

# Ashmore

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Interim Report 2024



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For a downloadable version of the interim report, other announcements and details of up-coming events, please visit the investor relations section of the Group's website <b><a href="http://www.ashmoregroup.com">www.ashmoregroup.com</a></b>	Chief Executive Officer's report	3	Notes to the interim condensed consolidated financial statements	15
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# UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2023

## H1 2024 highlights

### AuM as at 31 December 2023

**US\$54.0bn**

30 June 2023: US\$55.9bn

### AuM outperforming benchmarks over

#### One year

**61%**

30 June 2023: 67%

#### Three years

**56%**

69%

#### Five years

**62%**

49%

### Net revenue

**£94.5m**

H1 2023: £110.3m

### Adjusted EBITDA

**£42.6m**

H1 2023: £63.2m

### Adjusted EBITDA margin

**46%**

H1 2023: 59%

### Profit before tax

**£74.5m**

H1 2023: £53.8m

### Diluted earnings per share

**8.5p**

H1 2023: 6.1p

### Interim dividend per share

**4.8p**

To be paid on 2 April 2024

H1 2023: 4.8p

Defined terms are disclosed in the Glossary on page 181 of Ashmore's 2023 Annual Report and Accounts.

Alternative performance measures are defined and explained on page 32.

## CHIEF EXECUTIVE OFFICER'S REPORT

Emerging Markets performed well over the six months, delivering returns of between 5% and 7%, continuing the strong returns delivered since late 2022. Emerging Markets fixed income outperformed developed world equivalents, and equities delivered positive returns as markets increasingly believe the Fed has reached the end of its tightening cycle and emerging countries are delivering economic stability.

Against this backdrop, Ashmore's AuM fell slightly over the six-month period from US\$55.9 billion to US\$54.0 billion. This period comprises two contrasting quarters with lower market levels and risk aversion influencing performance and flows in Q1, followed by a strong rally and an improvement in net flows delivering AuM growth in Q2. In aggregate over the six months, positive investment performance added US\$2.6 billion to AuM and there were net outflows of US\$4.5 billion, resulting in average AuM being 10% lower than the prior year period.

The Group's operational performance reflects this lower average AuM with adjusted EBITDA declining by 33% compared with the prior year period. However, profit before tax increased by 38% to £74.5 million due to strong gains delivered by the Group's active seed capital investment programme and higher interest income achieved on the Group's cash balances.

Many emerging countries enter 2024 with sound economic positions, superior growth, falling interest rates, and attractive valuations across equity and fixed income markets. Continuing absolute and relative performance by Emerging Markets assets this year is expected to stimulate capital flows as allocations recover from underweight levels.

Based on the Group's performance over the six-month period, the Group's strong financial position, cash generation, and the near-term outlook, the Board has maintained the interim dividend at 4.8 pence per share.

£m	Reconciling items:			H1 2024 Adjusted	H1 2023 Adjusted
	H1 2024 Reported	Seed capital-(gains)/losses	FX translation (gains)/losses		
Net management fees	82.6	–	–	82.6	98.0
Performance fees	8.0	–	–	8.0	3.7
Other revenue	1.7	–	–	1.7	1.3
Foreign exchange gains	2.2	–	(1.1)	1.1	4.7
<b>Net revenue</b>	<b>94.5</b>	–	(1.1)	<b>93.4</b>	107.7
Net losses on investment securities	(12.4)	12.4	–	–	–
Third-party interests' share of losses in consolidated funds	5.5	(5.5)	–	–	–
Personnel expenses	(38.6)	–	0.3	(38.3)	(33.5)
Other expenses excluding depreciation and amortisation	(13.3)	0.8	–	(12.5)	(11.0)
<b>EBITDA</b>	<b>35.7</b>	7.7	(0.8)	<b>42.6</b>	63.2
<i>EBITDA margin</i>	<b>38%</b>	–	–	<b>46%</b>	59%
Depreciation and amortisation	(1.5)	–	–	(1.5)	(1.7)
<b>Operating profit</b>	<b>34.2</b>	7.7	(0.8)	<b>41.1</b>	61.5
Finance income	40.1	(27.3)	–	12.8	6.5
Share of profit from associate	0.2	–	–	0.2	0.3
<b>Profit before tax</b>	<b>74.5</b>	(19.6)	(0.8)	<b>54.1</b>	68.3
<b>Diluted EPS (p)</b>	<b>8.5</b>	(2.7)	(0.1)	<b>5.7</b>	7.8

## Market review

Emerging Markets fixed income indices delivered positive returns over the six months, with sovereign indices increasing by 5% to 7% and outperforming global bond markets, and corporate debt also returning 5%. Emerging Markets equities rose by 5%, compared with 7% for Developed Markets equities.

The sections below briefly describe the performance in each of the main asset classes for the period.

### External debt

The external debt market is well-established, large (US\$1.6 trillion of bonds outstanding), highly diversified (69 countries), and 50% of the index bonds are rated investment grade.

Over the six months to 31 December, the EMBI GD delivered a return of 6.7%, in excess of the other main Emerging Markets benchmark indices and outperforming the 4.2% return of world bonds (Bloomberg Global Aggregate index).

The EMBI GD spread of 385bps represents a yield of 7.85%, both attractive valuations in the context of the index history and global interest rate cycles. Historically, when the Fed funds rate was at this level in the mid-2000s, and nominal and real 10-year Treasury yields were also at comparable levels, the EMBI GD spread was around 200bps (and it was then a smaller, less liquid, significantly less diverse index with only 33 countries and a lower average credit rating). This illustrates the inefficiency of an asset class that can be exploited by active management, and provides a supportive backdrop for additional allocations by investors seeking attractive risk-adjusted yields.

### Local currency

The local currency government bond market is substantially larger than the external debt market with US\$17.6 trillion of bonds outstanding. Many emerging countries are now funding in their own currency, which, together with a broadening and deepening of local capital markets, underpins continued growth in the investment universe.

The GBI-EM GD returned 4.6% over the six months, with a weaker US dollar contributing to the performance. Many emerging countries have again seen the benefits of local currency funding in this cycle, with effective policy decisions facilitated by independent central banks, a limited tolerance of inflation as a result of experience, and flexible exchange rates.

At the period end, the index offered a nominal yield of 6%, which compares favourably with the 3% yield on the global bond index and with continued disinflation in many emerging countries as a consequence of effective monetary policy in recent years. Given the weak position of the US external accounts after years of pro-cyclical fiscal stimulus, and as foreign investors diversify their portfolios to other currencies, it is likely that the US dollar will continue to weaken. Therefore, the combination of yield and potential FX gains means local currency assets continue to offer attractive returns.

### Corporate debt

Similar to its sovereign counterpart, the corporate debt market primarily comprises local currency issuance, but with higher index representation for hard currency bonds. Of the US\$19.9 trillion of outstanding corporate debt, US\$3.4 trillion is in hard currencies, of which a third is included in the CEMBI BD benchmark index. This index is highly diversified with 728 issuers in 58 countries, and 60% of the bonds are rated investment grade.

The corporate debt index slightly underperformed sovereign markets over the six months, with a return of 5.3%, reflecting some relative weakness in Asia in the early part of the period before all regions rallied towards the end of 2023.

The 12-month default rate at the end of the period was 5.6%, which is higher than the US and Europe default rates (3.3% and 2.0%, respectively), driven primarily by the ongoing restructuring of the Chinese real estate market. Excluding China, default rates of between 2.5% and 3.0% in other regions are more comparable to those in the developed world markets.

Corporate debt is a highly diverse asset class and, while market performance will inevitably be the result of events relating to specific issuers, several factors underpin a positive outlook for returns, including relatively low net leverage, higher spreads than US issuers with equivalent credit ratings, attractive yields in both HY and IG asset classes, and favourable market technicals given lower issuance and, consequently, negative net supply across all regions in 2023.

### Equities

The MSCI EM index had a positive return of 4.7% over the six-month period, underperforming the 6.8% return delivered by Developed Markets (the MSCI World index). China is a significant component of the MSCI EM at around 25%, and the World index has the United States as its largest constituent (70%). Therefore, the performance of the two countries' respective equity markets, with China declining and the US rallying, explains the difference in index returns. Given the stronger equity market performance of other countries and regions, the MSCI EM ex China index returned 8.0% over the six months.

