing transparency: We considered the adequacy of the disclosures made in respect of management fees against the relevant accounting standards. Our findings <ul style="list-style-type: none"> – We found no errors in the Group's calculation of its management fee income (2022: no errors).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASHMORE GROUP PLC ONLY (CONTINUED)

Year ended 30 June 2023

	The risk	Our response
Recoverability of parent Company's loan to subsidiaries £266.4 million; (2022: £376.9 million) Refer to page 137 (accounting policy) and page 154 (financial disclosures).	Low risk, high value The carrying amount of the parent Company's loans due from subsidiaries represents 41% (2022: 57%) of the parent Company's total assets and is comprised of a loan to one subsidiary. The recoverability of the loan is not at high risk of significant misstatement or subject to significant judgement. However, due to its materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.	Our procedures included: Test of details <ul style="list-style-type: none"> – We assessed the parent Company's loan with reference to the subsidiary's balance sheet, to identify whether the subsidiary had a positive net asset value, and therefore coverage of the debt owed, as well as assessing whether the subsidiary had historically been profit-making. Assessing subsidiary audits: <ul style="list-style-type: none"> – We considered the results of the work we performed on the subsidiary audit on those net assets, including assessing the ability of the subsidiary to obtain liquid funds and, therefore, the ability of the subsidiary to fund the repayment of the loan. – We performed the tests above rather than seeking to rely on any of the Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our findings <ul style="list-style-type: none"> – We found the Company's conclusion that there is no impairment of the loan due from its subsidiary to be balanced (2022: balanced).

Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £8.1 million (2022: £9.1 million), which is determined with reference to a benchmark of Group profit before tax adjusted for investment gains and losses averaged over three years, of which it represents 5.2% (2022: 5.5% of Group profit before tax adjusted for investment gains and losses). The adjustments are made up of the following line items from the consolidated statement of comprehensive income: gains/(losses) on investment securities, change in third-party interests in consolidated funds and finance income/(expense). We have amended our benchmark by averaging it over three years to account for fluctuations in financial performance.

Materiality for the parent Company financial statements as a whole was set at £6.5 million (2022: £6.6 million), determined with reference to a benchmark of Company total assets, of which it represents 1% (2022: 1%).

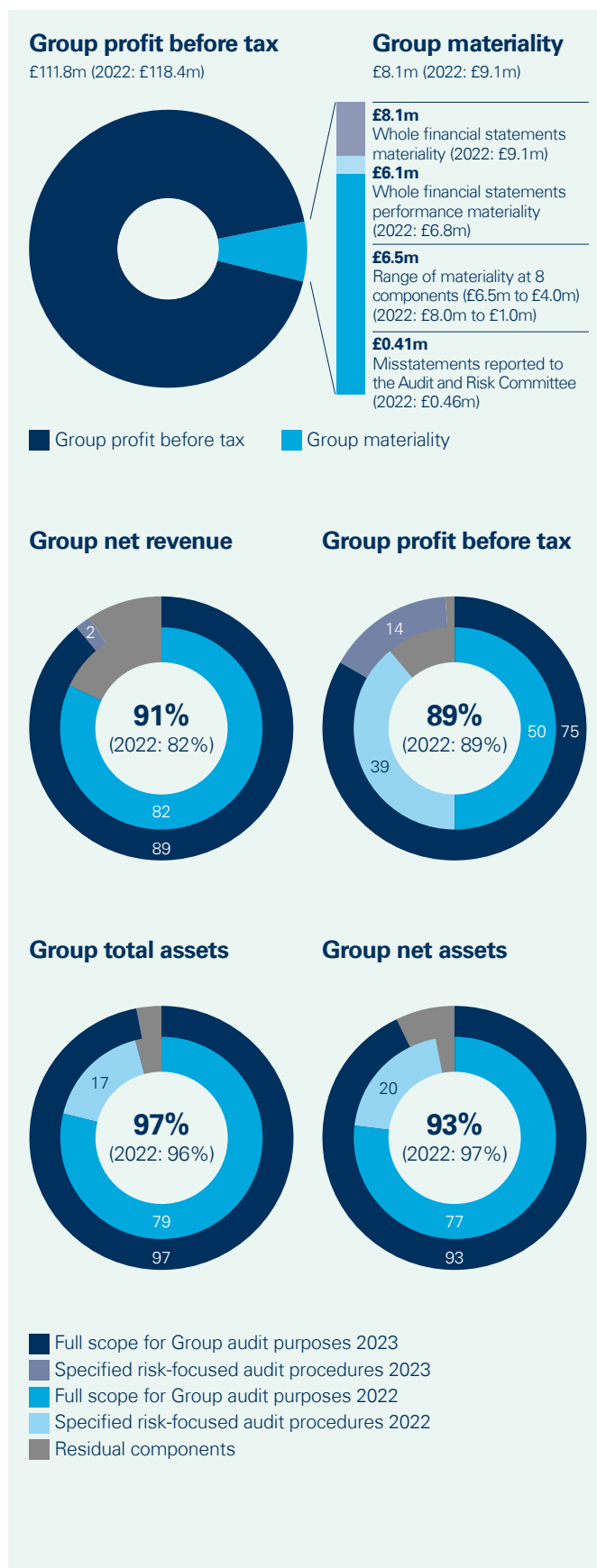
In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2022: 75%) of materiality for the financial statements as a whole, which equates to £6.1 million (2022: £6.8 million) for the Group and £4.9 million (2022: £4.9 million) for the parent Company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Group Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £0.4 million (2022: £0.5 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 28 (2022: 28) reporting components, we subjected four (2022: four) to full scope audits for Group reporting purposes and four (2022: four) to specified risk-focused audit procedures. The latter were not individually financially significant enough to require a full scope audit for Group purposes, but did present specific individual risks that needed to be addressed. The components within the scope of our work accounted for the percentages illustrated opposite. For the residual components, we performed analysis at an aggregated Group level to re-examine our assessment that there were no significant risks of material misstatement within the components.

All of the work, including the audit of the parent Company, was performed by the Group team. The Group team performed procedures on the items excluded from Group profit before tax. The Group team approved component materialities, which ranged from £6.5 million to £4.0 million (2022: £8.0 million to £1.0 million), having regard to the mix of size and risk profile of the components across the Group. The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Group's internal control over financial reporting other than as set out in our key audit matter.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASHMORE GROUP PLC ONLY (CONTINUED)

Year ended 30 June 2023

The impact of climate change on our audit

In planning our audit we have considered the potential impacts of climate change on the Group's business and its financial statements. Climate change impacts the Group in a number of ways: through its own operations (including potential reputational risk associated with the Group's delivery of its climate related initiatives), through its portfolio of investments and its stewardship role, and the greater emphasis on climate related narrative and disclosure in the Annual Report.

As a part of our audit, we have made enquiries of management to understand the extent of the potential impact of climate change risk on the Group's financial statements and the Group's preparedness for this. We have performed a risk assessment of how the impact of climate change may affect the financial statements and our audit. We held discussions with our own climate change professionals to challenge our risk assessment.

On the basis of the risk assessment procedures performed above and taking into account the nature of the assets on the Group's balance sheet, we concluded that there was no significant impact from climate change. We have also read the disclosure of climate related information in the front half as set out on pages 56 to 61 of the Annual Report and considered consistency with the financial statements and our audit knowledge.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or the Group or to cease their operations, and as such they have concluded that the Company's and the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements (the going concern period).

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and Company's available financial resources over this period was AuM outflows.

We considered whether the risk could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Group's current and projected cash. We also assessed the completeness of the going concern disclosure.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;

- we have nothing material to add or draw attention to in relation to the Directors' statement in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period and we found the going concern disclosure in note 2 to be acceptable; and
- the related statement under the Listing Rules set out on page 39 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (fraud risks) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Audit and Risk Committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Considering remuneration incentive schemes and performance targets for management and Directors such as the Group's executive share-based incentive scheme.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of the revenue is non-judgemental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all material post-closing journals.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation, and financial services legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's authority to operate. We identified the following areas as those most likely to have such an effect: specific areas of regulatory capital and liquidity, conduct including client assets, anti-money laundering, anti-bribery and market abuse regulations, and certain aspects of company legislation and financial services legislation recognising the financial and regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and Directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' Remuneration report

In our opinion the part of the Directors' Remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASHMORE GROUP PLC ONLY (CONTINUED)

Year ended 30 June 2023

Disclosures of principal and emerging risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of principal and emerging risks and the longer-term viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the longer-term viability statement on page 39 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the principal and emerging risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the Directors' explanation in the longer-term viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the longer-term viability statement, set out on page 39, under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the Directors' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the Annual Report describing the work of the Audit and Risk Committee, including the significant issues that the Audit and Risk Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the Annual Report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 112, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule (DTR) 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the terms of our engagement by the Company. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Company, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jatin Patel (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London E14 5GL

5 September 2023

Consolidated statement of comprehensive income

For the year ended 30 June 2023

	Notes	2023 £m	2022 £m
Management fees		185.4	247.0
Performance fees		5.1	4.5
Other revenue		2.7	2.9
Total revenue		193.2	254.4
Distribution costs		(2.2)	(3.5)
Foreign exchange	7	5.4	11.6
Net revenue		196.4	262.5
Losses on investment securities	20	(44.3)	(61.3)
Change in third-party interests in consolidated funds	20	19.3	16.5
Personnel expenses	9	(66.2)	(73.4)
Other expenses	11	(27.8)	(25.1)
Operating profit		77.4	119.2
Finance income/(expense)	8	33.9	(2.1)
Share of profit from associates	26	0.5	1.3
Profit before tax		111.8	118.4
Tax expense	12	(25.3)	(26.5)
Profit for the year		86.5	91.9
Other comprehensive income/(loss), net of related tax effect			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences arising on foreign operations		(26.2)	80.2
Cash flow hedge intrinsic value gains/(losses)		4.9	(6.0)
Other comprehensive income/(loss), net of tax		(21.3)	74.2
Total comprehensive income for the year		65.2	166.1
Profit attributable to:			
Equity holders of the parent		83.3	88.5
Non-controlling interests		3.2	3.4
Profit for the year		86.5	91.9
Total comprehensive income attributable to:			
Equity holders of the parent		62.7	161.9
Non-controlling interests		2.5	4.2
Total comprehensive income for the year		65.2	166.1
Earnings per share			
Basic	13	12.43p	13.42p
Diluted	13	12.15p	12.61p

The notes on pages 133 to 174 form an integral part of these financial statements.

Consolidated balance sheet

As at 30 June 2023

	Notes	2023 £m	2022 £m
Assets			
Non-current assets			
Goodwill and intangible assets	15	86.9	90.9
Property, plant and equipment	16	6.5	9.1
Investment in associates	26	2.3	2.1
Non-current financial assets measured at fair value	19, 20	54.1	39.3
Deferred acquisition costs		0.3	0.4
Deferred tax assets	18	23.9	32.7
		174.0	174.5
Current assets			
Investment securities	19, 20	229.9	265.1
Financial assets measured at fair value	19, 20	55.8	32.3
Trade and other receivables	17	70.4	74.3
Cash and cash equivalents		478.6	552.0
		834.7	923.7
Total assets		1,008.7	1,098.2
Equity and liabilities			
Capital and reserves – attributable to equity holders of the parent			
Issued capital	22	0.1	0.1
Share premium		15.6	15.6
Retained earnings		875.4	901.0
Foreign exchange reserve		7.7	33.2
Cash flow hedging reserve		–	(4.9)
		898.8	945.0
Non-controlling interests	31	14.2	21.8
Total equity		913.0	966.8
Liabilities			
Non-current liabilities			
Lease liabilities	16	3.7	5.8
Deferred tax liabilities	18	9.3	8.8
		13.0	14.6
Current liabilities			
Lease liabilities	16	2.1	2.2
Derivative financial instruments	19, 21	0.2	5.2
Third-party interests in consolidated funds	19, 20	56.2	73.0
Trade and other payables	24	24.2	36.4
		82.7	116.8
Total liabilities		95.7	131.4
Total equity and liabilities		1,008.7	1,098.2

The notes on pages 133 to 174 form an integral part of these financial statements.

Approved by the Board on 5 September 2023 and signed on its behalf by:

Mark Coombs
Chief Executive Officer

Tom Shippey
Group Finance Director

Consolidated statement of changes in equity

For the year ended 30 June 2023

	Attributable to equity holders of the parent					Non-controlling interests £m	Total equity £m	
	Issued capital £m	Share premium £m	Retained earnings £m	Foreign exchange reserve £m	Cash flow hedging reserve £m			
Balance at 30 June 2021	0.1	15.6	941.0	(46.2)	1.1	911.6	21.1	932.7
Profit for the year	–	–	88.5	–	–	88.5	3.4	91.9
Other comprehensive income/(loss):								
Foreign currency translation differences arising on foreign operations	–	–	–	79.4	–	79.4	0.8	80.2
Cash flow hedge intrinsic value losses	–	–	–	–	(6.0)	(6.0)	–	(6.0)
Total comprehensive income/(loss)	–	–	88.5	79.4	(6.0)	161.9	4.2	166.1
Transactions with owners:								
Purchase of own shares	–	–	(34.5)	–	–	(34.5)	–	(34.5)
Share-based payments	–	–	24.5	–	–	24.5	–	24.5
Decrease in non-controlling interests	–	–	–	–	–	–	(0.5)	(0.5)
Dividends to equity holders	–	–	(118.5)	–	–	(118.5)	–	(118.5)
Dividends to non-controlling interests	–	–	–	–	–	–	(3.0)	(3.0)
Total contributions and distributions	–	–	(128.5)	–	–	(128.5)	(3.5)	(132.0)
Balance at 30 June 2022	0.1	15.6	901.0	33.2	(4.9)	945.0	21.8	966.8
Profit for the year	–	–	83.3	–	–	83.3	3.2	86.5
Other comprehensive income/(loss):								
Foreign currency translation differences arising on foreign operations	–	–	–	(25.5)	–	(25.5)	(0.7)	(26.2)
Cash flow hedge intrinsic value gains	–	–	–	–	4.9	4.9	–	4.9
Total comprehensive income/(loss)	–	–	83.3	(25.5)	4.9	62.7	2.5	65.2
Transactions with owners:								
Purchase of own shares	–	–	(15.6)	–	–	(15.6)	–	(15.6)
Share-based payments	–	–	18.5	–	–	18.5	–	18.5
Movements in non-controlling interests	–	–	6.6	–	–	6.6	(6.8)	(0.2)
Dividends to equity holders	–	–	(118.4)	–	–	(118.4)	–	(118.4)
Dividends to non-controlling interests	–	–	–	–	–	–	(3.3)	(3.3)
Total contributions and distributions	–	–	(108.9)	–	–	(108.9)	(10.1)	(119.0)
Balance at 30 June 2023	0.1	15.6	875.4	7.7	–	898.8	14.2	913.0

The notes on pages 133 to 174 form an integral part of these financial statements.

Consolidated cash flow statement

For the year ended 30 June 2023

	2023 £m	2022 £m
Operating activities		
Profit for the year	86.5	91.9
Adjustments for non-cash items:		
Depreciation and amortisation	3.2	3.1
Share-based payments	18.9	24.3
Foreign exchange gains	(5.4)	(11.6)
Net losses on investment securities	25.0	44.8
Finance (income)/expense	(33.9)	2.1
Tax expense	25.3	26.5
Share of profits from associates	(0.5)	(1.3)
Cash generated from operations before working capital changes	119.1	179.8
Changes in working capital:		
Decrease in trade and other receivables	9.7	4.9
Decrease/(increase) in derivative financial instruments	(5.0)	6.5
Decrease in trade and other payables	(12.2)	(9.1)
Cash generated from operations	111.6	182.1
Taxes paid	(7.1)	(24.7)
Net cash generated from operating activities	104.5	157.4
Investing activities		
Interest and investment income received	31.2	8.1
Purchase of non-current financial assets measured at fair value	(19.5)	(1.9)
Purchase of financial assets measured at fair value	(23.0)	(5.5)
Sale of investment securities	3.2	24.2
Sale of non-current financial assets measured at fair value	5.0	1.5
Sale of financial assets held for sale	–	0.1
Sale of financial assets measured at fair value	–	44.0
Net cash on initial consolidation of seed capital investments	(1.7)	0.3
Purchase of property, plant and equipment	(0.4)	(0.5)
Net cash generated from/(used in) investing activities	(5.2)	70.3
Financing activities		
Dividends paid to equity holders	(118.4)	(118.5)
Dividends paid to non-controlling interests	(3.3)	(3.0)
Third-party subscriptions into consolidated funds	2.8	0.5
Third-party redemptions from consolidated funds	(29.1)	(4.2)
Distributions paid by consolidated funds	(4.2)	(10.7)
Decrease in non-controlling interests	(0.4)	(0.5)
Payment of lease liabilities	(2.2)	(2.0)
Interest paid	(0.3)	(0.4)
Purchase of own shares	(15.6)	(34.5)
Net cash used in financing activities	(170.7)	(173.3)
Net increase/(decrease) in cash and cash equivalents	(71.4)	54.4
Cash and cash equivalents at beginning of year	552.0	456.1
Effect of exchange rate changes on cash and cash equivalents	(2.0)	41.5
Cash and cash equivalents at end of year	478.6	552.0
Cash and cash equivalents at end of year comprise:		
Cash at bank and in hand	40.9	57.4
Daily dealing liquidity funds	56.8	225.7
Deposits	380.9	268.9
	478.6	552.0

The notes on pages 133 to 174 form an integral part of these financial statements.