The valuation of Emerging Markets equities is at a significant discount to developed world equities, illustrated by the MSCI EM trading on a forward PER of 11.7x, which is a 33% discount to the MSCI World on 17.4x. The positive economic backdrop in many emerging countries and encouraging leading indicators, particularly in the significant technology sector, suggest a meaningful increase in company earnings in 2024. This alone could deliver double-digit returns in the asset class, with further performance possible from a cyclical re-rating (in both absolute and relative terms). Furthermore, asset allocations should reflect the historical correlation between relative equity market performance and the GDP growth premium of Emerging Markets compared with Developed Markets.

### Market outlook

Emerging Markets asset classes performed well in 2023 and the following factors support ongoing outperformance, and therefore an increase in investor allocations from current underweight levels.

- Economic growth is expected to be more than three times faster in Emerging Markets than the developed world, and with all regions delivering superior growth, even with China continuing to face certain headwinds. For example, consensus estimates are for average GDP growth of 4.0% in 2024 and 2025 across the Emerging Markets, compared with 1.2% for the developed world.
- Emerging Markets economies successfully addressed the challenges of inflation as a consequence of the COVID-19 pandemic and the Ukraine war, and many central banks are easing policy as inflation declines rapidly. Furthermore, most Emerging Markets countries have less fiscal stimulus to unwind when compared with the major developed economies. This economic stability provides a solid backdrop for continued asset class performance.
- Global markets are pricing in peak Fed rates and expect looser policy in 2024. While a 'soft landing' for the US economy may not happen, it appears likely that the value of the US dollar has peaked and that it will continue to depreciate, providing a boost to returns in local currency bonds and equities and easing pressure on externally-funded countries.

A salient risk to this positive outlook for Emerging Markets is geopolitical tension. While regrettably the wars in Ukraine and the Middle East continue, they appear to be reflected in asset prices currently although there is the obvious risk of local or regional escalation. Elections can also be a source of risk and it is notable that approximately 50% of the world's population will vote in elections in 2024; history shows that election cycles can also provide good alpha opportunities.

Finally, in Developed Markets, in addition to the uncertainty associated with elections, there is also the risk of a delayed impact of rapid interest rate increases on credit quality. If it comes to pass, then there is likely to be a more aggressive monetary policy easing cycle and/or further fiscal expansion.

Overall, the longer-term structural growth trends in Emerging Markets are consistent, and there is a compelling argument for a shift in asset allocations from heavily-indebted and relatively expensive Developed Markets to the Emerging Markets where most of the economies are sound, fiscal and monetary policies are sensible, and absolute and relative valuations are attractive.

As asset prices have recovered over the past 15 months, Ashmore has delivered outperformance for clients across a wide range of investment strategies and is therefore well-positioned to capitalise on investors' recognition of the superior risk-adjusted returns available in Emerging Markets and the consequent capital flows as risk appetite increases.

## Assets under management

As at 31 December 2023, AuM were US\$54.0 billion, 3% lower over the six-month period. The movement was attributable to net outflows of US\$4.5 billion, partially offset by positive investment performance for the six months of US\$2.6 billion. The Group delivered higher performance and improved net flows in Q2 versus Q1.

Average AuM of US\$53.3 billion over the six-month period was 10% lower than in the same period in the prior year (H1 2023: US\$58.9 billion).

Gross subscriptions of US\$3.0 billion represent 5% of opening AuM, a lower level than in the prior year period (H1 2023: US\$4.3 billion, 7% of opening AuM) as sentiment, particularly from certain developed world investors, remained cautious given concerns over the global macroeconomic backdrop and geopolitical tensions.

The inflows were predominantly into existing funds or mandates, with a particular focus on local currency as investors sought to take advantage of further US dollar weakness. There were notable new client mandates in the equity theme, driven by the Group's local operations in Saudi Arabia and Indonesia, and further commitments to alternatives products in Latin America.

Gross redemptions of US\$7.5 billion, or 13% of opening AuM, were markedly lower than in the prior year period (H1 2023: US\$11.9 billion, 19% of opening AuM) and include US\$0.8 billion of overlay/liquidity redemptions (H1 2023: US\$1.8 billion).

Blended debt and local currency redemptions were at a significantly reduced level compared with the prior year period. However, portfolio de-risking asset allocation decisions by developed world investors were reflected in redemptions in the external and corporate debt themes.

The Group's clients are predominantly a diversified set of institutions, representing 96% of AuM, with the remainder sourced through intermediary retail channels. Segregated accounts represent 81% of AuM (30 June 2023: 81%) and, in line with the third phase of the Group's strategy, 36% of the Group's AuM has been sourced from clients domiciled in Emerging Markets (30 June 2023: 33%).

Ashmore's principal mutual fund platforms represent AuM of US\$5.3 billion in 45 funds. The European SICAV range comprises 33 funds with AuM of US\$4.5 billion (30 June 2023: US\$4.8 billion in 31 funds) and the US 40-Act range has 12 funds with AuM of US\$0.8 billion (30 June 2023: US\$0.9 billion in 12 funds).

The Group's investments remain geographically diverse and broadly consistent with recent periods, with 39% of AuM invested in Latin America, 27% in Asia Pacific, 14% in Eastern Europe and 20% in the Middle East and Africa.

## Local platforms

Ashmore's local offices continued to perform well. Total AuM increased by 12% over the six months to US\$7.8 billion, representing 14% of the Group's AuM, driven by strong investment performance in India, alternatives capital raising in Colombia, and new institutional funds and private equity allocations in Saudi Arabia.

The local businesses generate 22% of the Group's net revenue and adjusted EBITDA and, in aggregate, deliver an adjusted EBITDA margin of 45%.

## Investment performance

The recovery in Emerging Markets asset prices that began in late 2022 continued through this six-month period, and was given an additional boost by the Fed's shift to a dovish outlook. With the backdrop of 5% to 7% index returns over the six months, Ashmore's active investment approach continued to deliver outperformance across a broad range of fixed income and equity strategies.

In aggregate, approximately two-thirds of Group AuM outperformed relevant benchmarks over the period, providing for stability in the longer-term performance picture even as periods of strong relative performance fall away. As at 31 December 2023, 61% of AuM is outperforming over one year, 56% over three years and 62% over five years (30 June 2023: 67%, 69% and 49%, respectively).

As described above, many emerging countries are in a sound economic position with good growth, falling inflation and the potential for further monetary policy easing. When combined with attractive absolute and relative valuations this supports further outperformance by the Emerging Markets asset classes, and Ashmore is well-positioned to continue to deliver strong relative performance for its clients.

## CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)

### AuM movements by investment theme as classified by mandate

The table below shows the development during the period of AuM by investment theme.

Investment theme	AuM 30 June 2023 US\$bn	Gross subscriptions US\$bn	Gross redemptions US\$bn	Net flows US\$bn	Reclassifications US\$bn	Performance US\$bn	AuM 31 December 2023 US\$bn
External debt	11.0	0.3	(2.4)	(2.1)	-	0.6	<b>9.5</b>
Local currency	18.8	1.2	(1.9)	(0.7)	-	0.7	<b>18.8</b>
Corporate debt	6.5	0.1	(1.1)	(1.0)	(0.4)	0.1	<b>5.2</b>
Blended debt	11.9	0.3	(1.1)	(0.8)	0.4	0.9	<b>12.4</b>
<b>Fixed income</b>	<b>48.2</b>	<b>1.9</b>	<b>(6.5)</b>	<b>(4.6)</b>	<b>-</b>	<b>2.3</b>	<b>45.9</b>
Equities	6.2	1.0	(1.0)	-	-	0.3	<b>6.5</b>
Alternatives	1.5	0.1	-	0.1	-	-	<b>1.6</b>
<b>Total</b>	<b>55.9</b>	<b>3.0</b>	<b>(7.5)</b>	<b>(4.5)</b>	<b>-</b>	<b>2.6</b>	<b>54.0</b>

The local currency investment theme includes US\$6.3 billion of overlay/liquidity AuM (30 June 2023: US\$6.3 billion). The reclassification of assets from corporate debt to blended debt occurred as a result of clients specifying changes to performance benchmarks.

### Financial review

#### Revenues

Lower average assets under management and reduced FX revenues, partially offset by higher performance fees, led to an overall 14% decline in net revenue. On an adjusted basis, excluding FX translation effects, net revenue fell by 13% to £93.4 million.

#### Net revenue

	H1 2024 £m	H1 2023 £m
Net management fees	<b>82.6</b>	98.0
Performance fees	<b>8.0</b>	3.7
Other revenues	<b>1.7</b>	1.3
FX: hedges	<b>1.1</b>	4.7
<b>Adjusted net revenue</b>	<b>93.4</b>	107.7
FX: balance sheet translation	<b>1.1</b>	2.6
<b>Net revenue</b>	<b>94.5</b>	110.3

Net management fee income declined by 16% to £82.6 million, reflecting lower average AuM together with an average net management fee margin of 39 basis points (H1 2023: 40 basis points) and a less favourable average GBP:US\$ rate of 1.2572 over the period (H1 2023: 1.1795). At constant H1 2023 exchange rates, net management fee income fell by 10%.

The one basis point decline in the average net management fee margin is attributable to the combined impact of large mandate flows, which had a positive effect, offset by the impact of market performance in the prior year (stronger performance in lower margin strategies) and competition and other mix effects. There was no overall impact from investment theme mix.

Performance fees of £8.0 million were realised for the period by funds in the local currency, equities, alternatives and blended debt themes. The proportion of AuM eligible to earn performance fees is 24% as at 31 December 2023 (30 June 2023: 21%).

Translation of the Group's non-Sterling assets and liabilities, excluding seed capital investments, resulted in an unrealised FX gain of £1.1 million. The combination of hedging and active selling of US dollars for Sterling delivered an FX gain of £1.1 million over the period. Therefore, the total FX gain for the period recognised in revenues was £2.2 million.

Other revenues of £1.7 million were slightly higher than in the prior year period.



## CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)

### Fee income and net management fee margin by investment theme

Investment theme	Net management fees		Performance fees		Net management fee margin	
	H1 2024 £m	H1 2023 £m	H1 2024 £m	H1 2023 £m	H1 2024 bps	H1 2023 bps
External debt	11.1	18.0	–	–	29	32
Local currency	21.1	22.1	6.9	2.5	29	28
Corporate debt	7.1	9.3	–	–	32	34
Blended debt	20.4	24.9	0.1	1.1	43	44
<b>Fixed income</b>	<b>59.7</b>	<b>74.3</b>	<b>7.0</b>	<b>3.6</b>	<b>33</b>	<b>34</b>
Equities	13.6	15.6	0.7	–	55	60
Alternatives	9.3	8.1	0.3	0.1	161	148
<b>Total</b>	<b>82.6</b>	<b>98.0</b>	<b>8.0</b>	<b>3.7</b>	<b>39</b>	<b>40</b>

### Operating costs

Total operating costs of £53.4 million include £0.8 million of expenses incurred by seeded funds that are required to be consolidated under IFRS 10. On an adjusted basis, taking into account the impact of seed capital and the proportion of the variable remuneration accrual that relates to FX translation gains, operating costs increased by 13% compared with the prior year period. Adjusted operating costs increased by 16% at constant H1 2023 exchange rates.

### Operating costs

	H1 2024 £m	H1 2023 £m
Staff costs	(16.1)	(15.6)
Other operating costs	(12.5)	(11.0)
Depreciation and amortisation	(1.5)	(1.7)
Operating costs before VC	(30.1)	(28.3)
Variable compensation (VC)	(22.5)	(18.5)
VC accrual on FX gains/losses	0.3	0.6
<b>Adjusted operating costs</b>	<b>(52.3)</b>	<b>(46.2)</b>
Consolidated funds costs	(0.8)	(0.6)
Add back VC on FX gains/losses	(0.3)	(0.6)
<b>Total operating costs</b>	<b>(53.4)</b>	<b>(47.4)</b>

Staff costs of £16.1 million were 3% higher compared with the prior year period as a result of the full period impact of wage inflation in certain jurisdictions. The Group's headcount fell from 316 to 310 over the six months, and the average headcount for the period was 315 (H1 2023: 317).

Other operating costs, excluding consolidated fund expenses and depreciation and amortisation, increased by £1.5 million year-on-year to £12.5 million and were broadly in line with the run-rate in the second half of the prior financial year. The principal factors behind the year-on-year increase were additional data and inflation in other IT-related costs, and higher legal and professional fees.

In this period, variable remuneration has been accrued at 27.5% of EBVCT, which includes interest income and net realised seed capital gains on a life-to-date basis. This resulted in a charge of £22.5 million for the six-month period (H1 2023: £18.5 million).

### Adjusted EBITDA

Consistent with the lower level of average AuM and higher operating costs, adjusted EBITDA reduced by 33% to £42.6 million, delivering an adjusted EBITDA margin of 46%.

### Finance income

Net finance income of £40.1 million (H1 2023: £14.8 million) includes profits relating to seed capital investments, which are described in more detail below. Excluding such profits, net interest income for the period of £12.8 million increased compared with the prior year period (H1 2023: £6.5 million) due to higher yields achieved on the Group's cash deposits.

### Seed capital

The table below 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 Group's seed capital investments generated realised gains of £3.1 million (£4.4 million on a life-to-date basis) and an unrealised mark-to-market gain of £16.5 million to give a total gain of £19.6 million for the six months.

## CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)

### Impact of seed capital investments on profits

	H1 2024 £m	H1 2023 £m
Consolidated funds (note 15):		
Net losses on investment securities	(12.4)	(40.8)
Third-party interests' share	5.5	16.6
Operating costs	(0.8)	(0.6)
Investment income	7.7	7.6
Sub-total: consolidated funds	-	(17.2)
Unconsolidated funds (note 7):		
Market return	16.8	2.0
FX	2.8	(1.3)
Sub-total: unconsolidated funds	19.6	0.7
<b>Total seed capital gains/(losses)</b>	<b>19.6</b>	<b>(16.5)</b>
- realised	3.1	0.8
- unrealised	16.5	(17.3)

### Profit before tax

The fall in adjusted EBITDA was more than offset by mark-to-market gains on the Group's seed capital investments and higher interest income, to deliver a 38% increase in profit before tax to £74.5 million.

### Taxation

The geographic mix of profits in the period together with the impact of the Group's share price on the allowable value of share-based remuneration provided to employees mean that the effective tax rate of 19.2% for the period (H1 2023: 17.7%) is lower than the prevailing effective UK corporation tax rate of 25.0%. Note 9 to the interim condensed 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 21% to 22%.

### Earnings per share

Basic earnings per share for the period increased by 33% to 8.7 pence (H1 2023: 6.5 pence) and diluted earnings per share increased by 39% from 6.1 pence to 8.5 pence.

On an adjusted basis, excluding the effects of FX translation, seed capital-related items and relevant tax, diluted earnings per share were 27% lower at 5.7 pence (H1 2023: 7.8 pence).

### Capital

As at 31 December 2023, following the payment of the final ordinary dividend in respect of FY2023, total equity attributable to shareholders of the parent was £867.1 million (31 December 2022: £898.7 million; 30 June 2023: £898.8 million).

The Board has determined that the level of capital required to support the Group's activities, including its regulatory requirements, is £80.6 million. As at 31 December 2023, the Group had total capital resources of £671.0 million, equivalent to 94 pence per share, and representing an excess of £590.4 million over the level of required capital.

### Cash

Ashmore's business model delivers a high conversion rate of operating profits to cash. Based on operating profit of £34.2 million for the period (H1 2023: £38.7 million), the Group generated £39.0 million of cash from operations (H1 2023: £45.7 million). The operating cash flows after excluding consolidated funds represent 94% of the adjusted EBITDA for the period of £42.6 million (H1 2023: 73%).

### Cash and deposits by currency

	31 December 2023 £m	30 June 2023 £m
Sterling	296.7	374.0
US dollar	121.6	71.1
Other	34.1	33.5
<b>Total</b>	<b>452.4</b>	<b>478.6</b>

Excluding cash held in consolidated funds, the Group's cash and deposits declined by £22.4 million over the six-month period to £445.9 million (30 June 2023: £468.3 million), and the mix is slightly less biased to Sterling, reflecting the payment of the final ordinary dividend and cash variable remuneration in respect of the prior financial year.

## Seed capital investments

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

During the six-month period, while there was no significant new investment activity, the Group realised £22.6 million from previous investments. Including the impact of FX in OCI, the total unrealised mark-to-market gain on the portfolio was £18.5 million, meaning that the market value of the Group's seed capital investments was substantially unchanged at £288.3 million as at 31 December 2023 (30 June 2023: £291.5 million).

Profitable recycling of seed investments was achieved through distributions from funds in the alternatives theme, together with realisations of investments in local currency and equities funds.

The mark-to-market increase in value was the result of the broad-based strength in equity and fixed income markets over the period, partially offset by a small reduction in the value of alternatives assets.

Ashmore has seed capital commitments to funds of £9.7 million that were undrawn at the period end, giving a total value for the Group's seed capital programme of approximately £300 million.