Company balance sheet

As at 30 June 2023

	Notes	2023 £m	2022 £m
Assets			
Non-current assets			
Goodwill	15	4.1	4.1
Property, plant and equipment	16	4.1	5.5
Investment in subsidiaries	25	19.9	19.9
Deferred acquisition costs		0.3	0.4
Trade and other receivables	17	167.8	132.0
Deferred tax assets	18	11.6	18.2
		207.8	180.1
Current assets			
Trade and other receivables	17	116.6	324.9
Derivative financial instruments	21	0.2	–
Cash and cash equivalents		327.7	159.7
		444.5	484.6
Total assets		652.3	664.7
Equity and liabilities			
Capital and reserves			
Issued capital	22	0.1	0.1
Share premium		15.6	15.6
Retained earnings		605.2	600.6
Cash flow hedging reserve		–	(4.9)
Total equity attributable to equity holders of the Company		620.9	611.4
Liabilities			
Non-current liabilities			
Lease liability	16	2.2	3.3
Current liabilities			
Lease liability	16	1.2	1.3
Derivative financial instruments	21	–	5.2
Trade and other payables	24	28.0	43.5
		29.2	50.0
Total liabilities		31.4	53.3
Total equity and liabilities		652.3	664.7

The Company has taken the exemption under section 408 of the Companies Act 2006 not to present its profit and loss account and related notes. The Company's profit for the year ended 30 June 2023 was £120.1 million (30 June 2022: £188.6 million).

The notes on pages 133 to 174 form an integral part of these financial statements.

The financial statements of Ashmore Group plc (registered number 03675683) were approved by the Board on 5 September 2023 and signed on its behalf by:

Mark Coombs
Chief Executive Officer

Tom Shippey
Group Finance Director

Company statement of changes in equity

For the year ended 30 June 2023

	Issued capital £m	Share premium £m	Retained earnings £m	Cash flow hedging reserve £m	Total equity attributable to equity holders of the parent £m
Balance at 30 June 2021	0.1	15.6	540.6	1.1	557.4
Profit for the year	–	–	188.6	–	188.6
Cash flow hedge intrinsic value losses	–	–	–	(6.0)	(6.0)
Purchase of own shares	–	–	(34.1)	–	(34.1)
Share-based payments	–	–	24.0	–	24.0
Dividends to equity holders	–	–	(118.5)	–	(118.5)
Balance at 30 June 2022	0.1	15.6	600.6	(4.9)	611.4
Profit for the year	–	–	120.1	–	120.1
Cash flow hedge intrinsic value gains	–	–	–	4.9	4.9
Purchase of own shares	–	–	(15.6)	–	(15.6)
Share-based payments	–	–	18.5	–	18.5
Dividends to equity holders	–	–	(118.4)	–	(118.4)
Balance at 30 June 2023	0.1	15.6	605.2	–	620.9

The notes on pages 133 to 174 form an integral part of these financial statements.

Company cash flow statement

For the year ended 30 June 2023

	2023 £m	2022 £m
Operating activities		
Profit for the year	120.1	188.6
Adjustments for:		
Depreciation and amortisation	1.8	1.8
Share-based payments	13.7	19.3
Foreign exchange losses/(gains)	9.6	(58.4)
Finance income	(10.0)	(0.4)
Tax expense	9.8	26.0
Dividends received from subsidiaries	(145.2)	(174.0)
Cash generated from/(used in) operations before working capital changes	(0.2)	2.9
Changes in working capital:		
Decrease/(increase) in trade and other receivables	57.8	(73.8)
Decrease/(increase) in derivative financial instruments	(5.4)	6.5
Decrease in trade and other payables	(15.5)	(59.0)
Cash generated from/(used in) operations	36.7	(123.4)
Taxes paid	(6.3)	(12.1)
Net cash generated from/(used in) operating activities	30.4	(135.5)
Investing activities		
Interest received	8.9	0.2
Loans advanced to subsidiaries	(27.3)	(0.2)
Loans repaid by subsidiaries	137.8	184.0
Dividends received from subsidiaries	145.2	174.0
Purchase of property, plant and equipment	(0.3)	(0.4)
Net cash generated from investing activities	264.3	357.6
Financing activities		
Dividends paid	(118.4)	(118.5)
Payment of lease liability	(1.2)	(1.1)
Interest paid	(0.1)	(0.2)
Purchase of own shares	(15.6)	(34.1)
Net cash used in financing activities	(135.3)	(153.9)
Net increase in cash and cash equivalents	159.4	68.2
Cash and cash equivalents at beginning of year	159.7	86.1
Effect of exchange rate changes on cash and cash equivalents	8.6	5.4
Cash and cash equivalents at end of year	327.7	159.7
Cash and cash equivalents at end of year comprise:		
Cash at bank and in hand	2.9	6.3
Daily dealing liquidity funds	0.8	1.9
Deposits	324.0	151.5
	327.7	159.7

The notes on pages 133 to 174 form an integral part of these financial statements.

Notes to the financial statements

1) General information

Ashmore Group plc (the Company) is a public limited company listed on the London Stock Exchange and incorporated and domiciled in the United Kingdom. The consolidated financial statements of the Company and its subsidiaries (together the Group) for the year ended 30 June 2023 were authorised for issue by the Board of Directors on 5 September 2023. The principal activity of the Group is described in the Directors' report on page 113.

2) Basis of preparation

The Group and Company financial statements for the year ended 30 June 2023 have been prepared in accordance with UK-adopted international accounting standards.

The financial statements have been prepared on a going concern basis under the historical cost convention, except for the measurement at fair value of derivative financial instruments and financial assets and liabilities that are held at fair value through profit or loss.

The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 that allows it not to present its individual statement of comprehensive income and related notes.

Going concern

The Board of Directors has considered the resilience of the Group, taking into account its current financial position, and the principal and emerging risks facing the business in the context of the current economic outlook. The Board reviewed cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the Group will have sufficient funds to meet its liabilities as they fall due for that period. The Board applied stressed scenarios, including severe but plausible downside assumptions on AuM, profitability of the Group and known commitments. While there are wider market uncertainties that may impact the Group, the stressed scenarios, which assumed a significant reduction in revenue for the entire forecast period, show that the Group and Company would continue to operate profitably and meet their liabilities as they fall due for a period of at least 12 months from the date of approval of the annual financial statements. The financial statements have therefore been prepared on a going concern basis.

Principal estimates and judgements

The preparation of the financial statements in conformity with UK-adopted international accounting standards requires the use of certain accounting estimates, and management to exercise its judgement in the process of applying the Group's accounting policies. The estimates and judgements used in preparing the financial statements are periodically evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

There are areas of the financial statements where the use of estimation is important, but where the risk of material adjustment is not significant, including the assessment of performance conditions attached to certain executive share awards (note 10), assumptions used in the valuation of level 3 seed capital investments (note 19) and deferred tax assets (note 18). The areas where judgements are made include the impairment review of goodwill (note 15), the calculation of lease assets and liabilities (note 16) and consolidation of seed capital investments (note 20).

3) New Standards and Interpretations not yet adopted

There were no Standards or Interpretations that were in issue and required to be adopted by the Group as at the date of authorisation of these consolidated financial statements. No other Standards or Interpretations have been issued that are expected to have a material impact on the Group's financial statements.

4) Significant accounting policies

The following principal accounting policies have been applied consistently where applicable to all years presented in dealing with items considered material in relation to the Group and Company financial statements, unless otherwise stated.

Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Company and its subsidiaries, associates and joint ventures. This includes an Employee Benefit Trust (EBT) established for the employee share-based awards and consolidated investment funds.

Interests in subsidiaries

Subsidiaries are entities, including investment funds, over which the Group has control as defined by IFRS 10. The Group has control if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the elements of control.

The profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to any non-controlling interests. Based on their nature, the interests of third parties in consolidated funds are classified as liabilities and appear as 'Third-party interests in consolidated funds' on the Group's balance sheet.

4) Significant accounting policies continued

Associates and joint ventures are presented as single-line items in the statement of comprehensive income and balance sheet. Intercompany transactions and balances are eliminated on consolidation. Consistent accounting policies have been applied across the Group in the preparation of the consolidated financial statements as at 30 June 2023.

A change in the ownership interest of a consolidated entity that does not result in a loss of control by the Group is accounted for as an equity transaction. If the Group loses control over a consolidated entity, it derecognises the related assets, goodwill, liabilities, non-controlling interest and other components of equity, and any gain or loss is recognised in consolidated comprehensive income. Any investment retained is recognised at its fair value at the date of loss of control.

Interests in associates and joint arrangements

Associates are partly owned entities over which the Group has significant influence but no control. Joint ventures are entities through which the Group and other parties undertake an economic activity which is subject to joint control.

Investments in associates and interests in joint ventures are measured using the equity method of accounting. Under this method, the investments are initially recognised at cost, including attributable goodwill, and are adjusted thereafter for the post-acquisition changes in the Group's share of net assets. The Group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income. Where the Group's financial year is not coterminous with those of its associates or joint ventures, unaudited interim financial information is used after appropriate adjustments have been made.

Interests in consolidated structured entities

The Group acts as fund manager to investment funds that are considered to be structured entities. Structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding which party has control: for example, when any voting rights relate to administrative tasks only and the relevant activities of the entity are directed by means of contractual arrangements. The Group's assets under management are managed within structured entities. These structured entities typically consist of unithold vehicles such as Société d'Investissement à Capital Variable (SICAVs), limited partnerships, unit trusts and open-ended and closed-ended vehicles which entitle third-party investors to a percentage of the vehicle's net asset value.

The Group has interests in structured entities as a result of the management of assets on behalf of its clients. Where the Group holds a direct interest in a closed-ended fund, private equity fund or open-ended pooled fund such as a SICAV, the interest is accounted for either as a consolidated structured entity or as a financial asset, depending on whether the Group has control over the fund or not. Control is determined in accordance with IFRS 10, based on an assessment of the level of power and aggregate economic interest that the Group has over the fund, relative to third-party investors. Power is normally conveyed to the Group through the existence of an investment management agreement and/or other contractual

arrangements. Aggregate economic interest is a measure of the Group's exposure to variable returns in the fund through a combination of direct interest, expected share of performance fees, expected management fees, fair value gains or losses, and distributions receivable from the fund. The Group concludes that it acts as a principal when the power it has over the fund is deemed to be exercised for self-benefit, considering the level of aggregate economic exposure in the fund and the assessed strength of third-party investors' kick-out rights. The Group concludes that it acts as an agent when the power it has over the fund is deemed to be exercised for the benefit of third-party investors.

If the Group concludes that it acts as a principal, it is deemed to have control and, therefore, will consolidate a fund as if it were a subsidiary. If the Group concludes that it does not have control over the fund, the Group recognises and measures its interest in the fund as a financial asset.

Interests in unconsolidated structured entities

The Group classifies the following investment funds as unconsolidated structured entities:

- Segregated mandates and pooled funds managed where the Group does not hold any direct interest. In this case, the Group considers that its aggregate economic exposure is insignificant and, in relation to segregated mandates, the third-party investor has the practical ability to remove the Group from acting as fund manager, without cause. As a result, the Group concludes that it acts as an agent for third-party investors.
- Pooled funds managed by the Group where the Group holds a direct interest, for example seed capital investments, and the Group's aggregate economic exposure in the fund relative to third-party investors is less than the threshold established by the Group for determining agent versus principal classification. As a result, the Group concludes that it is an agent for third-party investors and, therefore, will account for its beneficial interest in the fund as a financial asset.

The disclosure of the AuM in respect to consolidated and unconsolidated structured entities is provided in note 27.

Foreign currency

The Group's financial statements are presented in Pounds Sterling (Sterling), which is also the Company's functional and presentation currency. Items included in the financial statements of each of the Group's entities are measured using the functional currency, which is the currency that prevails in the primary economic environment in which the entity operates.

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group entities at the spot exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognised in comprehensive income, except for qualifying cash flow hedges to the extent that the hedge is effective, in which case foreign currency differences arising are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into Sterling at the spot exchange rates at the balance sheet date. The revenues and expenses of foreign operations are translated into Sterling at rates approximating to the foreign exchange rates ruling at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of such that control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to comprehensive income as part of the gain or loss on disposal. If the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency differences arising on the item form part of the net investment in the foreign operation and are recognised in other comprehensive income, and accumulated in the foreign currency translation reserve within equity.

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

The consideration transferred for the acquisition is generally measured at the acquisition date fair value, as are the identifiable net assets acquired, liabilities incurred (including any asset or liability resulting from a contingent consideration arrangement) and equity instruments issued by the Group in exchange for control of the acquiree.

Acquisition-related costs are expensed as incurred, except if they are related to the issue of debt or equity securities.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. If the contingent consideration is classified as equity, it will not be remeasured and settlement is accounted for within equity.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Goodwill

The cost of a business combination in excess of the fair value of net identifiable assets or liabilities acquired, including intangible assets identified, is recognised as goodwill and stated at cost less any accumulated impairment losses. Goodwill has an indefinite useful life, is not subject to amortisation and is tested annually for impairment or when there is an indication of impairment.

Intangible assets

The cost of intangible assets, such as management contracts and brand names, acquired as part of a business combination is their fair value as at the date of acquisition. The fair value at the date of acquisition is calculated using the discounted cash flow methodology and represents the valuation of the profits expected to be earned from the management contracts and brand name in place at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses. Intangible assets with finite life are amortised on a systematic basis over their useful lives. The useful life of an intangible asset which has arisen from contractual or other legal rights does not exceed the period of the contractual or other legal rights.

Non-controlling interests (NCI)

The Group recognises NCI in an acquired entity either at fair value or at the NCI's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. Changes to the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

4) Significant accounting policies continued

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost is determined on the basis of the direct and indirect costs that are directly attributable. Property, plant and equipment are depreciated using the straight-line method over the estimated useful lives, assessed to be five years for office equipment and four years for IT equipment. The residual values and useful lives of assets are reviewed at least annually.

The Group's property, plant and equipment include right-of use assets recognised on lease arrangements in accordance with IFRS 16 Leases.

Leases

The Group's lease arrangements primarily consist of leases relating to office space. Obligations and rights under lease agreements are recognised and classified within property, plant and equipment on the Group's consolidated statement of financial position in accordance with IFRS 16.

The Group initially records a lease liability reflecting the present value of the future contractual cash flows to be made over the lease term, discounted using the rate implicit in the lease, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Where this rate is not readily available, the Group applies the incremental borrowing rate applicable for each lease arrangement. A right-of-use asset is also recorded at the value of the lease liability plus any directly related costs and estimated dilapidation expenses and is presented within property, plant and equipment. Interest is accrued on the lease liability using the effective interest rate method to give a constant rate of return over the life of the lease whilst the balance is reduced as lease payments are made. The right-of-use asset is depreciated over the life of the lease as the benefit of the lease is consumed.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects the likelihood that it will exercise (or not exercise) a term extension option.

The cost of short-term (less than 12 months) leases is expensed on a straight-line basis over the lease term.

Deferred acquisition costs

Costs that are directly attributable to securing an investment management contract are deferred if they can be identified separately and measured reliably and it is probable that they will be recovered. Deferred acquisition costs represent the incremental costs incurred by the Group to acquire an investment management contract, typically on a closed-ended fund. The Group amortises the deferred acquisition asset recognised on a systematic basis, in line with the revenue generated from providing the investment management services over the life of the fund.

Financial instruments

Recognition and initial measurement

Financial instruments are recognised when the Group becomes party to the contractual provisions of an instrument, initially at fair value plus transaction costs except for financial assets classified at fair value through profit or loss. Purchases or sales of financial assets are recognised on the trade date, being the date that the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or been transferred or when the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability has been discharged, cancelled or expires.

Subsequent measurement

The subsequent measurement of financial instruments depends on their classification in accordance with IFRS 9 Financial Instruments.