## Seed capital market value by currency

	31 December 2023 £m	30 June 2023 £m
US dollar	234.1	240.1
Colombian peso	22.1	19.7
Other	32.1	31.7
<b>Total market value</b>	<b>288.3</b>	291.5

Approximately two-thirds of the Group's seed capital is held in funds with better than one-month dealing frequency, such as SICAV or US 40-Act mutual funds.

## Shares held by the EBT

The Group's EBT purchases and holds shares in anticipation of the vesting of share awards. As at 31 December 2023, the EBT owned 49,154,371 ordinary shares (30 June 2023: 50,834,683 ordinary shares), representing 6.9% of the Group's issued share capital (30 June 2023: 7.1%).

## Foreign exchange

The Group receives the majority of its fee income 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 reduced net management fees by 6%, increased adjusted operating costs by 3%, and resulted in a translation gain in net revenue of £1.1 million on the Group's foreign currency assets and liabilities and a £2.8 million mark-to-market gain on the Group's unconsolidated seed capital investments.

## Dividend

The Board's policy is to pay a progressive ordinary dividend over time, taking into consideration factors such as the financial performance over the period, the Group's strong financial position, cash generation and the near-term outlook.

Accordingly, the Board has declared an interim dividend of 4.8 pence per share (H1 2023: 4.8 pence per share), which will be paid on 2 April 2024 to all shareholders on the register on 1 March 2024.

## Mark Coombs

Chief Executive Officer

6 February 2024

## Risk management

A detailed description of Ashmore's risk management function and internal control framework, which provides a process for identifying, evaluating, and managing the Group's emerging and principal risks, was included in the Risk management section of the 2023 Annual Report and Accounts, together with a list of principal risks and examples of associated controls and mitigants. There have been no material changes to the principal risks and associated controls and mitigants during the six-month period.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 31 December 2023

	Notes	Unaudited 6 months to 31 December 2023 £m	Unaudited 6 months to 31 December 2022 £m	Audited 12 months to 30 June 2023 £m
Management fees		83.7	99.1	185.4
Performance fees		8.0	3.7	5.1
Other revenue		1.7	1.3	2.7
<b>Total revenue</b>	5	<b>93.4</b>	104.1	193.2
Distribution costs		(1.1)	(1.1)	(2.2)
Foreign exchange gains	6	2.2	7.3	5.4
<b>Net revenue</b>		<b>94.5</b>	110.3	196.4
Net losses on investment securities	15	(12.4)	(40.8)	(44.3)
Third-party interests' share of losses in consolidated funds	15	5.5	16.6	19.3
Personnel expenses		(38.6)	(34.1)	(66.2)
Other expenses		(14.8)	(13.3)	(27.8)
<b>Operating profit</b>		<b>34.2</b>	38.7	77.4
Finance income	7	40.1	14.8	33.9
Share of profit from associate		0.2	0.3	0.5
<b>Profit before tax</b>		<b>74.5</b>	53.8	111.8
Tax expense	9	(14.3)	(9.5)	(25.3)
<b>Profit for the period</b>		<b>60.2</b>	44.3	86.5
<b>Other comprehensive income/(loss), net of related tax effect</b>				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences arising on foreign operations		(4.6)	0.1	(26.2)
Cash flow hedge intrinsic value gains		–	2.1	4.9
<b>Other comprehensive income/(loss), net of related tax effect</b>		<b>(4.6)</b>	2.2	(21.3)
<b>Total comprehensive income for the period</b>		<b>55.6</b>	46.5	65.2
<b>Profit attributable to:</b>				
Equity holders of the parent		58.2	42.7	83.3
Non-controlling interests		2.0	1.6	3.2
<b>Profit for the period</b>		<b>60.2</b>	44.3	86.5
<b>Total comprehensive income attributable to:</b>				
Equity holders of the parent		53.7	45.3	62.7
Non-controlling interests		1.9	1.2	2.5
<b>Total comprehensive income for the period</b>		<b>55.6</b>	46.5	65.2
<b>Earnings per share</b>				
Basic	10	8.65p	6.48p	12.43p
Diluted	10	8.47p	6.09p	12.15p

The notes on pages 15 to 28 form an integral part of these financial statements.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	Unaudited 31 December 2023 £m	Unaudited 31 December 2022 £m	Audited 30 June 2023 £m
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill and intangible assets	12	86.6	91.7	86.9
Property, plant and equipment	13	5.6	7.8	6.5
Investment in associates		2.5	2.3	2.3
Non-current financial assets measured at fair value	15	67.8	37.6	54.1
Deferred acquisition costs		0.2	0.4	0.3
Deferred tax assets		21.7	29.6	23.9
		<b>184.4</b>	169.4	174.0
<b>Current assets</b>				
Investment securities	15	229.3	230.6	229.9
Financial assets measured at fair value	15	36.3	40.6	55.8
Trade and other receivables		66.7	80.0	70.4
Cash and deposits	16	452.4	489.0	478.6
		<b>784.7</b>	840.2	834.7
<b>Total assets</b>		<b>969.1</b>	1,009.6	1,008.7
<b>Equity and liabilities</b>				
<b>Capital and reserves – attributable to equity holders of the parent</b>				
Issued capital	18	0.1	0.1	0.1
Share premium		15.6	15.6	15.6
Retained earnings		848.2	852.1	875.4
Foreign exchange reserve		3.2	33.7	7.7
Cash flow hedging reserve		–	(2.8)	–
		<b>867.1</b>	898.7	898.8
Non-controlling interests		14.0	20.9	14.2
<b>Total equity</b>		<b>881.1</b>	919.6	913.0
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Lease liabilities	13	3.0	4.6	3.7
Deferred tax liabilities		9.0	8.7	9.3
		<b>12.0</b>	13.3	13.0
<b>Current liabilities</b>				
Lease liabilities	13	2.0	2.2	2.1
Derivative financial instruments		–	2.9	0.2
Third-party interests in consolidated funds	15	51.8	54.5	56.2
Trade and other payables		22.2	17.1	24.2
		<b>76.0</b>	76.7	82.7
<b>Total liabilities</b>		<b>88.0</b>	90.0	95.7
<b>Total equity and liabilities</b>		<b>969.1</b>	1,009.6	1,008.7

The notes on pages 15 to 28 form an integral part of these financial statements.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 31 December 2023

	Attributable to equity holders of the parent					Total £m	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			
<b>Audited balance at 30 June 2022</b>	0.1	15.6	901.0	33.2	(4.9)	945.0	21.8	966.8
Profit for the period	–	–	42.7	–	–	42.7	1.6	44.3
Other comprehensive income/(loss):								
Foreign currency translation differences arising on foreign operations	–	–	–	0.5	–	0.5	(0.4)	0.1
Cash flow hedge intrinsic value gains	–	–	–	–	2.1	2.1	–	2.1
Total comprehensive income	–	–	42.7	0.5	2.1	45.3	1.2	46.5
Transactions with owners:								
Purchase of own shares	–	–	(15.6)	–	–	(15.6)	–	(15.6)
Share-based payments	–	–	8.8	–	–	8.8	–	8.8
Dividends to equity holders	–	–	(84.8)	–	–	(84.8)	–	(84.8)
Dividends to non-controlling interests	–	–	–	–	–	–	(2.1)	(2.1)
Total contributions and distributions	–	–	(91.6)	–	–	(91.6)	(2.1)	(93.7)
<b>Unaudited balance at 31 December 2022</b>	0.1	15.6	852.1	33.7	(2.8)	898.7	20.9	919.6
Profit for the period	–	–	40.6	–	–	40.6	1.6	42.2
Other comprehensive income/(loss):								
Foreign currency translation differences arising on foreign operations	–	–	–	(26.0)	–	(26.0)	(0.3)	(26.3)
Cash flow hedge intrinsic value gains	–	–	–	–	2.8	2.8	–	2.8
Total comprehensive income/(loss)	–	–	40.6	(26.0)	2.8	17.4	1.3	18.7
Transactions with owners:								
Share-based payments	–	–	9.7	–	–	9.7	–	9.7
Movements in non-controlling interests	–	–	6.6	–	–	6.6	(6.8)	(0.2)
Dividends to equity holders	–	–	(33.6)	–	–	(33.6)	–	(33.6)
Dividends to non-controlling interests	–	–	–	–	–	–	(1.2)	(1.2)
Total contributions and distributions	–	–	(17.3)	–	–	(17.3)	(8.0)	(25.3)
<b>Audited balance at 30 June 2023</b>	0.1	15.6	875.4	7.7	–	898.8	14.2	913.0
Profit for the period	–	–	<b>58.2</b>	–	–	<b>58.2</b>	<b>2.0</b>	<b>60.2</b>
Other comprehensive income/(loss):								
Foreign currency translation differences arising on foreign operations	–	–	–	<b>(4.5)</b>	–	<b>(4.5)</b>	<b>(0.1)</b>	<b>(4.6)</b>
Total comprehensive income/(loss)	–	–	<b>58.2</b>	<b>(4.5)</b>	–	<b>53.7</b>	<b>1.9</b>	<b>55.6</b>
Transactions with owners:								
Purchase of own shares	–	–	<b>(12.0)</b>	–	–	<b>(12.0)</b>	–	<b>(12.0)</b>
Share-based payments	–	–	<b>12.5</b>	–	–	<b>12.5</b>	–	<b>12.5</b>
Dividends to equity holders	–	–	<b>(85.9)</b>	–	–	<b>(85.9)</b>	–	<b>(85.9)</b>
Dividends to non-controlling interests	–	–	–	–	–	–	<b>(2.1)</b>	<b>(2.1)</b>
Total contributions and distributions	–	–	<b>(85.4)</b>	–	–	<b>(85.4)</b>	<b>(2.1)</b>	<b>(87.5)</b>
<b>Unaudited balance at 31 December 2023</b>	<b>0.1</b>	<b>15.6</b>	<b>848.2</b>	<b>3.2</b>	–	<b>867.1</b>	<b>14.0</b>	<b>881.1</b>

The notes on pages 15 to 28 form an integral part of these financial statements.

# INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months period ended 31 December 2023

	Unaudited 6 months to 31 December 2023 £m	Unaudited 6 months to 31 December 2022 £m	Audited 12 months to 30 June 2023 £m
<b>Operating activities</b>			
Profit after tax	<b>60.2</b>	44.3	86.5
Adjustments for non-cash items:			
Depreciation and amortisation	<b>1.6</b>	1.7	3.2
Share-based payments	<b>12.6</b>	9.0	18.9
Foreign exchange gains	<b>(2.2)</b>	(7.3)	(5.4)
Net losses on investment securities	<b>6.9</b>	24.2	25.0
Finance income	<b>(40.1)</b>	(14.8)	(33.9)
Tax expense	<b>14.3</b>	9.5	25.3
Share of profit from associate	<b>(0.2)</b>	(0.3)	(0.5)
Cash generated from operations before working capital changes	<b>53.1</b>	66.3	119.1
Changes in working capital:			
(Increase)/decrease in trade and other receivables	<b>(11.9)</b>	1.0	9.7
Increase in derivative financial instruments	<b>(0.2)</b>	(2.3)	(5.0)
Decrease in trade and other payables	<b>(2.0)</b>	(19.3)	(12.2)
Cash generated from operations	<b>39.0</b>	45.7	111.6
Taxes paid	<b>(9.8)</b>	(11.3)	(7.1)
<b>Net cash from operating activities</b>	<b>29.2</b>	34.4	104.5
<b>Investing activities</b>			
Interest and investment income received	<b>23.7</b>	15.8	31.2
Investment in term deposits	<b>(32.3)</b>	–	–
Purchase of non-current financial assets measured at fair value	<b>(0.9)</b>	(1.2)	(19.5)
Purchase of financial assets measured at fair value	<b>–</b>	(8.3)	(23.0)
Sale/(purchase) of investment securities	<b>11.5</b>	(1.3)	3.2
Sale of non-current financial assets measured at fair value	<b>3.3</b>	2.6	5.0
Sale of financial assets measured at fair value	<b>7.5</b>	–	–
Net cash on initial consolidation of seed capital investments	<b>5.0</b>	–	(1.7)
Purchase of property, plant and equipment	<b>(0.2)</b>	(0.2)	(0.4)
<b>Net cash generated from/(used in) investing activities</b>	<b>17.6</b>	7.4	(5.2)
<b>Financing activities</b>			
Dividends paid to equity holders	<b>(85.9)</b>	(84.8)	(118.4)
Dividends paid to non-controlling interests	<b>(2.1)</b>	(2.1)	(3.3)
Third-party subscriptions into consolidated funds	<b>4.0</b>	2.5	2.8
Third-party redemptions from consolidated funds	<b>(2.8)</b>	(6.3)	(29.1)
Distributions paid by consolidated funds	<b>(5.4)</b>	(3.2)	(4.2)
Decrease in non-controlling interests	<b>–</b>	–	(0.4)
Payment of lease liabilities	<b>(1.1)</b>	(1.1)	(2.2)
Interest paid	<b>(0.1)</b>	(0.2)	(0.3)
Purchase of own shares	<b>(12.0)</b>	(15.6)	(15.6)
<b>Net cash used in financing activities</b>	<b>(105.4)</b>	(110.8)	(170.7)
<b>Net decrease in cash and cash equivalents</b>	<b>(58.6)</b>	(69.0)	(71.4)
Cash and cash equivalents at the beginning of the period	<b>478.6</b>	552.0	552.0
Effect of exchange rate changes on cash and cash equivalents	<b>0.1</b>	6.0	(2.0)
<b>Cash and cash equivalents at the end of the period (note 16)</b>	<b>420.1</b>	489.0	478.6

The notes on pages 15 to 28 form an integral part of these financial statements.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1) General information

These interim condensed consolidated financial statements of Ashmore and its subsidiaries (the Group) for the six months period ended 31 December 2023 were authorised for issue by the Directors on 6 February 2024.

Ashmore is listed on the London Stock Exchange and incorporated and domiciled in the United Kingdom.

## 2) Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standard 34 (IAS 34) Interim Financial Reporting and the DTR of the FCA.

The interim condensed consolidated set of financial statements has been prepared by applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 30 June 2023, which were prepared in accordance with UK-adopted international accounting standards and in conformity with the requirements of the Companies Act.

These interim condensed consolidated financial statements and accompanying notes are unaudited, do not constitute statutory accounts within the meaning of Section 434 of the Companies Act and do not include all the information and disclosures required in annual statutory financial statements. They should be read in conjunction with the Group's Annual Report and Accounts for the year ended 30 June 2023 which are available on the Group's website. Those statutory accounts were approved by the Board of Directors on 5 September 2023 and have been filed with Companies House. The auditors' opinion on those accounts was unmodified, did not contain an Emphasis of Matter paragraph and did not contain a statement made under Section 498 of the Companies Act.

## 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 interim 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 assets under management, 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 the release of these results. The interim financial statements have therefore been prepared on a going concern basis.

## Principal estimates and judgements

In preparing these interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty, were substantially the same as those that applied to the Annual Report and Accounts for the year ended 30 June 2023.

## 3) New accounting standards and interpretations

The Group did not implement the requirements of any standards or interpretations that were in issue but were not required to be adopted by the Group at the half year. No other standards or interpretations issued and not yet effective are expected to have an impact on the Group's interim consolidated financial statements.

## 4) 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 £42.6 million for the period as reconciled on page 3 (H1 2023: adjusted EBITDA of £63.2 million was derived by adjusting operating profit by £1.7 million of depreciation and amortisation expense, £24.8 million losses related to seed capital and £2.0 million of foreign exchange gains). The disclosures below are supplementary, and provide the location of the Group's non-current assets at period end other than financial assets and deferred tax assets. Disclosures relating to revenue by location are provided in note 5 below.

## Analysis of non-current assets by geography

	As at 31 December 2023 £m	As at 31 December 2022 £m	As at 30 June 2023 £m
United Kingdom and Ireland	23.8	26.1	24.3
United States	69.4	74.0	69.8
Other	1.7	2.1	1.9
<b>Total non-current assets</b>	<b>94.9</b>	102.2	96.0



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 5) Revenue

Management fees are accrued throughout the period in line with prevailing levels of assets under management and performance fees are recognised when the specific assessment criteria have been met and it is highly probable that a significant income reversal will not subsequently occur. The Group is not considered to be reliant on any single source of revenue. None of the Group's funds provided more than 10.0% of total revenue in the period (H1 2023: none; FY2023: none).

### Analysis of revenue by geography

	6 months to 31 December 2023 £m	6 months to 31 December 2022 £m	12 months to 30 June 2023 £m
United Kingdom and Ireland	66.7	76.7	142.3
United States	4.9	7.9	13.7
Other	21.8	19.5	37.2
<b>Total revenue</b>	<b>93.4</b>	<b>104.1</b>	<b>193.2</b>

## 6) 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.

	Closing rate as at 31 December 2023	Closing rate as at 31 December 2022	Closing rate as at 30 June 2023	Average rate 6 months to 31 December 2023	Average rate 6 months to 31 December 2022	Average rate 12 months to 30 June 2023
£1						
US dollar	1.2748	1.2029	1.2714	1.2572	1.1795	1.2079
Euro	1.1540	1.1271	1.1653	1.1593	1.1572	1.1523
Indonesian rupiah	19,628	18,726	19,061	19,309	17,976	18,259
Colombian peso	4,939	5,833	5,309	5,075	5,394	5,519

Foreign exchange gains are shown below.