Under IFRS 9, the Group classifies its financial assets into two measurement categories: amortised cost and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost are measured at FVTPL. The Group classifies its financial liabilities at amortised cost or derivative liabilities measured at FVTPL.

Amortised cost is the amount determined based on moving the initial amount recognised for the financial instrument to the maturity value on a systematic basis using a fixed interest rate (effective interest rate), taking account of repayment dates and initial premiums or discounts.

Financial assets

The Group classifies its financial assets into the following categories: investment securities at FVTPL, financial assets at FVTPL and financial assets measured at amortised cost.

The Group may, from time to time, invest seed capital in funds where a subsidiary is the investment manager or an adviser. Where the holding in such investments is deemed to represent a controlling stake and is acquired exclusively with a view to subsequent disposal through sale or dilution, these seed capital investments are recognised as financial assets measured at FVTPL. If a seed capital investment remains under the control of the Group for more than one year from the original investment date, the underlying fund is consolidated line by line.

Investment securities at FVTPL

Investment securities represent securities, other than derivatives, held by consolidated funds. These securities are measured at fair value with gains and losses recognised through the consolidated statement of comprehensive income.

Financial assets at FVTPL

Financial assets at FVTPL include certain readily realisable interests in seeded funds, non-current financial assets measured at fair value and derivatives. From the date the financial asset is recognised, all subsequent changes in fair value, foreign exchange differences, interest and dividends are reflected in the consolidated statement of comprehensive income and presented in finance income or expense.

(i) Non-current financial assets measured at fair value

Non-current financial assets include closed-end funds that are measured at FVTPL. They are held at fair value with changes in fair value being recognised through the consolidated statement of comprehensive income.

(ii) Current financial assets measured at fair value

The Group classifies readily realisable interests in seeded funds as current financial assets measured at FVTPL with fair value changes being directly recognised through the consolidated statement of comprehensive income. Fair value is measured based on the proportionate net asset value in the fund.

(iii) Derivatives

Derivatives include foreign exchange forward contracts and options used by the Group to manage its foreign currency exposures and those held in consolidated funds. Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value. Transaction costs are recognised immediately in the statement of comprehensive income. All derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly in comprehensive income, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

Financial assets measured at amortised cost

(i) Trade and other receivables

Trade and other receivables are initially recorded at fair value plus transaction costs. The fair value on acquisition is normally the cost. Subsequent to initial recognition these assets are measured at amortised cost less impairment loss allowances. Impairment losses are recognised in the statement of comprehensive income for expected credit losses, and changes in those expected credit losses over the life of the instrument. Loss allowances are calculated based on lifetime expected credit losses at each reporting date.

(ii) Cash and cash equivalents

Cash represents cash at bank and in hand, and cash equivalents comprise short-term deposits and investments in money market instruments that are redeemable on demand or with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

4) Significant accounting policies continued

Financial liabilities

The Group classifies its financial liabilities into the following categories: financial liabilities at FVTPL and financial liabilities at amortised cost.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include derivative financial instruments and third-party interests in consolidated funds. They are carried at fair value with gains or losses recognised in the consolidated statement of comprehensive income within finance income or expense.

Financial liabilities at amortised cost

Other financial liabilities including trade and other payables are subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised as it is incurred using the effective interest method, which allocates interest at a constant rate of return over the expected life of the financial instrument based on the estimated future cash flows.

Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the 'exit price') in an orderly transaction between market participants at the measurement date. In determining fair value, the Group uses various valuation approaches and establishes a hierarchy for inputs used in measuring fair value that maximises the use of relevant observable inputs and minimises the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Group.

Unobservable inputs are inputs that reflect the Group's judgements about the assumptions other market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances.

Securities listed on a recognised stock exchange, or dealt on any other regulated market that operates regularly, is recognised and open to the public, are valued at the last known available closing bid price. If a security is traded on several actively traded and organised financial markets, the valuation is made on the basis of the last known bid price on the main market on which the securities are traded. In the case of securities for which trading on an actively traded and organised financial market is not significant, but which are bought and sold on a secondary market with regulated trading among security dealers (with the effect that the price is set on a market basis), the valuation may be based on this secondary market.

Where instruments are not listed on any stock exchange or not traded on any regulated markets, valuation techniques are used by valuation specialists. These techniques include the market approach, the income approach or the cost approach. The use of the market approach generally consists of using comparable market transactions or using techniques based on market observable inputs, while the use of the income approach generally consists of the net present value of estimated future cash flows, adjusted as deemed appropriate for liquidity, credit, market and/or other risk factors.

Investments in funds are valued on the basis of the last available net asset value of the units or shares of such funds.

The fair value of the derivatives is their quoted market price at the balance sheet date.

Hedge accounting

The Group applies the general hedge accounting model in IFRS 9. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

The Group uses forward and option contracts to hedge the variability in cash flows arising from changes in foreign exchange rates relating to management fee revenues. The Group designates only the change in fair value of the spot element of the forward and option contracts in cash flow hedging relationships. The effective portion of changes in fair value of hedging instruments is accumulated in a cash flow hedge reserve as a separate component of equity.

The Group applies cash flow hedge accounting when the transaction meets the specified hedge accounting criteria. To qualify, the following conditions must be met:

- formal documentation of the relationship between the hedging instrument(s) and hedged item(s) must exist at inception;
- the hedged cash flows must be highly probable and must present an exposure to variations in cash flows that could ultimately affect comprehensive income;
- the effectiveness of the hedge can be reliably measured; and
- the hedge must be highly effective, with effectiveness assessed on an ongoing basis.

For qualifying cash flow hedges, the change in fair value of the effective hedging instrument is initially recognised in other comprehensive income and is released to comprehensive income in the same period during which the relevant financial asset or liability affects the Group's results.

Where the hedge is highly effective overall, any ineffective portion of the hedge is immediately recognised in comprehensive income. Where the instrument ceases to be highly effective as a hedge, or is sold, terminated or exercised, hedge accounting is discontinued.

Derecognition of financial assets and liabilities

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset. The Group derecognises a financial liability when the Group's obligations are discharged, cancelled or they expire.

Impairment of financial assets

Under IFRS 9, impairment losses on the Group's financial assets at amortised cost are measured using an expected credit loss (ECL) model. Under this model, the Group is required to account for expected credit losses, and changes in those expected credit losses, over the life of the instrument. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

The Group applies the simplified approach to calculate expected credit losses for financial assets measured at amortised cost. Under this approach, expected credit losses are calculated based on the life of the instrument.

Assets measured at amortised cost

The Group measures loss allowances at an amount equal to lifetime expected credit losses. Expected credit loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The Group's financial assets subject to impairment assessment under the ECL model comprise cash deposits held with banks and trade receivables. In assessing the impairment of financial assets under the ECL model, the Group assesses whether the risk of default has increased significantly since initial recognition, by considering both quantitative and qualitative information, and the analysis is based on the Group's historical experience of credit default, including forward-looking information.

The Group's trade receivables comprise balances due from management fees, performance fees and expense recoveries from funds managed, and are generally short term and do not contain financing components. Factors considered in determining whether a default has taken place include how many days past the due date a payment is, deterioration in the credit quality of a counterparty, and knowledge of specific events that could influence a counterparty's ability to pay.

The Group assesses lifetime expected credit losses based on historical observed default rates, adjusted by forward-looking estimates regarding the economic conditions within the next year. Externally derived credit ratings have been identified as representing the best available determinant of counterparty credit risk for cash balances and credit risk is deemed to have increased significantly if the credit rating has significantly deteriorated at the reporting date relative to the credit rating at the date of initial recognition.

Impairment of non-financial assets

For all other assets other than goodwill, an impairment test is performed annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Goodwill

Goodwill is tested for impairment annually or whenever there is an indication that the carrying amount may not be recoverable based on management's judgements regarding the future prospects of the business, estimates of future cash flows and discount rates. When assessing the appropriateness of the carrying value of goodwill at year end, the recoverable amount is considered to be the greater of fair value less costs to sell or value in use. The pre-tax discount rate applied is based on the Group's weighted average cost of capital after making allowances for any specific risks.

The business of the Group is managed as a single unit, with asset allocations, research and other such operational practices reflecting the commonality of approach across all fund themes. Therefore, for the purpose of testing goodwill for impairment, the Group is considered to have one cash-generating unit to which all goodwill is allocated and, as a result, no further split of goodwill into smaller cash-generating units is possible and the impairment review is conducted for the Group as a whole.

An impairment loss in respect of goodwill cannot be reversed.

4) Significant accounting policies continued

Net revenue

Net revenue is total revenue less distribution costs and including foreign exchange. The Group's total revenue includes management fees, performance fees and other revenue. The primary revenue source for the Group is fee income received or receivable for the provision of investment management services.

The Group recognises revenue in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

The core principle of IFRS 15 is that revenue is recognised to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group applies the IFRS 15 five-step model for recognising revenue, which consists of identifying the contract with the customer; identifying the relevant performance obligations; determining the amount of consideration to be received under the contract; allocating the consideration to each performance obligation; and earning the revenue as the performance obligations are satisfied.

The Group's principal revenue recognition policies are summarised below:

Management fees

Management fees are presented net of rebates, and are calculated as a percentage of net fund assets managed in accordance with individual management agreements. Management fees are calculated and recognised on a monthly basis in accordance with the terms of the management fee agreements. Management fees are typically collected on a monthly or quarterly basis.

Performance fees

Performance fees are presented net of rebates, and are calculated as a percentage of the appreciation in the net asset value of a fund above a defined hurdle. Performance fees are earned from some arrangements when contractually agreed performance levels are exceeded within specified performance measurement periods, typically over one year. The fees are recognised when they can be reliably estimated and/or crystallised, and there is deemed to be a low probability of a significant reversal in future periods. This is usually at the end of the performance period or upon early redemption by a fund investor. Once crystallised, performance fees typically cannot be clawed-back.

Rebates

Rebates relate to repayments of management and performance fees charged subject to a rebate agreement, typically with institutional investors, and are calculated based on an agreed percentage of net fund assets managed and recognised as the service is received. Where rebate agreements exist, management and performance fees are presented on a net basis in the consolidated statement of comprehensive income.

Other revenue

Other revenue principally comprises fees for other services, which are typically driven by the volume of transactions, along with revenues that vary in accordance with the volume of fund project development activities.

Other revenue includes transaction, structuring and administration fees, project management fees, and reimbursement by funds of costs incurred by the Group. This revenue is recognised as the relevant service is provided and it is probable that the fee will be collected.

Distribution costs

Distribution costs are costs of sales payable to external intermediaries for marketing and investor servicing. Distribution costs vary based on fund assets managed and the associated management fee revenue, and are expensed over the period in which the service is provided.

Employee benefits

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income when payable in accordance with the scheme particulars.

Share-based payments

The Group issues share awards to its employees under share-based compensation plans.

For equity-settled awards, the fair value of the amounts payable to employees is recognised as an expense with a corresponding increase in equity over the vesting period after adjusting for the estimated number of shares that are expected to vest. The fair value is measured at the grant date using an appropriate valuation model, taking into account the terms and conditions upon which the instruments were granted. At each balance sheet date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is calculated. The movement in cumulative expense is recognised in the statement of comprehensive income with a corresponding entry within equity.

For cash-settled awards, the fair value of the amounts payable to employees is recognised as an expense with a corresponding liability on the Group's balance sheet. The fair value is measured using an appropriate valuation model, taking into account the estimated number of awards that are expected to vest and the terms and conditions upon which the instruments were granted. During the vesting period, the liability recognised represents the portion of the vesting period that has expired at the balance sheet date multiplied by the fair value of the awards at that date. Movements in the liability are recognised in the statement of comprehensive income.

The Group has in place an intragroup recharge arrangement for equity-settled share-based awards whereby the parent Company is reimbursed based on the grant-date cost of share awards granted to employees of the subsidiary entity. During the vest period, the subsidiary entity recognises a share-based payment expense in accordance with IFRS 2 requirements with an intercompany payable to the parent Company. The parent Company recognises an intercompany receivable and a corresponding credit within equity as a share-based payment reserve. The intercompany balances are settled regularly and reported as current assets/liabilities.

Finance income and expense

Finance income includes interest receivable on the Group's cash and cash equivalents, and both realised and unrealised gains on financial assets at FVTPL.

Finance expense includes both realised and unrealised losses on financial assets at FVTPL. Interest expense on lease liabilities is presented within finance expense.

Taxation

Tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the balance sheet date in the countries where the Group operates. Current tax also includes withholding tax arising from dividends.

Deferred tax

Deferred tax is recognised using the balance sheet liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following differences are not provided for:

- goodwill not deductible for tax purposes; and
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the balance sheet date.

Dividends

Dividends are recognised when shareholders' rights to receive payments have been established.

Equity shares

The Company's ordinary shares of 0.01 pence each are classified as equity instruments. Ordinary shares issued by the Company are recorded at the fair value of the consideration received or the market price at the day of issue. Direct issue costs, net of tax, are deducted from equity through share premium. When share capital is repurchased, the amount of consideration paid, including directly attributable costs, is recognised as a change in equity.

Own shares

Own shares are held by the Employee Benefit Trust (EBT). The holding of the EBT comprises own shares that have not vested unconditionally to employees of the Group. In both the Group and Company, own shares are recorded at cost and are deducted from retained earnings.

Segmental information

Key management information, including revenues, margins, investment performance, distribution costs and AuM flows, which is relevant to the operation of the Group, is reported to and reviewed by the Board on the basis of the investment management business as a whole. Hence, the Group's management considers that the Group's services and its operations are not run on a discrete geographic basis and comprise one business segment (being provision of investment management services).

Company-only accounting policies

In addition to the above accounting policies, the following specifically relates to the Company:

Investment in subsidiaries

Investments by the Company in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5) Segmental information

The Group's operations are reported to and reviewed by the Board on the basis of the investment management business as a whole, hence the Group is treated as a single segment. The key management information considered is adjusted EBITDA which is £106.2 million for the year as reconciled on page 28 (FY2022: adjusted EBITDA of £164.3 million was derived by adjusting operating profit by £3.1 million of depreciation and amortisation expense, £46.2 million of loss related to seed capital and £4.2 million of foreign exchange gains). The disclosures below are supplementary, and provide the location of the Group's non-current assets at year end other than financial assets and deferred tax assets. Disclosures relating to revenue by location are in note 6.

Analysis of non-current assets by geography

	2023 £m	2022 £m
United Kingdom and Ireland	24.3	26.5
United States	69.8	73.5
Other	1.9	2.5
Total non-current assets	96.0	102.5

6) Revenue

Management fees are accrued throughout the year in line with prevailing levels of AuM and performance fees are recognised when they can be estimated reliably and it is probable that they will crystallise. The Group is not considered to be reliant on any single source of revenue. During the year, none of the Group's funds (FY2022: none) provided more than 10% of total revenue in the year respectively when considering management fees and performance fees on a combined basis.

Analysis of revenue by geography

	2023 £m	2022 £m
United Kingdom and Ireland	142.3	193.6
United States	13.7	22.0
Other	37.2	38.8
Total revenue	193.2	254.4

7) Foreign exchange

The foreign exchange rates which had a material impact on the Group's results are the US dollar, the Euro, the Indonesian rupiah and the Colombian peso.

£1	Closing rate as at 30 June 2023	Closing rate as at 30 June 2022	Average rate year ended 30 June 2023	Average rate year ended 30 June 2022
US dollar	1.2714	1.2145	1.2079	1.3289
Euro	1.1653	1.1617	1.1523	1.1785
Indonesian rupiah	19,061	18,092	18,259	19,146
Colombian peso	5,309	5,053	5,519	5,164

Foreign exchange gains are shown below.

	2023 £m	2022 £m
Net realised and unrealised hedging gains	4.4	6.3
Translation gains on non-Sterling denominated monetary assets and liabilities	1.0	5.3
Total foreign exchange gains	5.4	11.6

8) Finance income/(expense)

	2023 £m	2022 £m
Interest and investment income	27.2	7.7
Net realised gains on seed capital investments measured at fair value	2.4	0.1
Net unrealised gains/(losses) on seed capital investments measured at fair value	4.6	(9.5)
Interest expense on lease liabilities (note 16)	(0.3)	(0.4)
Total finance income/(expense)	33.9	(2.1)

Included within interest and investment income is interest earned on cash deposits of £16.2 million (FY2022: £2.0 million) and investment income of £11.0 million (FY2022: £5.7 million) on consolidated funds (note 20c).

Included within net realised and unrealised gains on seed capital investments totalling £7.0 million (FY2022: £9.4 million losses) are £2.6 million gains (FY2022: £12.5 million losses) on financial assets measured at FVTPL (note 20a), £1.4 million gains (FY2022: £4.2 million gains) on non-current financial assets measured at fair value (note 20b) and £3.0m realised gains on consolidated funds (FY2022: £1.1 million losses on financial assets held for sale).