	6 months to 31 December 2023 £m	6 months to 31 December 2022 £m	12 months to 30 June 2023 £m
Net realised and unrealised hedging gains	1.1	4.7	4.4
Translation gains on non-Sterling denominated monetary assets and liabilities	1.1	2.6	1.0
<b>Total foreign exchange gains</b>	<b>2.2</b>	<b>7.3</b>	<b>5.4</b>

## 7) Finance income

	6 months to 31 December 2023 £m	6 months to 31 December 2022 £m	12 months to 30 June 2023 £m
Interest and investment income	20.6	14.3	27.2
Net realised gains on seed capital investments measured at fair value	3.1	0.8	2.4
Net unrealised gains/(losses) on seed capital investments measured at fair value	16.5	(0.1)	4.6
Interest expense on lease liabilities (note 13)	(0.1)	(0.2)	(0.3)
<b>Total finance income</b>	<b>40.1</b>	<b>14.8</b>	<b>33.9</b>

Included within interest and investment income is interest earned on cash deposits of £12.9 million (H1 2023: £6.7 million; FY2023: £16.2 million) and investment income of £7.7 million (H1 2023: £7.6 million; FY2023: £11.0 million) on consolidated funds (note 15c).

Included within net realised and unrealised gains on seed capital investments totalling £19.6 million are £2.0 million gains on financial assets measured at FVTPL (note 15a), £15.9 million gains on non-current financial assets measured at fair value (note 15b) and £1.7m realised gains on disposal of consolidated funds (note 15c).

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 8) Share-based payments

The cost related to share-based payments recognised by the Group in the interim condensed consolidated statement of comprehensive income is shown below:

	6 months to 31 December 2023 £m	6 months to 31 December 2022 £m	12 months to 30 June 2023 £m
Omnibus Plan	13.5	8.8	17.4
Phantom Bonus Plan	0.1	0.2	0.1
<b>Total share-based payments expense</b>	<b>13.6</b>	<b>9.0</b>	<b>17.5</b>

The total expense recognised for the period in respect of equity-settled share-based payment awards was £12.5 million (H1 2023: £8.8 million; FY2023: £18.5 million), of which £0.7 million relates to share awards granted to key management personnel (H1 2023: £0.3 million; FY2023: £0.4 million).

#### The Executive Omnibus Incentive Plan (Omnibus Plan)

Share awards outstanding under the Omnibus Plan were as follows:

	6 months to 31 December 2023 Number of shares subject to awards	6 months to 31 December 2022 Number of shares subject to awards	12 months to 30 June 2023 Number of shares subject to awards
<b>Equity-settled awards</b>			
At the beginning of the period	39,389,867	40,688,833	40,688,833
Granted	16,374,823	11,598,953	11,598,953
Vested	(7,708,290)	(9,321,863)	(10,905,117)
Forfeited	(418,725)	(905,008)	(1,992,802)
Outstanding at the end of the period	47,637,675	42,060,915	39,389,867
<b>Cash-settled awards</b>			
At the beginning of the period	276,542	271,302	271,302
Granted	146,461	117,749	117,749
Vested	(56,104)	(112,509)	(112,509)
Forfeited	–	–	–
Outstanding at the end of the period	366,899	276,542	276,542
<b>Total awards</b>			
At the beginning of the period	39,666,409	40,960,135	40,960,135
Granted	16,521,284	11,716,702	11,716,702
Vested	(7,764,394)	(9,434,372)	(11,017,626)
Forfeited	(418,725)	(905,008)	(1,992,802)
Outstanding at the end of the period	48,004,574	42,337,457	39,666,409

The weighted average share price of awards granted to employees under the Omnibus Plan during the period was £1.91 (H1 2023: £2.14; FY2023: £2.14), as determined by reference to the average Ashmore closing share price for the five business days prior to grant.

The liability arising from cash-settled awards under the Omnibus Plan at the end of the period and reported within trade and other payables in the interim condensed consolidated statement of financial position is £0.3 million (H1 2023: £0.4 million; FY2023: £0.3 million) of which £nil relates to vested awards.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 9) Taxation

### Analysis of tax charge for the period

	6 months to 31 December 2023 £m	6 months to 31 December 2022 £m	12 months to 30 June 2023 £m
<b>Current tax</b>			
UK corporation tax on profits for the period	6.9	0.6	5.6
Overseas corporation tax charge	5.5	6.5	10.5
Adjustments in respect of prior periods	–	–	0.1
	<b>12.4</b>	7.1	16.2
<b>Deferred tax</b>			
Origination and reversal of temporary differences	1.9	2.4	9.1
<b>Tax expense for the period</b>	<b>14.3</b>	9.5	25.3

### Factors affecting tax charge for the period

	6 months to 31 December 2023 £m	6 months to 31 December 2022 £m	12 months to 30 June 2023 £m
Profit before tax	74.5	53.8	111.8
Profit on ordinary activities multiplied by the prevailing UK tax rate for the period of 25% (H1 2023: 20.5%; FY2023: 20.5%)	18.6	11.0	22.9
Effects of:			
Non-deductible expenses	1.3	0.2	7.4
Deduction in respect of vested shares (Part 12, Corporation Tax Act 2009)	(1.6)	(1.8)	–
Different rate of taxes on overseas profits	(2.6)	(0.3)	(3.2)
Non-deductible investment returns	(1.4)	–	(1.9)
Adjustments in respect of prior periods	–	0.4	0.1
<b>Tax expense for the period</b>	<b>14.3</b>	9.5	25.3

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 10) Earnings per share

Basic earnings per share for the six months to 31 December 2023 of 8.65 pence (H1 2023: 6.48 pence; FY2023: 12.43 pence) is calculated by dividing the profit after tax for the financial period attributable to equity holders of the parent of £58.2 million (H1 2023: £42.7 million; FY2023: £83.3 million) by the weighted average number of ordinary shares in issue during the period, 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.

	6 months to 31 December 2023 Number of ordinary shares	6 months to 31 December 2022 Number of ordinary shares	12 months to 30 June 2023 Number of ordinary shares
Basic weighted average number of shares	<b>672,573,896</b>	658,713,326	670,224,113
Diluted weighted average number of shares	<b>686,977,809</b>	700,943,298	685,760,649

### 11) Dividends

#### Dividends paid

Company	6 months to 31 December 2023 £m	6 months to 31 December 2022 £m	12 months to 30 June 2023 £m
Final dividend for FY2023: 12.10p (FY2022: 12.10p)	<b>85.9</b>	84.8	84.8
Interim dividend for FY2023: 4.80p	–	–	33.6
	<b>85.9</b>	84.8	118.4

In addition, the Group paid £2.1 million (H1 2023: £2.1 million; FY2023: £3.3 million) in dividends to non-controlling interests.

#### Dividends declared/proposed

Company	6 months to 31 December 2023 pence	6 months to 31 December 2022 pence	12 months to 30 June 2023 pence
Interim dividend declared per share	<b>4.80</b>	4.80	4.80
Final dividend proposed per share	–	–	12.10
	<b>4.80</b>	4.80	16.90

The Board has approved an interim dividend for the six months to 31 December 2023 of 4.80 pence per share payable on 2 April 2024 to shareholders on the register on 1 March 2024.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 12) Goodwill and intangible assets

	Goodwill £m	Fund management intangible assets £m	Total £m
<b>Cost (at original exchange rate)</b>			
At 31 December 2023, 31 December 2022 and 30 June 2023	<b>70.4</b>	<b>0.9</b>	<b>71.3</b>
<b>Accumulated amortisation</b>			
At 30 June 2022	–	(0.5)	(0.5)
Amortisation charge for the period	–	(0.1)	(0.1)
At 31 December 2022	–	(0.6)	(0.6)
Amortisation charge for the period	–	(0.1)	(0.1)
At 30 June 2023	–	(0.7)	(0.7)
Amortisation charge for the period	–	–	–
<b>At 31 December 2023</b>	<b>–</b>	<b>(0.7)</b>	<b>(0.7)</b>
<b>Net book value</b>			
At 30 June 2022	90.5	0.4	90.9
Accumulated amortisation for the period	–	(0.1)	(0.1)
FX revaluation through reserves*	0.9	–	0.9
At 31 December 2022	91.4	0.3	91.7
Accumulated amortisation for the period	–	(0.1)	(0.1)
FX revaluation through reserves*	(4.7)	–	(4.7)
At 30 June 2023	86.7	0.2	86.9
Accumulated amortisation for the period	–	–	–
FX revaluation through reserves*	<b>(0.3)</b>	–	<b>(0.3)</b>
<b>At 31 December 2023</b>	<b>86.4</b>	<b>0.2</b>	<b>86.6</b>

\* FX revaluation through reserves is a result of the retranslation of US dollar-denominated intangibles and goodwill.

### Goodwill

The Group's goodwill balance relates to the acquisition of the business from ANZ in 1999 and subsidiaries in subsequent periods.

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.

During the period to 31 December 2023, no factors indicating potential impairment of goodwill were noted. Based on the calculation as at 31 December 2023 using a market share price of £2.23, 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 periods.

### Fund management contracts

Intangible assets as at 31 December 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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 13) Property, plant and equipment

The Group's property, plant and equipment include right-of-use assets recognised on office leases for which the Group is a lessee under operating lease arrangements. Information about leases is provided below.

	6 months to 31 December 2023 £m	6 months to 31 December 2022 £m	12 months to 30 June 2023 £m
Property, plant and equipment owned by the Group	1.1	1.4	1.2
Right-of-use assets	4.5	6.4	5.3
<b>Total property, plant and equipment</b>	<b>5.6</b>	7.8	6.5

Lease liabilities are presented in the interim condensed consolidated statement of financial position as follows:

	31 December 2023 £m	31 December 2022 £m	30 June 2023 £m
Current	2.0	2.2	2.1
Non-current	3.0	4.6	3.7
<b>Total lease liabilities</b>	<b>5.0</b>	6.8	5.8

The carrying value of the Group's right-of-use assets, lease liabilities and the movement during the period are set out below.

	Right-of-use assets £m	Lease liabilities £m
At 30 June 2022	7.6	8.0
Lease payments	–	(1.3)
Interest expense	–	0.2
Depreciation charge	(1.1)	–
Foreign exchange revaluation through reserves	(0.1)	(0.1)
At 31 December 2022	6.4	6.8
Additions	0.2	0.1
Lease payments	–	(1.2)
Interest expense	–	0.1
Depreciation charge	(1.3)	–
At 30 June 2023	5.3	5.8
Additions	0.2	0.3
Lease payments	–	(1.2)
Interest expense	–	0.1
Depreciation charge	(1.0)	–
<b>At 31 December 2023</b>	<b>4.5</b>	<b>5.0</b>

Total cash outflow included within financing activities in the interim condensed consolidated cash flow statement in respect of principal and interest paid on lease liabilities during the period amounted to £1.2 million.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 14) Fair value of financial instruments

The accounting policies relating to the estimation of fair values are consistent with those applied in the preparation of the Group's Annual Report and Accounts for the year ended 30 June 2023.

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 valuation committee assesses and documents the evidence obtained from the third parties to support such valuations.

### 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 each reporting period.

The fair value hierarchy of financial instruments which are carried at fair value is summarised below:

	At 31 December 2023				At 31 December 2022				At 30 June 2023			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
<b>Financial assets</b>												
Investment securities	114.7	87.9	26.7	229.3	104.8	99.0	26.8	230.6	112.3	88.8	28.8	229.9
Financial assets at FVTPL	-	36.3	-	36.3	-	40.6	-	40.6	-	55.8	-	55.8
Non-current financial assets	-	26.9	40.9	67.8	-	-	37.6	37.6	-	14.9	39.2	54.1
<b>Total financial assets</b>	<b>114.7</b>	<b>151.1</b>	<b>67.6</b>	<b>333.4</b>	<b>104.8</b>	<b>139.6</b>	<b>64.4</b>	<b>308.8</b>	<b>112.3</b>	<b>159.5</b>	<b>68.0</b>	<b>339.8</b>
<b>Financial liabilities</b>												
Third-party interests in consolidated funds	34.1	7.8	9.9	51.8	34.7	10.1	9.7	54.5	36.0	9.6	10.6	56.2
Derivative financial instruments	-	-	-	-	-	2.9	-	2.9	-	0.2	-	0.2
<b>Total financial liabilities</b>	<b>34.1</b>	<b>7.8</b>	<b>9.9</b>	<b>51.8</b>	<b>34.7</b>	<b>13</b>	<b>9.7</b>	<b>57.4</b>	<b>36.0</b>	<b>9.8</b>	<b>10.6</b>	<b>56.4</b>

The Group recognises transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between level 1, level 2 and level 3 of the fair value hierarchy during the period.

### 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 31 December 2023, 31 December 2022 and 30 June 2023.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period.

	Investment securities £m	Non-current financial assets £m	Third-party interests in consolidated funds £m
At 31 December 2022	26.8	37.6	9.7
Additions	–	1.7	–
Disposals	(1.3)	(2.2)	(0.6)
Unrealised gains recognised in finance income	3.7	2.2	1.5
Unrealised losses recognised in foreign exchange reserve	(0.4)	(0.1)	–
At 30 June 2023	28.8	39.2	10.6
Additions	–	0.9	1.2
Disposals	(7.6)	(3.3)	(3.2)
Unrealised gains recognised in finance income	5.3	3.9	1.3
Unrealised gains recognised in foreign exchange reserve	0.2	0.2	–
<b>At 31 December 2023</b>	<b>26.7</b>	<b>40.9</b>	<b>9.9</b>

### 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 in the estimation of fair values are consistent with those applied in the preparation of the Group's Annual Report and Accounts for the year ended 30 June 2023.

The following tables show the valuation techniques and the significant unobservable inputs used to estimate the fair value of level 3 investments as at 31 December 2023 and 30 June 2023, and the associated sensitivity to changes in unobservable inputs to a reasonable alternative:

Asset class and valuation technique	Fair value at 31 December 2023 £m	Significant unobservable input	Range of estimates	Sensitivity factor	Change in fair value £m
<i>Unquoted securities</i>					
Market multiple and discount	17.7	EBITDA multiple	15x	+/- 1x	+/- 0.6
		Marketability adjustment	30%-37%	+/- 5%	-/+ 1.9
Discounted cash flow	18.5	Discount rate	10%-18%	+/- 1%	-/+ 1.2
		Marketability adjustment	30%-54%	+/- 5%	-/+ 2.1
<i>Unquoted funds</i>					
Net assets approach	31.4	Net asset value	1x	+/- 5%	+/- 1.6
<b>Total level 3 investments</b>	<b>67.6</b>				

Asset class and valuation technique	Fair value at 30 June 2023 £m	Significant unobservable input	Range of estimates	Sensitivity factor	Change in fair value £m
<i>Unquoted securities</i>					
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
<i>Unquoted funds</i>					
Net assets approach	29.3	Net asset value	1x	+/- 5%	+/- 1.5
<b>Total level 3 investments</b>	<b>68.0</b>				

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.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15) Seed capital investments

#### a) Financial assets measured at fair value through profit or loss

Financial assets measured at FVTPL at 31 December 2023 comprise shares held in debt and equity funds as follows:

	31 December 2023 £m	31 December 2022 £m	30 June 2023 £m
Equity funds	22.7	15.1	29.6
Debt funds	13.6	25.5	26.2
<b>Financial assets measured at fair value</b>	<b>36.3</b>	40.6	55.8

Included within finance income are net gains of £2.0 million (H1 2023: net gains of £0.2 million; FY2023: net gains of £2.6 million) on the Group's financial assets measured at FVTPL.

#### b) Non-current financial assets measured at fair value

Non-current financial assets relate to the Group's investments in closed-end funds and are designated as FVTPL.

	31 December 2023 £m	31 December 2022 £m	30 June 2023 £m
Alternative funds	40.5	34.9	36.5
Debt funds	26.9	–	14.9
<b>Non-current financial assets measured at fair value<sup>1</sup></b>	<b>67.4</b>	34.9	51.4

1. Excludes £0.4 million of other non-current financial assets measured at fair value that are not classified as seed capital (31 December 2022: £2.7 million; 30 June 2023: £2.7 million).

Included within finance income are net gains of £15.9 million (H1 2023: net losses of £0.2 million; FY2023: net gains of £1.4 million) on the Group's non-current financial assets measured at fair value.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### c) Consolidated funds

The Group has consolidated 18 investment funds as at 31 December 2023 (31 December 2022: 18 investment funds; 30 June 2023: 17 investment funds), over which the Group is deemed to have control. 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.