9) Personnel expenses

Personnel expenses during the year comprised the following:

	2023 £m	2022 £m
Wages and salaries	24.0	22.1
Performance-related cash bonuses	17.3	20.7
Share-based payments (note 10)	17.5	24.9
Social security costs	2.4	1.9
Pension costs	2.1	1.8
Other costs	2.9	2.0
Total personnel expenses	66.2	73.4

Number of employees

At 30 June 2023, the number of investment management employees of the Group (including Executive Directors) during the year was as follows:

	Average for the year ended 30 June 2023 Number	Average for the year ended 30 June 2022 Number	At 30 June 2023 Number	At 30 June 2022 Number
Total investment management employees	309	305	310	309

Directors' remuneration

Disclosures of Directors' remuneration during the year as required by the Companies Act 2006 are included in the Remuneration report on pages 78 to 111.

There are retirement benefits accruing to two Executive Directors under a defined contribution scheme (FY2022: two).

10) Share-based payments

The cost related to share-based payments recognised by the Group in the statement of comprehensive income is shown below:

Group	2023 £m	2022 £m
Omnibus Plan	17.4	25.1
Phantom Bonus Plan	0.1	(0.2)
Total share-based payments expense	17.5	24.9

The total expense recognised for the year in respect of equity-settled share-based payment awards was £18.5 million (FY2022: £24.5 million), of which £0.4 million (FY2022: £0.2 million) relates to share awards granted to key management personnel.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10) Share-based payments continued

The Executive Omnibus Incentive Plan (Omnibus Plan)

The Omnibus Plan was introduced prior to the Company listing in October 2006 and provides for the grant of share awards, market value options, premium cost options, discounted options, linked options, phantoms and/or nil-cost options to employees. The Omnibus Plan will also allow bonuses to be deferred in the form of share awards with or without matching shares. Awards granted under the Omnibus Plan typically vest after five years from date of grant, with the exception of bonus awards which vest after the shorter of five years from date of grant or on the date of termination of employment. Awards under the Omnibus Plan are accounted for as equity-settled, with the exception of phantoms which are classified as cash-settled.

The combined cash and equity-settled payments below represent the share-based payments relating to the Omnibus Plan.

Total expense by year awards were granted (excluding national insurance)

Group and Company Year of grant	2023 £m	2022 £m
2017	–	3.2
2018	3.0	2.9
2019	3.7	3.5
2020	3.5	3.5
2021	3.9	5.5
2022	3.3	5.7
2023	1.2	–
Total Omnibus share-based payments expense reported in comprehensive income	18.6	24.3

Awards outstanding under the Omnibus Plan were as follows:

i) Equity-settled awards

Group and Company	2023 Number of shares subject to awards	2023 Weighted average share price	2022 Number of shares subject to awards	2022 Weighted average share price
Restricted share awards				
At the beginning of the year	19,311,495	£3.65	19,997,393	£3.58
Granted	5,553,128	£2.14	4,423,544	£3.71
Vested	(4,671,286)	£3.25	(3,874,613)	£3.44
Forfeited	(1,160,520)	£2.17	(1,234,829)	£3.44
Awards outstanding at year end	19,032,817	£3.32	19,311,495	£3.65
Bonus share awards				
At the beginning of the year	10,997,593	£3.64	10,617,648	£3.58
Granted	3,014,720	£2.14	2,285,034	£3.75
Vested	(3,686,132)	£2.87	(1,905,089)	£3.44
Forfeited	(179,660)	£3.67	–	–
Awards outstanding at year end	10,146,521	£3.31	10,997,593	£3.64
Matching share awards				
At the beginning of the year	10,379,745	£3.65	10,687,135	£3.58
Granted	3,031,105	£2.14	2,297,585	£3.75
Vested	(2,547,699)	£3.28	(1,881,231)	£3.44
Forfeited	(652,622)	£2.18	(723,744)	£3.42
Awards outstanding at year end	10,210,529	£3.31	10,379,745	£3.65
Total	39,389,867	£3.32	40,688,833	£3.65

ii) Cash-settled awards

Group and Company	2023 Number of shares subject to awards	2023 Weighted average share price	2022 Number of shares subject to awards	2022 Weighted average share price
Restricted share awards				
At the beginning of the year	110,280	£3.60	122,239	£3.53
Granted	47,785	£2.14	15,741	£3.75
Vested	(45,003)	£3.24	(27,700)	£3.40
Forfeited	–	–	–	–
Awards outstanding at year end	113,062	£3.13	110,280	£3.60
Bonus share awards				
At the beginning of the year	80,511	£3.60	80,765	£3.55
Granted	34,982	£2.14	11,276	£3.75
Vested	(33,753)	£3.24	(11,530)	£3.40
Forfeited	–	–	–	–
Awards outstanding at year end	81,740	£3.12	80,511	£3.60
Matching share awards				
At the beginning of the year	80,511	£3.60	80,765	£3.55
Granted	34,982	£2.14	11,276	£3.75
Vested	(33,753)	£3.24	(11,530)	£3.40
Forfeited	–	–	–	–
Awards outstanding at year end	81,740	£3.12	80,511	£3.60
Total	276,542	£3.13	271,302	£3.60

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10) Share-based payments continued

iii) Total awards

Group and Company	2023 Number of shares subject to awards	2023 Weighted average share price	2022 Number of shares subject to awards	2022 Weighted average share price
Restricted share awards				
At the beginning of the year	19,421,775	£3.65	20,119,632	£3.58
Granted	5,600,913	£2.14	4,439,285	£3.71
Vested	(4,716,289)	£3.25	(3,902,313)	£3.44
Forfeited	(1,160,520)	£2.17	(1,234,829)	£3.44
Awards outstanding at year end	19,145,879	£3.32	19,421,775	£3.65
Bonus share awards				
At the beginning of the year	11,078,104	£3.64	10,698,413	£3.58
Granted	3,049,702	£2.14	2,296,310	£3.75
Vested	(3,719,885)	£2.87	(1,916,619)	£3.44
Forfeited	(179,660)	£3.67	–	–
Awards outstanding at year end	10,228,261	£3.31	11,078,104	£3.64
Matching share awards				
At the beginning of the year	10,460,256	£3.65	10,767,900	£3.58
Granted	3,066,087	£2.14	2,308,861	£3.75
Vested	(2,581,452)	£3.28	(1,892,761)	£3.44
Forfeited	(652,622)	£2.18	(723,744)	£3.42
Awards outstanding at year end	10,292,269	£3.31	10,460,256	£3.65
Total	39,666,409	£3.32	40,960,135	£3.65

The weighted average fair value of awards granted to employees under the Omnibus Plan during the year was £2.14 (FY2022: £3.73), calculated based on the average Ashmore Group plc closing share price for the five business days prior to grant. For Executive Directors, the fair value of awards also takes into account the performance conditions set out in the Remuneration report.

Where the grant of restricted and matching share awards is linked to the annual bonus process, the fair value of the awards is spread over a period including the current financial year and the subsequent five years to their vesting date when the grantee becomes unconditionally entitled to the underlying shares. The fair value of the remaining awards is spread over the period from the date of grant to the vesting date.

The liability arising from cash-settled awards under the Omnibus Plan at the end of the year and reported within trade and other payables on the Group consolidated balance sheet is £0.3 million (30 June 2022: £0.4 million) of which £nil (30 June 2022: £nil) relates to vested awards.

11) Other expenses

Other expenses consist of the following:

	2023 £m	2022 £m
Travel	2.1	0.9
Professional fees	5.5	4.7
Information technology and communications	7.8	7.3
Amortisation of intangible assets (note 15)	0.2	0.2
Lease expenses	0.4	0.4
Depreciation of property, plant and equipment (note 16)	3.0	2.9
Premises-related costs	1.3	1.3
Insurance	1.0	1.0
Research costs	0.4	0.4
Auditor's remuneration (see below)	0.9	0.9
Consolidated funds	1.1	1.2
Other expenses	4.1	3.9
	27.8	25.1

Lease expenses relates to short-term leases where the Group has applied the optional exemption contained within IFRS 16, which permits the cost of short-term leases (less than 12 months) to be expensed on a straight-line basis over the lease term.

Auditor's remuneration

	2023 £m	2022 £m
Fees for statutory audit services:		
– Fees payable to the Company's auditor for the audit of the Group's accounts	0.2	0.2
– Fees payable to the Company's auditor and its associates for the audit of the Company's subsidiaries pursuant to legislation	0.5	0.5
Fees for non-audit services:		
– Other non-audit services	0.2	0.2
	0.9	0.9

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12) Taxation

Analysis of tax charge for the year:

	2023 £m	2022 £m
Current tax		
UK corporation tax on profits for the year	5.6	11.1
Overseas corporation tax charge	10.5	14.9
Adjustments in respect of prior years	0.1	(0.5)
	16.2	25.5
Deferred tax		
Origination and reversal of temporary differences (note 18)	9.1	1.0
Tax expense	25.3	26.5

Factors affecting tax charge for the year

	2023 £m	2022 £m
Profit before tax	111.8	118.4
Profit on ordinary activities multiplied by the blended UK tax rate of 20.5% (FY2022: UK tax rate of 19%)	22.9	22.5
Effects of:		
Permanent differences including non-taxable income and non-deductible expenses	7.4	4.7
Different rate of taxes on overseas profits	(3.2)	(3.3)
Non-deductible/(non-taxable) investment returns ¹	(1.9)	3.2
Adjustments in respect of prior years	0.1	(0.6)
Tax expense	25.3	26.5

1. Non-taxable investment returns comprise seed capital investment gains/losses in certain jurisdictions in which the Group operates for which there are local tax exemptions.

The tax charge/(credit) recognised in reserves within other comprehensive income is as follows:

	2023 £m	2022 £m
Current tax expense/(credit) on foreign exchange gains/(losses)	(0.6)	2.9
Tax expense/(credit) recognised in reserves	(0.6)	2.9

13) Earnings per share

Basic earnings per share at 30 June 2023 of 12.43 pence (30 June 2022: 13.42 pence) is calculated by dividing the profit after tax for the financial year attributable to equity holders of the parent of £83.3 million (FY2022: £88.5 million) by the weighted average number of ordinary shares in issue during the year, excluding own shares.

Diluted earnings per share is calculated based on basic earnings per share adjusted for dilutive potential ordinary shares. There is no difference between the profit for the year attributable to equity holders of the parent used in the basic and diluted earnings per share calculations.

The weighted average number of shares used in calculating basic and diluted earnings per share are shown below.

	2023 Number of ordinary shares	2022 Number of ordinary shares
Weighted average number of ordinary shares used in the calculation of basic earnings per share	670,224,113	659,466,487
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	685,760,649	702,124,339

14) Dividends

Dividends paid in the year

Company	2023 £m	2022 £m
Final dividend for FY2022 – 12.10p (FY2021: 12.10p)	84.8	85.0
Interim dividend FY2023 – 4.80p (FY2022: 4.80p)	33.6	33.5
	118.4	118.5

In addition, the Group paid £3.3 million (FY2022: £3.0 million) of dividends to non-controlling interests.

Dividends declared/proposed in respect of the year

Company	2023 pence	2022 pence
Interim dividend per share paid	4.80	4.80
Final dividend per share proposed	12.10	12.10
	16.90	16.90

On 5 September 2023, the Board proposed a final dividend of 12.10 pence per share for the year ended 30 June 2023. This has not been recognised as a liability of the Group at the year end as it has not yet been approved by shareholders. Based on the number of shares in issue at the year end that qualify to receive a dividend, the total amount payable would be £85.1 million.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15) Goodwill and intangible assets

Group	Goodwill £m	Fund management intangible assets £m	Total £m
Cost (at original exchange rate)			
At 30 June 2023 and 2022	70.4	0.9	71.3
Accumulated amortisation and impairment			
At 30 June 2021	–	(0.5)	(0.5)
Amortisation charge for the year	–	(0.1)	(0.1)
At 30 June 2022	–	(0.6)	(0.6)
Amortisation charge for the year	–	(0.1)	(0.1)
At 30 June 2023	–	(0.7)	(0.7)
Net book value			
At 30 June 2021	80.1	0.4	80.5
Accumulated amortisation for the year	–	(0.1)	(0.1)
Foreign exchange revaluation through reserves*	10.4	0.1	10.5
At 30 June 2022	90.5	0.4	90.9
Accumulated amortisation for the year	–	(0.1)	(0.1)
Foreign exchange revaluation through reserves*	(3.8)	(0.1)	(3.9)
At 30 June 2023	86.7	0.2	86.9

* Foreign exchange revaluation through reserves is a result of the retranslation of US dollar-denominated intangibles and goodwill.

Company	Goodwill £m
Cost	
At the beginning and end of the year	4.1
Net carrying amount at 30 June 2023 and 2022	4.1

Goodwill

The Group's goodwill balance relates to the acquisition of subsidiaries. The Company's goodwill balance relates to the acquisition of the business from ANZ in 1999.

Goodwill acquired in a business combination is allocated to the cash-generating units that are expected to benefit from that business combination. It is the Group's judgement that the lowest level of cash-generating unit used to determine impairment is the investment management segment level. The Group has assessed that it consists of a single cash-generating unit for the purposes of monitoring and assessing goodwill for impairment. This reflects the Group's global operating model, based on a single operating platform, into which acquired businesses are fully integrated and from which acquisition-related synergies are expected to be realised. Based on this model, the Group's investment management activities are considered as a single cash-generating unit, for which key management regularly receive and review internal financial information.

An annual impairment review of goodwill was undertaken for the year ending 30 June 2023, and no factors indicating potential impairment of goodwill were noted. Goodwill is tested for impairment annually or whenever there is an indication that the carrying amount may not be recoverable based on management's judgements regarding the future prospects of the business, market capitalisation, macroeconomic and market considerations. The key assumption used to determine the recoverable amount is based on a fair value calculation using the Company's market share price.

Based on the calculation as at 30 June 2023 using a market share price of £2.08, the recoverable amount was in excess of the carrying value of goodwill and no impairment was implied. In addition, the sensitivity of the recoverable amount to a 10% change in the Company's market share price will not lead to any impairment. Therefore, no impairment loss has been recognised in the current or preceding years.

Fund management intangible assets

Intangible assets as at 30 June 2023 comprise fund management contracts recognised by the Group on the acquisition of Ashmore Avenida Investments (Real Estate) LLP in July 2018.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16) Property, plant and equipment

The Group's property, plant and equipment include right-of-use assets recognised on lease arrangements as follows:

	Group £m	Company £m
Property, plant and equipment owned by the Group	1.2	0.9
Right-of-use assets	5.3	3.2
Net book value at 30 June 2023	6.5	4.1

The movement in property, plant and equipment is provided below:

Group	2023 Property, plant and equipment £m	2022 Property, plant and equipment £m
Cost		
At the beginning of the year	23.0	21.9
Additions	0.6	0.5
Foreign exchange revaluation	(0.6)	0.6
At the end of the year	23.0	23.0
Accumulated depreciation		
At the beginning of the year	13.9	10.7
Depreciation charge for the year	3.0	2.9
Foreign exchange revaluation	(0.4)	0.3
At the end of the year	16.5	13.9
Net book value at 30 June	6.5	9.1

Company	2023 Property, plant and equipment £m	2022 Property, plant and equipment £m
Cost		
At the beginning of the year	13.9	13.5
Additions	0.3	0.4
At the end of the year	14.2	13.9
Accumulated depreciation		
At the beginning of the year	8.4	6.8
Depreciation charge for year	1.7	1.6
At the end of the year	10.1	8.4
Net book value at 30 June	4.1	5.5

Lease arrangements

The Group leases office space in various countries and enters into lease agreements on office premises with remaining lease periods of one to six years. Lease terms are negotiated on an individual basis and contain varying terms and conditions depending on location. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. The Group calculates the lease liabilities using the lessee's incremental borrowing rates that resulted in a weighted average incremental borrowing rate of 4.9% (FY2022: 4.6%).

The carrying value of right-of-use assets, lease liabilities and the movement during the year are set out below.

	Group		Company	
	Right-of-use assets £m	Lease liabilities £m	Right-of-use assets £m	Lease liabilities £m
At 30 June 2021	9.4	9.8	5.5	5.7
Lease payments	–	(2.4)	–	(1.3)
Interest expense (note 8)	–	0.4	–	0.2
Depreciation charge	(2.1)	–	(1.1)	–
Foreign exchange revaluation through reserves	0.3	0.2	–	–
At 30 June 2022	7.6	8.0	4.4	4.6
Additions	0.2	0.1	–	–
Lease payments	–	(2.5)	–	(1.3)
Interest expense (note 8)	–	0.3	–	0.1
Depreciation charge	(2.4)	–	(1.2)	–
Foreign exchange revaluation through reserves	(0.1)	(0.1)	–	–
At 30 June 2023	5.3	5.8	3.2	3.4

The contractual maturities on the minimum lease payments under lease liabilities are provided below:

	Group		Company	
	30 June 2023 £m	30 June 2022 £m	30 June 2023 £m	30 June 2022 £m
Maturity analysis – contractual undiscounted cash flows				
Within 1 year	2.4	2.6	1.3	1.3
Between 1 and 5 years	3.9	6.0	2.3	3.7
Later than 5 years	–	0.2	–	–
Total undiscounted lease liabilities	6.3	8.8	3.6	5.0
Lease liabilities are presented in the balance sheet as follows:				
Current	2.1	2.2	1.2	1.3
Non-current	3.7	5.8	2.2	3.3
Total lease liabilities	5.8	8.0	3.4	4.6
Amounts recognised under financing activities in the cash flow statement:				
Payment of lease liabilities	2.2	2.0	1.2	1.1
Interest paid	0.3	0.4	0.1	0.2
Total cash outflow for leases	2.5	2.4	1.3	1.3

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17) Trade and other receivables

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Trade debtors	60.7	66.1	2.1	1.0
Prepayments	4.4	3.5	1.9	2.1
Amounts due from subsidiaries	–	–	10.4	73.8
Loans due from subsidiaries	–	–	266.4	376.9
Other receivables	5.3	4.7	3.6	3.1
Total trade and other receivables	70.4	74.3	284.4	456.9

Group trade debtors include accrued management and performance fees in respect of investment management services provided up to 30 June 2023. Management fees are received in cash when the funds' net asset values are determined, typically every month or every quarter. Performance fees are accrued when crystallised, and amounted to £1.3 million as at 30 June 2023 (30 June 2022: £0.5 million). The majority of fees are deducted from the net asset values of the respective funds by independent administrators and therefore the credit risk of fee receivables is minimal. As at 30 June 2023, the assessed provision for expected credit losses was immaterial and the Group has not recognised any expected credit losses in the current year (30 June 2022: £nil).

Amounts due from subsidiaries for the Company represent intercompany trading balances that are repayable within one year.

Loans due from subsidiaries for the Company include an intercompany loan to a subsidiary related to the provision of funding for seed capital investments and cash invested by the subsidiary in daily-traded investment funds. Loans due from subsidiaries included within non-current assets amounted to £167.8 million as at 30 June 2023 (30 June 2022: £132.0 million included within non-current assets). The intercompany loan is repayable on demand and the amount classified as current is regularly settled during the year. Under the IFRS 9 expected credit loss model, credit risk is assessed by determining the borrower's capacity to meet contractual cash flow obligations, taking into account the available net assets to repay the intercompany balance in future periods. Expected credit losses are estimated based on the assumption that repayment is demanded at the reporting date. If the borrower has sufficient accessible highly liquid assets available to settle the balance if demanded at the reporting date, the expected credit loss has been assessed to be immaterial. In line with the Company's historical experience, and after consideration of current credit exposures, the Company does not expect to incur any credit losses and has not recognised any expected credit losses in the current year (30 June 2022: £nil).

18) Deferred taxation

Deferred tax assets and liabilities recognised by the Group and Company at year end are attributable to the following:

	2023			2022		
	Other temporary differences £m	Share-based payments £m	Total £m	Other temporary differences £m	Share-based payments £m	Total £m
Group						
Deferred tax assets	11.0	12.9	23.9	12.5	20.2	32.7
Deferred tax liabilities	(9.3)	–	(9.3)	(8.8)	–	(8.8)
	1.7	12.9	14.6	3.7	20.2	23.9
	2023			2022		
	Other temporary differences £m	Share-based payments £m	Total £m	Other temporary differences £m	Share-based payments £m	Total £m
Company						
Deferred tax assets	–	11.6	11.6	–	18.2	18.2

Deferred taxes at the balance sheet date reflected in these financial statements have been measured using the relevant enacted or substantively enacted tax rate for the year in which they are expected to be realised or settled.

Movement of deferred tax balances

The movement in the deferred tax balances between the balance sheet dates has been reflected in the statement of comprehensive income as follows:

Group	Other temporary differences £m	Share-based payments £m	Total £m
At 30 June 2021	(2.9)	27.2	24.3
Credited/(charged) to the consolidated statement of comprehensive income	6.0	(7.0)	(1.0)
Foreign exchange revaluation	0.6	–	0.6
At 30 June 2022	3.7	20.2	23.9
Charged to the consolidated statement of comprehensive income	(1.8)	(7.3)	(9.1)
Foreign exchange revaluation	(0.2)	–	(0.2)
At 30 June 2023	1.7	12.9	14.6

Company	Other temporary differences £m	Share-based payments £m	Total £m
At 30 June 2021	–	25.1	25.1
Charged to the statement of comprehensive income	–	(6.9)	(6.9)
At 30 June 2022	–	18.2	18.2
Charged to the statement of comprehensive income	–	(6.6)	(6.6)
At 30 June 2023	–	11.6	11.6

19) Fair value of financial instruments

The Group has an established control framework with respect to the measurement of fair values. This framework includes committees that have overall responsibility for all significant fair value measurements. Each committee regularly reviews significant inputs and valuation adjustments. If third-party information is used to measure fair value, the committee assesses and documents the evidence obtained from the third parties to support such valuations. There are no material differences between the carrying amounts of financial assets and liabilities and their fair values at the balance sheet date.

Fair value hierarchy

The Group measures fair values using the following fair value levels that reflect the significance of inputs used in making the measurements, based on the degree to which the fair value is observable:

- Level 1: Valuation is based upon a quoted market price in an active market for an identical instrument. This fair value measure relates to the valuation of quoted and exchange traded equity and debt securities.
- Level 2: Valuation techniques are based upon observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This fair value measure relates to the valuation of quoted equity securities in inactive markets or in interests in unlisted funds whose net asset values are referenced to the fair values of the listed or exchange traded securities held by those funds. Valuation techniques may include using a broker quote in an inactive market or an evaluated price based on a compilation of primarily observable market information utilising information readily available via external sources.
- Level 3: Fair value measurements are derived from valuation techniques that include inputs not based on observable market data.

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19) Fair value of financial instruments continued

The fair value hierarchy of financial instruments which are carried at fair value at year end is summarised below:

	2023				2022			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets								
Investment securities	112.3	88.8	28.8	229.9	158.8	82.7	23.6	265.1
Financial assets measured at fair value	–	55.8	–	55.8	–	32.3	–	32.3
Non-current financial assets at fair value	–	14.9	39.2	54.1	–	–	39.3	39.3
	112.3	159.5	68.0	339.8	158.8	115.0	62.9	336.7
Financial liabilities								
Third-party interests in consolidated funds	36.0	9.6	10.6	56.2	58.4	6.3	8.3	73.0
Derivative financial instruments	–	0.2	–	0.2	–	5.2	–	5.2
	36.0	9.8	10.6	56.4	58.4	11.5	8.3	78.2

Transfers between levels

The Group recognises transfers into and transfers out of fair value hierarchy levels at each reporting period based on assessments of price inputs used in the valuation of financial assets. There were no transfers between level 1, level 2 and level 3 of the fair value hierarchy during the year.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended 30 June 2023 and 2022:

	Investment securities £m	Non-current financial assets at fair value £m	Third-party interests in consolidated funds £m
At 30 June 2021	42.4	34.0	16.9
Additions	–	1.9	–
Disposals	(25.5)	(1.5)	(10.7)
Transfers out	(1.5)	–	–
Unrealised gains recognised in finance income	4.4	3.5	2.1
Unrealised gains recognised in reserves	3.8	1.4	–
At 30 June 2022	23.6	39.3	8.3
Additions	2.5	2.9	1.2
Disposals	(9.1)	(5.0)	(3.8)
Unrealised gains recognised in finance income	12.0	2.0	4.9
Unrealised losses recognised in reserves	(0.2)	–	–
At 30 June 2023	28.8	39.2	10.6

Valuation of level 3 financial assets recognised at fair value on a recurring basis using valuation techniques

Investments valued using valuation techniques include financial investments which, by their nature, do not have an externally quoted price based on regular trades, and financial investments for which markets are no longer active as a result of market conditions, e.g. market illiquidity. The valuation techniques used include comparison to recent arm's length transactions, market approach making reference to other instruments that are substantially the same, discounted cash flow analysis, enterprise valuation and net assets approach. These techniques may include a number of assumptions relating to variables such as interest rate and price earnings multiples. Changes in assumptions relating to these variables could positively or negatively impact the reported fair value of these instruments. When determining the inputs into the valuation techniques used, priority is given to publicly available prices from independent sources when available, but overall the source of pricing is chosen with the objective of arriving at a fair value measurement that reflects the price at which an orderly transaction would take place between market participants on the measurement date.

The fair value estimates are made at a specific point in time, based upon available market information and judgements about the financial instruments, including estimates of the timing and amount of expected future cash flows. Such estimates could include a marketability adjustment to reflect illiquidity and/or non-transferability that could result from offering for sale at one time the Group's entire holdings of a particular financial instrument.

The following tables show the valuation techniques and the significant unobservable inputs used to estimate the fair value of level 3 investments as at 30 June 2023 and 2022, and the associated sensitivity to changes in unobservable inputs to a reasonable alternative.

Asset class and valuation technique	2023 Fair value £m	Significant unobservable inputs	Range of estimates	Sensitivity factor	Change in fair value £m
Unquoted securities					
Market multiple and discount	6.4	EBITDA multiple	15x	+/- 1x	+/- 0.6
		Marketability adjustment	30%	+/- 5%	-/+ 0.7
Discounted cash flow	32.3	Discount rate	10%-17%	+/- 1%	-/+ 3.0
		Marketability adjustment	10%-54%	+/- 5%	-/+ 2.8
Unquoted funds					
Net assets approach	29.3	NAV ¹	1x	+/- 5%	+/- 1.5
Total level 3 investments	68.0				

Asset class and valuation technique	2022 Fair value £m	Significant unobservable inputs	Range of estimates	Sensitivity factor	Change in fair value £m
Unquoted securities					
Market multiple and discount	6.2	EBITDA multiple	14x	+/- 1x	+/- 0.5
		Marketability adjustment	30%	+/- 5%	-/+ 0.4
Discounted cash flow	26.3	Discount rate	10%-20%	+/- 1%	-/+ 3.6
		Marketability adjustment	10%-60%	+/- 5%	-/+ 1.5
Unquoted funds					
Net assets approach	30.4	NAV ¹	1x	+/- 5%	+/- 1.5
Total level 3 investments	62.9				

1. NAV priced assets include seed capital investments whose value is determined by the fund administrator using unobservable inputs. The significant unobservable inputs applied include EBITDA, market multiples, last observable vendor price and discount rates.

The sensitivity demonstrates the effect of a change in one unobservable input while other assumptions remain unchanged. There may be a correlation between the unobservable inputs and other factors that have not been considered. It should also be noted that some of the sensitivities are non-linear, therefore larger or smaller impacts should not be interpolated or extrapolated from these results.

Financial instruments not measured at fair value

Financial assets and liabilities that are not measured at fair value include cash and cash equivalents, trade and other receivables, and trade and other payables. The carrying value of financial assets and financial liabilities not measured at fair value is considered a reasonable approximation of fair value as at 30 June 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20) Seed capital investments

The Group considers itself a sponsor of an investment fund when it facilitates the establishment of a fund in which the Group is the investment manager. The Group ordinarily provides seed capital in order to provide initial scale and facilitate marketing of the funds to third-party investors. Aggregate interests held by the Group include seed capital, management fees and performance fees. The Group generates management and performance fee income from managing the assets on behalf of third-party investors.

The movements of seed capital investments and related items during the year are as follows:

Group	Financial assets held for sale £m	Financial assets measured at fair value £m	Investment securities (relating to consolidated funds) ¹ £m	Other (relating to consolidated funds) ² £m	Third-party interests in consolidated funds £m	Non-current financial assets measured at fair value ³ £m	Total £m
Carrying amount at 30 June 2021	42.4	41.0	318.1	9.6	(105.7)	31.4	336.8
Reclassification:							
Financial assets held for sale to consolidated funds	(39.1)	–	40.5	0.4	(1.8)	–	–
Consolidated funds to FVTPL	–	39.1	(59.5)	0.1	20.3	–	–
Additions	–	5.5	–	–	–	1.9	7.4
Disposals	(0.1)	(44.9)	(25.5)	–	10.2	(1.5)	(61.8)
Fair value movement	(3.2)	(8.4)	(8.5)	1.0	4.0	4.7	(10.4)
Carrying amount at 30 June 2022	–	32.3	265.1	11.1	(73.0)	36.5	272.0
Additions	–	23.0	22.8	–	(1.4)	19.5	63.9
Disposals	–	–	(23.3)	–	3.7	(5.0)	(24.6)
Fair value movement	–	0.5	(34.7)	(0.5)	14.5	0.4	(19.8)
Carrying amount at 30 June 2023	–	55.8	229.9	10.6	(56.2)	51.4	291.5

1. Investment securities in consolidated funds are measured at FVTPL.

2. Relates to cash and other assets in consolidated funds that are not investment securities, see note 20(c).

3. Excludes £2.7 million of other non-current financial assets measured at fair value that are not classified as seed capital.

a) Financial assets measured at fair value through profit or loss

Where Group companies invest seed capital into funds operated and controlled by the Group and the Group is actively seeking to reduce its investment and it is considered highly probable that it will relinquish control within a year, the interests in the funds are recognised as financial assets and measured at FVTPL.

If the fund remains under the control of the Group for more than one year from the original investment date, it will cease to be classified as a financial asset, and will be consolidated line by line after it is assessed that the Group controls the investment fund in accordance with the requirements of IFRS 10.

Investments cease to be classified as consolidated funds when they are no longer controlled by the Group. A loss of control may happen through sale of the investment and/or dilution of the Group's holding. No such fund was transferred to the FVTPL category during the year (FY2022: three funds with an aggregate value of £39.1 million were transferred to the FVTPL category).

FVTPL investments at 30 June 2023 comprise shares held in debt and equity funds as follows:

	2023 £m	2022 £m
Equity funds	29.6	15.5
Debt funds	26.2	16.8
Financial assets measured at fair value	55.8	32.3

Included within finance income are gains of £2.6 million (FY2022: losses of £12.5 million) on the Group's financial assets measured at FVTPL.

b) Non-current financial assets measured at fair value

Non-current financial asset investments relate to the Group's holding in closed-end funds and are measured at FVTPL.

	2023 £m	2022 £m
Real estate funds	0.9	1.5
Infrastructure funds	22.0	24.1
Other funds	28.5	10.9
Non-current financial assets measured at fair value¹	51.4	36.5

1. Excludes £2.7 million (30 June 2022: £2.8 million) of other non-current financial assets measured at fair value that are not classified as seed capital.

Included within finance income are gains of £1.4 million (FY2022: gains of £4.2 million) on the Group's non-current financial assets measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20) Seed capital investments continued

c) Consolidated funds

The Group has consolidated 17 investment funds as at 30 June 2023 (30 June 2022: 18 investment funds), over which the Group is deemed to have control (refer to note 25). Consolidated funds represent seed capital investments where the Group has held its position for a period greater than one year and its interest represents a controlling stake in the fund in accordance with IFRS 10. Consolidated fund assets and liabilities are presented line by line after intercompany eliminations. The table below sets out an analysis of the carrying amounts of interests held by the Group in consolidated investment funds.

	2023 £m	2022 £m
Investment securities ¹	229.9	265.1
Cash and cash equivalents	10.3	10.0
Other ²	0.3	1.1
Third-party interests in consolidated funds	(56.2)	(73.0)
Consolidated seed capital investments	184.3	203.2

1. Investment securities represent trading securities held by consolidated investment funds and are measured at FVTPL. Note 25 provides a list of the consolidated funds by asset class, and further detailed information at the security level is available in the individual fund financial statements.

2. Other includes trade receivables, trade payables and accruals.

The maximum exposure to loss is the carrying amount of the assets held. The Group has not provided financial support or otherwise agreed to be responsible for supporting any consolidated or unconsolidated funds financially.

Included within the consolidated statement of comprehensive income are net losses of £15.3 million (FY2022: net losses of £40.5 million) relating to the Group's share of the results of the individual statements of comprehensive income for each of the consolidated funds, as follows:

	2023 £m	2022 £m
Investment income	11.0	5.7
Fair value losses on investment securities	(44.3)	(61.3)
Change in third-party interests in consolidated funds	19.3	16.5
Audit fees	(0.2)	(0.2)
Other expenses	(1.1)	(1.2)
Net losses on consolidated funds	(15.3)	(40.5)

Included in the Group's cash generated from operations is £0.1 million cash utilised in operations (FY2022: £2.8 million cash utilised in operations) relating to consolidated funds.

As of 30 June 2023, the Group's consolidated funds were domiciled in Guernsey, Luxembourg, Saudi Arabia and the United States.

21) Financial instrument risk management

Group

The Group is subject to strategic and business, client, investment, treasury and operational risks throughout its business, as discussed in the Risk management section. This note discusses the Group's exposure to and management of the following principal risks which arise from the financial instruments it uses: credit risk, liquidity risk, interest rate risk, foreign exchange risk and price risk. Where the Group holds units in investment funds, classified either as financial assets measured at FVTPL or non-current financial assets, the related financial instrument risk disclosures in the note below categorise exposures based on the Group's direct interest in those funds without looking through to the nature of underlying securities.

Risk management is the ultimate responsibility of the Board, as noted in the Risk management section on pages 35 to 41.

Capital management

It is the Group's policy that all entities within the Group have sufficient capital to meet regulatory and working capital requirements and it conducts regular reviews of its capital requirements relative to its capital resources.

Ashmore has been reporting under IFPR since 1 January 2022 and applies the ICARA approach to the calculation of the capital and liquidity requirement for its UK regulated entity, AIML.

The Board has determined that the capital required to support the Group's activities, including its regulatory requirements, is £80.6 million. The equivalent figure as at 30 June 2022, calculated under the previous ICAAP approach, was £125.2 million.

Ashmore holds total capital resources of £704.8 million as at 30 June 2023, providing an excess of £624.2 million over the Group capital requirement (30 June 2022: £788.7 million, providing an excess of £663.5 million over the Group capital requirement).

Credit risk

The Group has exposure to credit risk from its normal activities where the risk is that a counterparty will be unable to pay in full amounts when due.

Exposure to credit risk is monitored on an ongoing basis by senior management and the Group's Risk Management and Control function. The Group has a counterparty and cash management policy in place which, in addition to other controls, restricts exposure to any single counterparty by setting exposure limits and requiring approval and diversification of counterparty banks and other financial institutions. The Group's maximum exposure to credit risk is represented by the carrying value of its financial assets measured at amortised cost, excluding prepayments. The table below lists financial assets subject to credit risk.

	Notes	2023 £m	2022 £m
Trade and other receivables	17	66.0	70.8
Cash and cash equivalents		478.6	552.0
Total		544.6	622.8

The Group's cash and cash equivalents, comprising short-term deposits with banks and liquidity funds, are predominantly held with counterparties with credit ratings ranging from A- to AAAM as at 30 June 2023 (30 June 2022: A to AAAM). As at 30 June 2023, the Group held £56.8 million (30 June 2022: £225.7 million) in the Ashmore Global Liquidity Fund.

All trade and other receivables are considered to be fully recoverable at year end. They include fee debtors that arise principally within the Group's investment management business. They are monitored regularly and, historically, default levels have been insignificant. There is no significant concentration of credit risk in respect of fees owing from clients.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21) Financial instrument risk management continued

Group

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

In order to manage liquidity risk, there is a Group liquidity policy to ensure that there is sufficient access to funds to cover all forecast committed requirements for the next 12 months.

The table below summarises the maturity profile of the Group's financial liabilities at 30 June 2023 and 30 June 2022 based on contractual undiscounted payments:

At 30 June 2023

	Within 1 year £m	1-5 years £m	More than 5 years £m	Total £m
Current trade and other payables	24.2	–	–	24.2
Lease liabilities	2.4	3.9	–	6.3
Total	26.6	3.9	–	30.5

At 30 June 2022

	Within 1 year £m	1-5 years £m	More than 5 years £m	Total £m
Current trade and other payables	36.4	–	–	36.4
Lease liabilities	2.6	6.0	0.2	8.8
Total	39.0	6.0	0.2	45.2

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The principal interest rate risk is the risk that the Group will sustain a reduction in interest income through adverse movements in interest rates. This relates to deposits with banks and liquidity funds held in the ordinary course of business. The Group has a cash management policy which monitors cash levels and returns within set parameters on a continuing basis.

Bank and similar deposits (including liquidity funds) held at year end are shown on the consolidated balance sheet as cash and cash equivalents. The effective interest earned on bank and similar deposits during the year is given in the table below:

	2023 %	2022 %
Deposits with banks and liquidity funds	3.22	0.41

At 30 June 2023, if interest rates over the year had been 50 basis points higher/lower with all other variables held constant, profit before tax for the year would have been £2.5 million higher/lower (FY2022: £2.5 million higher/lower), mainly as a result of higher/lower interest on cash balances. An assumption that the fair value of assets and liabilities will not be affected by a change in interest rates was used in the model to calculate the effect on profit before tax.

In addition, the Group is indirectly exposed to interest rate risk where the Group holds seed capital investments in funds that invest in debt securities.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Group's revenue is almost entirely denominated in US dollars, while the majority of the Group's costs are denominated in Sterling. Consequently, the Group has an exposure to movements in the GBP:USD exchange rate. In addition, the Group operates globally, which means that it may enter into contracts and other arrangements denominated in local currencies in various countries. The Group also holds a number of seed capital investments denominated mainly in US dollars, Colombian pesos and Indonesian rupiah.

The Group's policy is to hedge a proportion of the Group's revenue by using a combination of forward foreign exchange contracts and options for a period of up to two years forward. The Group also sells US dollars at spot rates when opportunities arise.

The table below shows the Group's sensitivity to a 1% exchange movement in the US dollar, Colombian peso, Indonesian rupiah and the Euro, net of hedging activities.

	2023		2022	
	Impact on profit before tax £m	Impact on equity £m	Impact on profit before tax £m	Impact on equity £m
Foreign currency sensitivity test				
US dollar +/- 1%	0.4	2.5	0.4	3.9
Colombian peso +/- 1%	–	0.2	0.1	0.2
Indonesian rupiah +/- 1%	–	0.1	–	0.1
Euro +/- 1%	0.1	0.1	–	–

Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of market changes.

Seed capital

The Group is exposed to the risk of changes in market prices in respect of seed capital investments. Such price risk is borne by the Group directly through interests in financial assets measured at fair value or indirectly either through line-by-line consolidation of underlying financial performance and positions held in certain funds. Details of seed capital investments held are given in note 20.

The Group has procedures defined by the Board governing the appraisal, approval and monitoring of seed capital investments.

At 30 June 2023, a 5% movement in the fair value of these investments would have a £14.6 million (FY2022: £13.6 million) impact on net assets and profit before tax.

Management and performance fees

The Group is also indirectly exposed to price risk in connection with the Group's management fees, which are based on a percentage of value of AuM, and fees based on performance. Movements in market prices, exchange and interest rates could cause the AuM to fluctuate, which in turn could affect fees earned. Performance fee revenues could also be reduced depending upon market conditions.

Management and performance fees are diversified across a range of investment themes and are not measurably correlated to any single market index in Emerging Markets. In addition, the policy of having funds with year ends staged throughout the financial year has meant that in periods of steep market decline, some performance fees have still been recorded. The profitability impact is likely to be less than this, as cost mitigation actions would apply, including the reduction of the variable compensation paid to employees.

Using the year end AuM level of US\$55.9 billion and applying the year's average net management fee rate of 38bps, a 5% movement in AuM would have a US\$10.6 million impact, equivalent to £8.3 million using a year end exchange rate of 1.2714, on management fee revenues (FY2022: US\$64.0 billion and applying the year's average net management fee rate of 39bps, a 5% movement in AuM would have a US\$12.5 million impact, equivalent to £10.3 million using a year end exchange rate of 1.2145, on management fee revenues).

Hedging activities

The Group uses forward and option contracts to hedge its exposure to foreign currency risk. These hedges, which have been assessed as effective cash flow hedges as at 30 June 2023, protect a proportion of the Group's revenue cash flows from foreign exchange movements. The cumulative fair value of the outstanding foreign exchange hedges asset at 30 June 2023 was £0.2 million and is included within the Group's derivative financial instruments (30 June 2022: £5.2 million foreign exchange hedges liability included in derivative financial instruments).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21) Financial instrument risk management continued

Group

The notional and fair values of foreign exchange hedging instruments were as follows:

	2023		2022	
	Notional amount US\$m	Fair value assets/ (liabilities) £m	Notional amount US\$m	Fair value assets/ (liabilities) £m
Cash flow hedges				
Foreign exchange nil-cost option collars	40.0	0.2	100.0	(5.2)
	40.0	0.2	100.0	(5.2)

The maturity profile of the Group's outstanding hedges is shown below.

	2023 US\$m	2022 US\$m
Notional amount of option collars maturing:		
Within 6 months	30.0	40.0
Between 6 and 12 months	10.0	40.0
Later than 12 months	—	20.0
	40.0	100.0

When hedges are assessed as effective, intrinsic value gains and losses are initially recognised in other comprehensive income and later reclassified to comprehensive income as the corresponding hedged cash flows crystallise. Time value in relation to the Group's hedges is excluded from being part of the hedging item and, as a result, the net unrealised loss related to the time value of the hedges is recognised in the consolidated statement of comprehensive income for the year.

An intrinsic value gain of £4.9 million (FY2022: £6.0 million loss) on the Group's hedges has been recognised through other comprehensive income and a £0.5 million intrinsic value gain (FY2022: £0.5 million intrinsic value loss) was reclassified from equity to the statement of comprehensive income in the year.

Included within the net realised and unrealised hedging gain of £4.4 million (note 7) recognised at 30 June 2023 (30 June 2022: £6.3 million gain) are:

- a £0.5 million gain in respect of foreign exchange hedges covering net management fee income for the financial year ending 30 June 2023 (FY2022: £0.5 million loss); and
- a £3.9 million gain in respect of crystallised foreign exchange contracts (FY2022: £6.8 million gain).

Company

The risk management processes of the Company, including those relating to the specific risk exposures covered below, are aligned with those of the Group as a whole unless stated otherwise.

In addition, the risk definitions that apply to the Group are also relevant for the Company.

Credit risk

The Company's maximum exposure to credit risk is represented by the carrying value of its financial assets measured at amortised cost, excluding prepayments. The table below lists financial assets subject to credit risk.

	Notes	2023 £m	2022 £m
Cash and cash equivalents		327.7	159.7
Trade and other receivables	17	282.5	454.8
Total		610.2	614.5

The Company's cash and cash equivalents comprise short-term deposits held with banks and liquidity funds which have credit ratings ranging from A- to AAAm as at 30 June 2023 (30 June 2022: A to AAAm).

All trade and other receivables are considered to be fully recoverable and none were overdue at year end (30 June 2022: none overdue).

Liquidity risk

The Company's exposure to liquidity risk is not considered to be material and, therefore, no further information is provided.

Details on other commitments are provided in note 29.

Company

Interest rate risk

The principal interest rate risk for the Company is that it could sustain a reduction in interest revenue from bank deposits held in the ordinary course of business through adverse movements in interest rates.

Bank and similar deposits (including liquidity funds) held at year end are shown on the Company's balance sheet as cash and cash equivalents. The effective interest earned on bank and similar deposits during the year is given in the table below:

	2023 %	2022 %
Deposits with banks and liquidity funds	4.17	0.46

At 30 June 2023, if interest rates over the year had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been £1.2 million higher/lower (FY2022: £0.6 million higher/lower), mainly as a result of higher/lower interest on cash balances. An assumption that the fair value of assets and liabilities will not be affected by a change in interest rates was used in the model to calculate the effect on post-tax profits.

Foreign exchange risk

The Company is exposed primarily to foreign exchange risk in respect of US dollar cash balances and US dollar-denominated intercompany balances. However, such risk is not hedged by the Company.

At 30 June 2023, if the US dollar had strengthened/weakened by 1% against Sterling with all other variables held constant, profit before tax for the year would have increased/decreased by £2.4 million (FY2022: increased/decreased by £3.6 million).

22) Share capital

Authorised share capital

Group and Company	2023 Number of shares	2023 Nominal value £'000	2022 Number of shares	2022 Nominal value £'000
Ordinary shares of 0.01p each	900,000,000	90	900,000,000	90

Issued share capital – allotted and fully paid

Group and Company	2023 Number of shares	2023 Nominal value £'000	2022 Number of shares	2022 Nominal value £'000
Ordinary shares of 0.01p each	712,740,804	71	712,740,804	71

All the above ordinary shares represent equity of the Company and rank pari passu in respect of participation and voting rights.

At 30 June 2023, there were equity-settled share awards issued under the Omnibus Plan totalling 39,389,867 (30 June 2022: 40,688,833) shares that have release dates ranging from July 2023 to September 2027. Further details are provided in note 10.

23) Own shares

The Trustees of the Ashmore 2004 Employee Benefit Trust (EBT) acquire and hold shares in Ashmore Group plc with a view to facilitating the vesting of share awards. As at 30 June 2023, the EBT owned 50,834,683 (30 June 2022: 55,512,301) ordinary shares of 0.01p with a nominal value of £5,083 (30 June 2022: £5,551) and shareholders' funds are reduced by £164.2 million (30 June 2022: £187.6 million) in this respect. The EBT is periodically funded by the Company for these purposes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24) Trade and other payables

	Group 2023 £m	Group 2022 £m	Company 2023 £m	Company 2022 £m
Current				
Trade payables	13.3	15.8	3.0	2.4
Accruals and provisions	10.9	20.6	4.5	11.4
Amounts due to subsidiaries	–	–	20.5	29.7
Total trade and other payables	24.2	36.4	28.0	43.5

25) Interests in subsidiaries

Operating subsidiaries held by the Company

There were no movements in investment in subsidiaries held by the Company during the year.

Company	2023 £m	2022 £m
Cost		
At 30 June 2023 and 2022	19.9	19.9

In the opinion of the Directors, the following subsidiary undertakings principally affected the Group's results or financial position at 30 June 2023. A full list of the Group's subsidiaries and all related undertakings is disclosed in note 33.

Name	Country of incorporation/ formation and principal place of operation	% of equity shares held by the Group
Ashmore Investments (UK) Limited	England	100.00
Ashmore Investment Management Limited	England	100.00
Ashmore Investment Advisors Limited	England	100.00
Ashmore Management Company Colombia SAS	Colombia	59.26
Ashmore CAF-AM Management Company SAS	Colombia	53.09
Ashmore Avenida Investments (Real Estate) LLP	Colombia	56.00
Ashmore Management Company Limited	Guernsey	100.00
Ashmore Investment Management India LLP	India	100.00
PT Ashmore Asset Management Indonesia Tbk	Indonesia	60.04
Ashmore Investment Management (Ireland) Limited	Ireland	100.00
Ashmore Japan Co. Limited	Japan	100.00
Ashmore Investments (Holdings) Limited	Mauritius	100.00
Ashmore Investments Saudi Arabia	Saudi Arabia	100.00
Ashmore Investment Management (Singapore) Pte. Ltd.	Singapore	100.00
Ashmore Investment Management (US) Corporation	USA	100.00
Ashmore Investment Advisors (US) Corporation	USA	100.00

Consolidated funds

The Group consolidated the following 17 investment funds as at 30 June 2023 (30 June 2022: 18 investment funds) over which the Group is deemed to have control:

Name	Type of fund	Country of incorporation/ principal place of operation	% of net asset value held by the Group
Ashmore Emerging Markets Debt and Currency Fund Limited	Alternatives	Guernsey	57.72
Ashmore SICAV Emerging Markets Corporate Debt ESG Fund	Corporate debt	Luxembourg	100.00
Ashmore SICAV Emerging Markets Equity ESG Fund	Equity	Luxembourg	99.36
Ashmore SICAV Emerging Markets Indonesian Equity Fund	Equity	Luxembourg	100.00
Ashmore SICAV Emerging Markets Global Small-Cap Equity Fund	Equity	Luxembourg	47.55
Ashmore SICAV Emerging Markets Middle East Equity Fund	Equity	Luxembourg	88.78
Ashmore SICAV Emerging Markets IG Total Return Fund	Blended debt	Luxembourg	100.00
Ashmore SICAV Emerging Markets Total Return ESG Fund	Blended debt	Luxembourg	99.77
Ashmore SICAV Emerging Markets Sovereign Debt ESG Fund	External debt	Luxembourg	100.00
Ashmore SICAV Emerging Markets China Bond Fund	Local currency	Luxembourg	100.00
Ashmore Saudi Equity Fund	Equity	Saudi Arabia	69.29
Ashmore Emerging Markets Active Equity Fund	Equity	USA	73.14
Ashmore Emerging Markets Equity ESG Fund	Equity	USA	100.00
Ashmore Emerging Markets Short Duration Select Fund	Equity	USA	100.00
Ashmore Emerging Markets Investment Grade Income Fund	Corporate debt	USA	100.00
Ashmore Emerging Markets Corporate Debt ESG Fund	Corporate debt	USA	100.00
Ashmore Emerging Markets Local Currency Bond Fund	Local currency	USA	78.91

26) Investment in associates

The Group held an interest in the following associate as at 30 June 2023, over which it continues to have significant influence:

Name	Type	Nature of business	Country of incorporation/ formation and principal place of operation	% of equity shares held by the Group
Taiping Fund Management Company	Associate	Investment management	China	5.23%

The movement in the carrying value of investment in associates for the year is provided below:

Associates	2023 £m	2022 £m
At the beginning of the year	2.1	0.9
Reclassification	–	(0.2)
Gain on dilution	–	1.3
Share of profit for the year	0.5	–
Foreign exchange revaluation	(0.3)	0.1
At the end of the year	2.3	2.1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26) Investment in associates continued

The summarised financial information for the associate is shown below.

Associates	2023 £m	2022 £m
Total assets	53.2	54.5
Total liabilities	(10.0)	(13.3)
Net assets	43.2	41.2
Group's share of net assets	2.3	2.1
Revenue for the year	23.6	23.5
Profit for the year	9.6	0.8
Group's share of profit for the year	0.5	–

The carrying value of the investment in associates represents the cost of acquisition subsequently adjusted for share of profit or loss and other comprehensive income or loss. No permanent impairment is believed to exist relating to the associate as at 30 June 2023. The Group had no undrawn capital commitments (30 June 2022: £nil) to investment funds managed by the associate.

27) Interests in structured entities

The Group has interests in structured entities as a result of the management of assets on behalf of its clients. Where the Group holds a direct interest in a closed-ended fund, private equity fund or open-ended pooled fund such as a SICAV, the interest is accounted for either as a consolidated structured entity or as a financial asset, depending on whether the Group has control over the fund or not.

The Group's interest in structured entities is reflected in the Group's AuM. The Group is exposed to movements in AuM of structured entities through the potential loss of fee income as a result of client withdrawals. Outflows from funds are dependent on market sentiment, asset performance and investor considerations. Further information on these risks can be found in the Strategic report.

Considering the potential for changes in AuM of structured entities, management has determined that the Group's unconsolidated structured entities include segregated mandates and pooled funds vehicles. Disclosure of the Group's exposure to unconsolidated structured entities has been made on this basis.

The reconciliation of AuM reported by the Group within unconsolidated structured entities is shown below.

	Total AuM US\$bn	Less: AuM within consolidated funds US\$bn	AuM within unconsolidated structured entities US\$bn
30 June 2022	64.0	0.3	63.7
30 June 2023	55.9	0.3	55.6

Included in the Group's consolidated management fees of £185.4 million (FY2022: £247.0 million) are management fees amounting to £184.2 million (FY2022: £246.0 million) earned from unconsolidated structured entities.

The table below shows the carrying values of the Group's interests in unconsolidated structured entities, recognised in the Group balance sheet, which are equal to the Group's maximum exposure to loss from those interests.

	2023 £m	2022 £m
Management fees receivable	37.7	47.6
Trade and other receivables	1.3	0.8
Seed capital investments*	107.2	68.8
Total exposure	146.2	117.2

* Comprise financial assets measured at fair value and non-current financial assets measured at fair value (refer to note 20).

The main risk the Group faces from its beneficial interests in unconsolidated structured entities arises from a potential decrease in the fair value of seed capital investments. The Group's beneficial interests in seed capital investments are disclosed in note 20. Note 21 includes further information on the Group's exposure to market risk arising from seed capital investments.

28) Related party transactions

Related parties of the Group include key management personnel, close family members of key management personnel, subsidiaries, associates, joint ventures, Ashmore funds, the EBT and The Ashmore Foundation.

Key management personnel – Group and Company

The compensation paid to or payable to key management personnel is shown below:

	2023 £m	2022 £m
Short-term benefits	0.8	0.8
Defined contribution pension costs	–	–
Share-based payment benefits (note 10)	0.4	0.2
	1.2	1.0

Short-term benefits include salary and fees, benefits and cash bonus.

Share-based payment benefits represent the cost of equity-settled awards charged to the statement of comprehensive income.

Details of the remuneration of Directors are given in the Remuneration report on pages 78 to 111.

During the year, there were no other transactions entered into with key management personnel (FY2022: none). Aggregate key management personnel interests in consolidated funds at 30 June 2023 were £44.5 million (30 June 2022: £62.7 million).

Transactions with subsidiaries – Company

Details of transactions between the Company and its subsidiaries are shown below:

	2023 £m	2022 £m
Transactions during the year		
Management fees	59.7	67.2
Net dividends	145.2	174.0
Loans repaid by subsidiaries	110.5	183.8

Amounts receivable or payable to subsidiaries are disclosed in notes 17 and 24 respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28) Related party transactions continued

Transactions with Ashmore funds – Group

During the year, the Group received £64.0 million of gross management fees and performance fees (FY2022: £96.2 million) from the 104 funds (FY2022: 99 funds) it manages and which are classified as related parties. As at 30 June 2023, the Group had receivables due from funds of £4.6 million (30 June 2022: £5.8 million) that are classified as related parties.

Transactions with the EBT – Group and Company

The EBT has been provided with a loan facility to allow it to acquire Ashmore shares in order to satisfy outstanding unvested share awards. The EBT is included within the results of the Group and the Company. As at 30 June 2023, the loan outstanding was £150.7 million (30 June 2022: £163.7 million).

Transactions with The Ashmore Foundation – Group and Company

The Ashmore Foundation is a related party to the Group. The Foundation was set up to provide financial grants to worthwhile causes within the Emerging Markets countries in which Ashmore invests and/or operates with a view to giving back to the countries and communities. The Group donated £0.5 million to the Foundation during the year (FY2022: £0.6 million).

29) Commitments

The Group has undrawn investment commitments relating to seed capital investments as follows:

Group	2023 £m	2022 £m
Ashmore Andean Fund II, LP	0.1	0.1
Ashmore Avenida Colombia Real Estate Fund I (Cayman) LP	0.1	0.1
Ashmore I – CAF Colombian Infrastructure Senior Debt Fund	5.7	6.6
Fondo Ashmore Andino III – FCP	3.0	–
Ashmore KCH HealthCare Fund II	–	1.2
Ashmore KCH HealthCare LLC	–	4.4
Total undrawn investment commitments	8.9	12.4

Company

The Company has undrawn loan commitments to other Group entities totalling £482.5 million (30 June 2022: £394.1 million) to support their investment activities but has no investment commitments of its own (30 June 2022: none).

30) Contingent assets and liabilities

The Company and its subsidiaries can be party to legal claims arising in the normal course of business. The Directors do not anticipate that the outcome of any such potential proceedings and claims will have a material adverse effect on the Group's financial position and at present there are no such claims where their financial impact can be reasonably estimated. There are no other material contingent assets or liabilities.

31) Non-controlling interests

The Group's material NCI as at 30 June 2023 was held in PT Ashmore Asset Management Indonesia Tbk (Ashmore Indonesia). Set out below is summarised financial information and the amounts disclosed are before intercompany eliminations.

	40% NCI Ashmore Indonesia	
	2023 £m	2022 £m
<i>Summarised balance sheet</i>		
Total assets	19.8	23.0
Total liabilities	(4.4)	(6.4)
Net assets	15.4	16.6
Non-controlling interests*	6.1	13.6
<i>Summarised statement of comprehensive income</i>		
Net revenue	10.9	12.3
Profit for the period	5.1	5.9
Other comprehensive income/(loss)	(0.9)	1.6
Total comprehensive income	4.2	7.5
Profit allocated to NCI	1.6	3.0
Dividends paid to NCI	2.3	2.3
<i>Summarised cash flows</i>		
Cash flows from operating activities	4.6	6.5
Cash flows used in investing activities	–	(3.6)
Cash flows used in financing activities	(6.3)	(6.3)
Net decrease in cash and cash equivalents	(1.7)	(3.4)

* £6.8 million of historical NCI was reclassified to retained earnings during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32) Post-balance sheet events

There are no post-balance sheet events that require adjustment or disclosure in the Group consolidated financial statements.

33) Subsidiaries and related undertakings

The following is a full list of the Ashmore Group plc subsidiaries and related undertakings as at 30 June 2023, along with the registered address and the percentage of equity owned by the Group. Related undertakings comprise significant holdings in associated undertakings, joint ventures and Ashmore sponsored public funds in which the Group owns greater than 20% interest.

Name	Classification	% voting interest	Registered address and place of incorporation
Ashmore Investments (UK) Limited ¹	Subsidiary	100.00	61 Aldwych, London WC2B 4AE
Ashmore Investment Management Limited	Subsidiary	100.00	United Kingdom
Ashmore Investment Advisors Limited	Subsidiary	100.00	
Aldwych Administration Services Limited (dormant)	Subsidiary	100.00	
Ashmore Asset Management Limited (dormant)	Subsidiary	100.00	
Ashmore Avenida Investments (Real Estate) LLP	Subsidiary	56.00	
Ashmore Avenida Devco Holding Company Limited ²	Subsidiary	100.00	
Ashmore Investment Management (Ireland) Limited	Subsidiary	100.00	32 Molesworth Street, Dublin 2, D02 Y512
Ashmore Investment Management India LLP	Subsidiary	100.00	507A Kakad Chambers, Dr Annie Besant Road Worli, Mumbai 400 018, India
Ashmore Investment Management (US) Corporation	Subsidiary	100.00	The Corporation Trust Center, 1209 Orange
Ashmore Investment Advisors (US) Corporation	Subsidiary	100.00	Street, Wilmington, DE 19801, USA
Avenida Partners LLC	Subsidiary	100.00	200 Park Avenue South
Avenida CREF I Manager Cayman LLC	Subsidiary	100.00	New York, 10003
Avenida CREF I Manager LLC	Subsidiary	100.00	USA
Avenida A2 Partners LLC	Subsidiary	100.00	
Avenida Colombia Member LLC	Subsidiary	83.30	
Avenida CREF II Partners LLC	Subsidiary	100.00	
Avenida CREF II GP LLC	Subsidiary	100.00	
MCA Partners LLC	Subsidiary	100.00	

1. Ashmore Investments (UK) Limited (registered number 3345198) is exempt from the requirements relating to the audit of accounts under section 479A of the UK Companies Act 2006.

2. Ashmore Avenida Devco Holding Company Limited is under an active proposal to strike off.

Name	Classification	% voting interest	Registered address and place of incorporation
Avenida REF Holding SA	Subsidiary	100.00	Yamandu 1321, 11500
Avenida CREF II Manager SRL	Subsidiary	99.99	Montevideo
Avenida CREF Partners SRL	Subsidiary	99.99	Uruguay
Avenida CREF II GP SRL	Subsidiary	85.09	
Ashmore Avenida LatAm Energy Efficient Affordable Housing Fund III GP	Subsidiary	100.00	10 rue du Château d'Eau, L-3364 Leudelange, Grand Duchy of Luxembourg
Ashmore Investment Management (Singapore) Pte. Ltd.	Subsidiary	100.00	1 George Street, #15-04, Singapore 049145
KCH Cairo Pte. Ltd (dormant)	Subsidiary	100.00	
KCH Cairo S.A.E. (dormant)	Subsidiary	99.20	Zone (T) – Emaar, Up Town Cairo, Mokattam, Cairo, Egypt
PT Ashmore Asset Management Indonesia Tbk	Subsidiary	60.04	Pacific Century Place, 18 th Floor, SCBD Lot 10, Jl. Jenderal. Sudirman Kav. 52-53 Jakarta 12190, Indonesia
Ashmore Dana Pasar Uang Syariah	Financial asset	100.00	
Ashmore Dana USD Fixed Income	Financial asset	39.42	
Ashmore Management Company Colombia SAS	Subsidiary	59.26	Carrera 7 No. 75-66,
Ashmore-CAF-AM Management Company SAS	Subsidiary	53.09	Office 701 & 702
Ashmore Holdings Colombia SAS	Subsidiary	100.00	Bogotá, Colombia
Ashmore Investment Advisors S.A. Sociedad Fiduciaria	Subsidiary	100.00	
Ashmore Backup Management Company SAS	Subsidiary	100.00	
Avenida Colombia Management Company SAS	Subsidiary	100.00	
Ashmore Avenida DP General Partner SAS	Subsidiary	80.00	
Ashmore Avenida Back Office SAS	Subsidiary	100.00	
Ashmore Peru Backup Management	Subsidiary	100.00	Av. Circunvalación del Club Golf Los Incas No. 134, Torre 1, Of. 505, Surco. Lima, Perú
Ashmore Japan Co. Limited	Subsidiary	100.00	11F, Shin Marunouchi Building 1-5-1 Marunouchi Chiyoda-ku Tokyo Japan 100-6511
Ashmore Investments (Colombia) SL	Subsidiary	100.00	c/o Hermosilla 11, 4 ^a A, 28001 Madrid, Spain
Ashmore Management (DIFC) Limited	Subsidiary	100.00	Unit L30-07, Level 30, ICD Brookfield Place, Dubai International Financial Centre, Dubai, UAE
Ashmore Investment Saudi Arabia	Subsidiary	100.00	3rd Floor Tower B, Olaya Towers
Ashmore Saudi Equity Fund	Consolidated fund	69.29	Olaya Main Street, Riyadh, Saudi Arabia
Ashmore AISA (Cayman) Limited	Subsidiary	100.00	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
AA Development Capital Investment Managers (Mauritius) LLC	Subsidiary	55.00	Les Cascades Building 33 Edith Cavell Street, Port Louis
Ashmore Investments (Holdings) Limited	Subsidiary	100.00	Mauritius

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33) Subsidiaries and related undertakings continued

Name	Classification	% voting interest	Registered address and place of incorporation
Ashmore Management Company Limited	Subsidiary	100.00	Trafalgar Court
Ashmore Global Special Situations Fund 3 (GP) Limited	Subsidiary	100.00	Les Banques
Ashmore Global Special Situations Fund 4 (GP) Limited	Subsidiary	100.00	St Peter Port
Ashmore Global Special Situations Fund 5 (GP) Limited	Subsidiary	100.00	GY1 3QL
Ashmore Venezuela Recovery Fund 2 Ltd	Financial asset	45.85	Guernsey
Ashmore Emerging Markets Debt and Currency Fund Limited	Consolidated fund	57.72	
Ashmore SICAV Emerging Markets Middle East Equity Fund	Consolidated fund	88.78	10, rue du Chateau d'Eau
Ashmore SICAV Emerging Markets Sovereign Debt ESG Fund	Consolidated fund	100.00	L-3364 Leudelange
Ashmore SICAV Emerging Markets Corporate Debt ESG Fund	Consolidated fund	100.00	Grand-Duchy of Luxembourg
Ashmore SICAV Emerging Markets China Bond Fund	Consolidated fund	100.00	
Ashmore SICAV Emerging Markets Global Small-Cap Equity Fund	Consolidated fund	47.55	
Ashmore SICAV Emerging Markets IG Total Return Fund	Consolidated fund	100.00	
Ashmore SICAV Emerging Markets Total Return ESG Fund	Consolidated fund	99.77	
Ashmore SICAV Emerging Markets Indonesian Equity Fund	Consolidated fund	100.00	
Ashmore SICAV Emerging Markets Equity ESG Fund	Consolidated fund	99.36	
Ashmore SICAV Emerging Markets Local Currency Bond Fund 2	Consolidated fund	100.00	
Ashmore SICAV Emerging Markets Shariah Active Equity Fund	Financial asset	100.00	
Ashmore SICAV Emerging Markets IG Short Duration Fund	Financial asset	30.01	
Ashmore SICAV Emerging Markets Multi-Asset Fund	Financial asset	28.46	
Ashmore Emerging Markets Corporate Debt ESG Fund	Consolidated fund	100.00	50 South LaSalle Street
Ashmore Emerging Markets Investment Grade Income Fund	Consolidated fund	100.00	Chicago, Illinois 60603
Ashmore Emerging Markets Active Equity Fund	Consolidated fund	73.14	
Ashmore Emerging Markets Local Currency Bond Fund	Consolidated fund	78.91	
Ashmore Emerging Markets Equity ESG Fund	Consolidated fund	100.00	
Ashmore Emerging Markets Short Duration Select Fund	Consolidated fund	100.00	

Cautionary statement regarding forward-looking statements

It is possible that this document could or may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning.

Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. There are several factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. The Group undertakes no obligation to revise or update any forward-looking statements contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

Five-year summary

	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m
Management fees	185.4	247.0	276.4	330.0	307.6
Performance fees	5.1	4.5	11.9	3.9	2.8
Other revenue	2.7	2.9	4.6	4.1	5.9
Total revenue	193.2	254.4	292.9	338.0	316.3
Distribution costs	(2.2)	(3.5)	(5.5)	(14.5)	(13.3)
Foreign exchange	5.4	11.6	4.3	7.0	11.3
Net revenue	196.4	262.5	291.7	330.5	314.3
Gains/(losses) on investment securities	(44.3)	(61.3)	123.5	(19.1)	0.5
Change in third-party interests in consolidated funds	19.3	16.5	(52.6)	7.5	3.8
Personnel expenses	(31.4)	(27.8)	(26.7)	(27.6)	(26.5)
Variable compensation	(34.8)	(45.6)	(53.6)	(55.0)	(57.7)
Other operating expenses	(27.8)	(25.1)	(24.0)	(26.6)	(31.6)
Total operating expenses	(94.0)	(98.5)	(104.3)	(109.2)	(115.8)
Operating profit	77.4	119.2	258.3	209.7	202.8
Finance income/(expense)	33.9	(2.1)	23.9	12.0	17.4
Share of profit/(loss) from associates and joint ventures	0.5	1.3	0.3	(0.2)	(0.3)
Profit before tax	111.8	118.4	282.5	221.5	219.9
Tax expense	(25.3)	(26.5)	(40.7)	(36.8)	(38.4)
Profit for the year	86.5	91.9	241.8	184.7	181.5
EPS (basic)	12.4p	13.4p	36.4p	27.4p	26.6p
Dividend per share	16.9p	16.9p	16.9p	16.9p	16.7p
Other operating data (unaudited)					
AuM at year end (US\$bn)	55.9	64.0	94.4	83.6	91.8
Average AuM (US\$bn)	58.2	83.6	90.0	89.6	80.5
Average GBP:USD exchange rate for the year	1.21	1.33	1.35	1.26	1.30
Period end GBP:USD exchange rate for the year	1.27	1.21	1.38	1.24	1.27

ALTERNATIVE PERFORMANCE MEASURES

Ashmore discloses APMs in order to assist shareholders' understanding of the Group's operational performance during the accounting period and to allow consistent comparisons with prior periods.

The calculation of APMs is consistent with the financial year ended 30 June 2022. Historical disclosures relating to APMs, including explanations and reconciliations, can be found in the respective interim financial reports and Annual Reports and Accounts.

Net revenue

As shown in the CSCI, net revenue is total revenue less distribution costs and including FX. This provides a comprehensive view of the revenues recognised by the Group in the period.

	Reference	FY2023 £m	FY2022 £m
Total revenue	CSCI	193.2	254.4
Less:			
Distribution costs	CSCI	(2.2)	(3.5)
Add:			
Foreign exchange	CSCI	5.4	11.6
Net revenue		196.4	262.5

Net management fees

The principal component of the Group's revenues is management fees, net of associated distribution costs, earned on AuM.

	Reference	FY2023 £m	FY2022 £m
Management fees	CSCI	185.4	247.0
Less:			
Distribution costs	CSCI	(2.2)	(3.5)
Net management fees		183.2	243.5

Net management fee margin

The net management fee margin is defined as the ratio of annualised management fees less distribution costs to average AuM for the period, in US dollars since it is the primary currency in which fees are received and matches the Group's AuM disclosures. The average AuM excludes assets where fees are not recognised in revenues, for example AuM related to associates or joint ventures. The margin is a principal measure of the firm's revenue generating capability and is a commonly used industry performance measure.

	FY2023	FY2022
Net management fee income (US\$m)	220.6	323.4
Average AuM (US\$bn)	57.7	82.8
Net management fee margin (bps)	38	39

Variable compensation ratio

The variable compensation ratio is defined as the charge for VC as a proportion of EBVCIT. The linking of variable annual pay awards to the Group's profitability is one of the principal methods by which the Group controls its operating costs. The charge for VC is a component of personnel expenses and comprises share-based payments and performance-related cash bonuses.

EBVCIT is operating profit excluding the charge for VC, charitable donations and seed capital-related items. The latter comprises gains/losses on investment securities, change in third-party interests in consolidated funds, and other expenses in respect of consolidated funds.

	Reference	FY2023 £m	FY2022 £m
Operating profit	CSCI	77.4	119.2
Less:			
Seed capital-related items	CSCI, Note 20c	26.3	46.2
Add:			
Variable remuneration	Note 9	34.8	45.6
Charitable donations		0.5	0.6
EBVCIT		139.0	211.6
VC ratio		25.0%	21.5%

EBITDA

EBITDA provides a view of the operating performance of the business before certain non-cash items, financing income and charges, and taxation.

	Reference	FY2023 £m	FY2022 £m
Operating profit	CSCI	77.4	119.2
Add:			
Depreciation and amortisation	Note 11	3.2	3.1
EBITDA		80.6	122.3

Adjusted net revenue, adjusted operating costs and adjusted EBITDA

Adjusted figures exclude items relating to FX translation and seed capital. This provides an alternative view of performance, excluding the volatility associated with those items, which is used by management to assess the Group's operating performance.

	Reference	FY2023 £m	FY2022 £m
Net revenue	CSCI	196.4	262.5
Less:			
FX translation	Note 7	(1.0)	(5.3)
Adjusted net revenue		195.4	257.2

	Reference	FY2023 £m	FY2022 £m
Personnel expenses	CSCI	(66.2)	(73.4)
Other expenses	CSCI	(27.8)	(25.1)
Less:			
Other expenses in consolidated funds	Note 20c	1.3	1.4
Add:			
VC % on FX translation	Note 7	0.3	1.1
Adjusted operating costs		(92.4)	(96.0)

	Reference	FY2023 £m	FY2022 £m
EBITDA		80.6	122.3
Less:			
FX translation	Note 7	(1.0)	(5.3)
VC % on FX translation	Note 7	0.3	1.1
Seed capital-related items	CSCI, Note 20c	26.3	46.2
Adjusted EBITDA		106.2	164.3

Adjusted EBITDA margin

The ratio of adjusted EBITDA to adjusted net revenue. This is an appropriate measure of the Group's operational efficiency and its ability to generate returns for shareholders.

ALTERNATIVE PERFORMANCE MEASURES (CONTINUED)

Adjusted diluted EPS

Diluted EPS excluding items relating to FX translation and seed capital, as described above, and the related tax impact.

	Reference	FY2023 pence	FY2022 pence
Diluted EPS	CSCI	12.2	12.6
Less:			
FX translation	Note 7	(0.1)	(0.6)
Tax on FX translation		-	0.1
Seed capital-related items	CSCI, Note 8, Note 20c	1.2	7.1
Tax on seed capital-related items		(0.6)	(0.5)
Adjusted diluted EPS		12.7	18.7

Conversion of operating profits to cash

This compares cash generated from operations, excluding consolidated funds, to adjusted EBITDA, and is a measure of the effectiveness of the Group's operations in converting profits to cash flows for shareholders. Excluding consolidated funds also ensures consistency between the cash flow and adjusted EBITDA.

	Reference	FY2023 £m	FY2022 £m
Cash generated from operations	Consolidated cash flow statement	111.6	182.1
Less:			
Cash flows relating to consolidated funds	Note 20c	0.1	2.8
Operating cash flow		111.7	184.9
Adjusted EBITDA		106.2	164.3
Conversion of operating profits to cash		105%	113%

Capital resources

Ashmore has calculated its capital resources in a manner consistent with the IFPR. Note that goodwill and intangible assets include associated deferred tax liabilities and deferred acquisition costs, and foreseeable dividends relate to the proposed final dividend of 12.1 pence per share. Other adjustments relate to the cash flow hedging reserve.

	Reference	30 June 2023 £m	30 June 2022 £m
Total equity	Balance sheet	898.8	945.0
Less:			
Goodwill and intangibles	n/a	(80.0)	(84.4)
Deferred tax assets	Balance sheet	(23.9)	(32.7)
Foreseeable dividends	Note 14	(85.1)	(84.7)
Investments in financial sector entities	n/a	(5.0)	(4.9)
Other adjustments	Consolidated statement of changes in equity	-	4.9
Capital resources		704.8	743.2

Ashmore Group plc

Registered in England and Wales.
Company No. 3675683

Registered office

61 Aldwych
London WC2B 4AE
Tel: +44 (0) 20 3077 6000
Fax: +44 (0) 20 3077 6001

Principal UK trading subsidiary

Ashmore Investment Management Limited

Registered in England and Wales, Company No. 3344281.

Business address and registered office as above.

Further information on Ashmore can be found on the Company's website: www.ashmoregroup.com.

Financial calendar

First quarter AuM statement	13 October 2023
Annual General Meeting	18 October 2023
Ex-dividend date	2 November 2023
Record date	3 November 2023
Final dividend payment date	8 December 2023
Second quarter AuM statement	January 2024
Announcement of unaudited interim results for the six months ended 31 December 2023	February 2024
Interim dividend payment date	March 2024
Third quarter AuM statement	April 2024
Fourth quarter AuM statement	July 2024
Announcement of results for the year ended 30 June 2024	September 2024

Registrar

Equiniti Registrars
Aspect House
Spencer Road
West Sussex
BN99 6DA

UK shareholder helpline: +44 (0) 371 384 2812. Lines are open 8.30am to 5.30pm, Monday to Friday. If calling from overseas, please ensure the country code is used.

Further information about the Registrar is available on its website www.equiniti.com.

Up-to-date information about current holdings on the register is also available at www.shareview.co.uk.

Shareholders will need their reference number (account number) and postcode to view information on their own holding.

Share price information

Share price information can be found at www.ashmoregroup.com or through your broker.

Share dealing

Shares may be sold through a stockbroker or share dealing service. There are a variety of services available. The Registrar offers an internet-based share dealing service known as Shareview Dealing.

You can log on at www.shareview.co.uk/dealing to access this service, or contact the helpline on +44 (0) 345 603 7037 to deal by telephone.

You may also use the Shareview service to access and manage your share investments and view balance movements, indicative share prices, information on recent dividends, portfolio valuation and general information for shareholders.

Shareholders must register at www.shareview.co.uk, entering the shareholder reference on the share certificate and other personal details.

Having selected a personal PIN, a user ID will be issued by the Registrar.

Electronic copies of the 2023 Annual Report and Accounts and other publications

Copies of the 2023 Annual Report and Accounts, the Notice of Annual General Meeting, other corporate publications, press releases and announcements are available on the Company's website at www.ashmoregroup.com.

Sharegift

Shareholders with only a small number of shares whose value makes them uneconomic to sell may wish to consider donating to charity through Sharegift, an independent charity share donation scheme.

For further information, please contact either the Registrar or see the Sharegift website at www.sharegift.org.

Frequent shareholder enquiries

Enquiries and notifications concerning dividends, share certificates or transfers and address changes should be sent to the Registrar; the Company's governance reports, corporate governance guidelines and the terms of reference of the Board committees can be found on the Company's website at www.ashmoregroup.com.

Notifying the Company of a change of address

You should notify Equiniti Registrars in writing.

If you hold shares in joint names, the notification to change address must be signed by the first-named shareholder. You may choose to do this online, by logging on to www.shareview.co.uk. You will need your shareholder reference number to access this service – this can be found on your share certificate or from a dividend counterfoil.

You will be asked to select your own PIN and a user ID will be posted to you.

Notifying the Company of a change of name

You should notify Equiniti Registrars in writing of your new name and previous name. You should attach a copy of your marriage certificate or your change of name deed, together with your share certificates and any un-cashed dividend cheques in your old name, so that the Registrar can reissue them.

Dividend payments directly into bank or building society accounts

We recommend that all dividend payments are made directly into a bank or building society account. Dividends are paid via BACS, providing tighter security and access to funds more quickly. To apply for a dividend mandate form, contact the Registrar, or you can find one by logging on to www.shareview.co.uk (under Frequently Asked Questions) or by calling the helpline on +44 (0) 371 384 2812 (lines are open 8.30am to 5.30pm, Monday to Friday). If calling from overseas, please ensure the country code is used.

Transferring Ashmore Group plc shares

Transferring some or all of your shares to someone else (for example your partner or a member of your family) requires completion of a share transfer form, which is available from Equiniti Registrars. The form should be fully completed and returned with your share certificate representing at least the number of shares being transferred. The Registrar will then process the transfer and issue a balance share certificate to you if applicable. The Registrar will be able to help you with any questions you may have.

Lost share certificate(s)

Shareholders who lose their share certificate(s) or have their certificate(s) stolen should inform Equiniti Registrars immediately by calling the shareholder helpline on +44 (0) 371 384 2812 (lines are open 8.30am to 5.30pm, Monday to Friday). If calling from overseas, please ensure the country code is used.

Disability helpline

For deaf and speech impaired customers, Equiniti welcomes calls via Relay UK. Please see www.relayuk.bt.com for more information.

GLOSSARY

AGM	Annual General Meeting
AIFMD	Alternative Investment Fund Managers Directive
ANZ	The Australia and New Zealand Banking Group Limited
APM	Non-GAAP financial alternative performance measures
Ashmore	Ashmore Group plc
AuM	Assets under management
BCP	Business continuity planning
CEMBI BD	J.P. Morgan Corporate Emerging Markets Bond Index Broad Diversified Core Index
CEO	Chief Executive Officer
CO₂e	Carbon dioxide equivalent
Code	2018 UK Corporate Governance Code
Companies Act	UK Companies Act 2006
Company	Ashmore Group plc
CPI	Consumer Price Index
CSCI	Consolidated statement of comprehensive income
DTR	FCA's Disclosure Guidance and Transparency Rules
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBT	Ashmore 2004 Employee Benefit Trust
EBVCIT	Earnings before variable compensation, interest and tax
EM	Emerging Markets
EMBI GD	J.P. Morgan Emerging Market Bond Index Global Diversified
EMTA	Trade Association for the Emerging Markets
EPS	Earnings per share
ESEF	European Single Electronic Format Regulation
ESG	Environmental, social and governance
ESGC	ESG Committee
FCA	Financial Conduct Authority of the United Kingdom
Fed	Federal Reserve of the United States of America
FRC	Financial Reporting Council
FSC	Forest Stewardship Council®
FTE	Full time equivalent

GLOSSARY (CONTINUED)

FX	Foreign exchange
GAAP	Generally accepted accounting principle
GBI-EM GD	J.P. Morgan Government Bond Index – Emerging Markets Global Diversified
GBP	British pound sterling, the official currency of the United Kingdom and its territories
GDPR	General Data Protection Regulations
GFD	Group Finance Director
GHG	Greenhouse gas
GIPS	Global investment performance standards
Group	Ashmore Group plc and its subsidiaries
Guidance	FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting 2014
HY	High yield
IC	Investment Committee
ICAAP	Internal Capital Adequacy Assessment Process
ICARA	Internal Capital and Risk Assessment
IEA	International Energy Agency
IFPR	Investment Firms Prudential Regime
IFRS	International Financial Reporting Standards
IG	Investment grade
IMF	International Monetary Fund
ISAE 3402	International Standards on Assurance Engagements 3402
KPI	Key performance indicators
KRI	Key risk indicator
Listing Rules	FCA's Listing Rules
LTIP	Long-term incentive plan
NGOs	Non-governmental organisations
NZAMI	Net Zero Asset Managers Initiative
OCI	Other comprehensive income
Omnibus Plan	Ashmore Group plc Executive Omnibus Incentive Plan 2015
PPP	Purchasing power parity
RAS	Risk Appetite Statement
RCC	The Group's Risk and Compliance Committee
Remuneration report	Directors' Remuneration policy and the Annual Report on Remuneration

Scope 1	Direct emissions from owned or controlled sources, including fuel consumption, fugitive emissions and vehicle usage
Scope 2	Indirect GHG emissions from the generation of purchased electricity
Scope 3	Indirect GHG emissions including air travel, hotels, water and waste
SECR	Streamlined Energy and Carbon Reporting
SFDR	Sustainable Finance Disclosure Regulation
SIEM	System information and event management
SSAE 18	Statement on Standards for Attestation Engagements no. 18
TCF	Treating customers fairly
TCFD	Financial Stability Board's Task Force on Climate-related Financial Disclosures
TSR	Total shareholder return
UN PRI	United Nations Principles for Responsible Investment
US\$	US dollar, the official currency of the United States of America
WACI	Weighted Average Carbon Intensity
WBCSD	World Business Council for Sustainable Development
WRI	World Resources Institute
YoY	Year on year



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