	31 December 2023 £m	31 December 2022 £m	30 June 2023 £m
Investment securities <sup>1</sup>	229.3	230.6	229.9
Cash and cash equivalents	6.5	8.2	10.3
Other <sup>2</sup>	0.7	1.0	0.3
Third-party interests in consolidated funds	(51.8)	(54.5)	(56.2)
<b>Consolidated seed capital investments</b>	<b>184.7</b>	<b>185.3</b>	<b>184.3</b>

1. Investment securities represent trading securities held by consolidated investment funds and are measured at FVTPL. 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 interim condensed consolidated statement of comprehensive income are £nil gains (H1 2023: net losses of £17.2 million; FY2023: net losses of £15.3 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:

	31 December 2023 £m	31 December 2022 £m	30 June 2023 £m
Investment income	7.7	7.6	11.0
Net losses on investment securities	(12.4)	(40.8)	(44.3)
Change in third-party interests in consolidated funds	5.5	16.6	19.3
Audit fees	(0.1)	(0.1)	(0.2)
Other expenses	(0.7)	(0.5)	(1.1)
<b>Net gains/(losses) on consolidated funds</b>	<b>–</b>	<b>(17.2)</b>	<b>(15.3)</b>

Included within finance income are realised gains of £1.7 million (H1 2023: realised gains of £0.7 million; FY2023: realised gains of £3.0 million) on disposal of consolidated funds.

Included in the Group's cash generated from operations is £1.2 million cash utilised in operations (H1 2023: £0.5 million cash utilised in operations; FY2023: £0.1 million cash utilised in operations) relating to consolidated funds.

As at 31 December 2023, the Group's consolidated funds were domiciled in Guernsey, Luxembourg, Indonesia, Saudi Arabia and the United States.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 16) Cash and deposits

	31 December 2023 £m	31 December 2022 £m	30 June 2023 £m
Cash at bank and in hand	50.2	51.1	40.9
Daily dealing liquidity funds	103.9	78.0	56.8
Short-term deposits	266.0	359.9	380.9
<b>Cash and cash equivalents</b>	<b>420.1</b>	489.0	478.6
Term deposits	32.3	–	–
<b>Total cash and deposits</b>	<b>452.4</b>	489.0	478.6

Term deposits are fixed term interest-yielding cash investments with an original maturity of greater than three months. Term deposits have an average annual interest rate of 5.9% and average remaining maturity term of ten months.

## 17) Financial risk management

The Group is subject to strategic, business, client, investment, operational and treasury risks throughout its business as discussed in the Risk management section of the Group's Annual Report and Accounts for the year ended 30 June 2023, which provides further detail on the Group's exposure to and the management of risks derived from the financial instruments it uses.

Those risks and the risk management policies have not changed significantly during the six months to 31 December 2023.

## 18) Share capital

### Authorised share capital

	Number of shares	Nominal value £'000
Ordinary shares of 0.01p each at 31 December 2023, 30 June 2023 and 31 December 2022	900,000,000	90

### Issued share capital – allotted and fully paid

	Number of shares	Nominal value £'000
Ordinary shares of 0.01p each at 31 December 2023, 30 June 2023 and 31 December 2022	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.

As at 31 December 2023, there were equity-settled share awards issued under the Omnibus Plan totalling 47,637,675 shares (31 December 2022: 42,060,915 shares; 30 June 2023: 39,389,867 shares) that have release dates ranging from September 2024 to September 2028.

## 19) Own shares

The Trustees of The Ashmore 2004 Employee Benefit Trust (EBT) acquire and hold shares in Ashmore with a view to facilitating the vesting of share awards. As at 31 December 2023, the EBT owned 49,154,371 (31 December 2022: 52,936,626; 30 June 2023: 50,834,683) ordinary shares of 0.01p with a nominal value of £4,915 (31 December 2022: £5,294; 30 June 2023: £5,083) and shareholders' funds are reduced by £149.8 million (31 December 2022: £171.2 million; 30 June 2023: £164.2 million) in this respect. The EBT is periodically funded by the Company for these purposes.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 20) 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

The compensation paid to or payable to key management personnel is shown below:

	6 months to 31 December 2023 £m	6 months to 31 December 2022 £m	12 months to 30 June 2023 £m
Short-term benefits	0.3	0.3	0.8
Defined contribution pension costs	–	–	–
Share-based payment benefits	0.7	0.3	0.4
	1.0	0.6	1.2

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 interim condensed consolidated statement of comprehensive income.

Aggregate key management personnel interests in consolidated funds at 31 December 2023 were £39.2 million (31 December 2022: £49.2 million; 30 June 2023: £44.5 million). During the period, there were no other transactions entered into with key management personnel (H1 2023 and FY2023: none).

### Transactions with Ashmore funds

During the period, the Group received £27.1 million of gross management fees and performance fees (H1 2023: £36.1 million; FY2023: £64.0 million) from the 96 funds (H1 2023: 101 funds; FY2023: 104 funds) it manages and which are classified as related parties. As at 31 December 2023, the Group had receivables due from funds of £5.4 million (31 December 2022: £6.2 million; 30 June 2023: £4.6 million) that are classified as related parties.

### Transactions with the EBT

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 consolidated within the results of the Group. As at 31 December 2023, the loan outstanding was £149.2 million (31 December 2022: £164.4 million; 30 June 2023: £150.7 million).

### Transactions with the Ashmore Foundation

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 into the countries and communities. The Group made donations of £0.3 million to the Foundation during the period to 31 December 2023 (H1 2023: £0.3 million; FY2023: £0.5 million).

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 21) Commitments

The Group has undrawn investment commitments relating to seed capital investments as follows:

	As at 31 December 2023 £m	As at 31 December 2022 £m	As at 30 June 2023 £m
Ashmore Andean Fund II, LP	0.1	0.1	0.1
Ashmore Avenida Colombia Real Estate Fund I (Cayman) LP	0.1	0.1	0.1
Ashmore I – CAF Colombian Infrastructure Senior Debt Fund	5.6	6.3	5.7
Fondo Ashmore Andino III – FCP	3.8	–	3.0
Ashmore KCH HealthCare Fund II	–	0.4	–
Ashmore KCH HealthCare LLC	–	4.4	–
<b>Total undrawn investment commitments</b>	<b>9.6</b>	11.3	8.9

## 22) 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 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.

## 23) Post-balance sheet events

There are no post-balance sheet events that require adjustment or disclosure in these interim condensed consolidated financial statements.

### **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 the 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 statement contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

## RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF-YEARLY FINANCIAL REPORT

We confirm that to the best of our knowledge:

- the interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK and that this interim report includes a fair review of the information required by:
  - (a) DTR 4.2.7R being an indication of important events that have occurred during the first six months of the financial year and their impact on the interim condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
  - (b) DTR 4.2.8R being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period and any changes in the related party transactions described in the last Annual Report that could do so.

By order of the Board

**Mark Coombs**

Chief Executive Officer

6 February 2024

## Conclusion

We have been engaged by the Ashmore Group Plc and its subsidiaries (together 'the Group') to review the interim condensed set of consolidated financial statements in the half-yearly financial report for the six months period ended 31 December 2023, which comprises the interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of financial position, interim condensed consolidated statement of changes in equity, interim condensed consolidated cash flow statement and the related explanatory notes (1 to 23). We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly financial report for the six months period ended 31 December 2023 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

## Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of consolidated financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting'.

## Conclusions relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting, or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

## Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the Group'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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Group a conclusion on the condensed set of consolidated financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

## The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Group in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

**Ernst & Young LLP**

London

6 February 2024



## ALTERNATIVE PERFORMANCE MEASURES

Ashmore discloses alternative performance measures (APMs) 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 2023. 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 interim CSCI, net revenue is total revenue less distribution costs and including foreign exchange. This provides a comprehensive view of the revenues recognised by the Group in the period.

	Reference	H1 2024 £m	H1 2023 £m
Total revenue	CSCI	<b>93.4</b>	104.1
Distribution costs	CSCI	<b>(1.1)</b>	(1.1)
Foreign exchange	CSCI	<b>2.2</b>	7.3
Net revenue		<b>94.5</b>	110.3

### Net management fees

The principal component of the Group's revenues is management fees, net of associated distribution costs, earned on AuM.

	Reference	H1 2024 £m	H1 2023 £m
Management fees	CSCI	<b>83.7</b>	99.1
Distribution costs	CSCI	<b>(1.1)</b>	(1.1)
Net management fees		<b>82.6</b>	98.0

### Net management fee margin

The net management fee margin is defined as the ratio of annualised net management fees 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 and joint ventures. The margin is a principal measure of the firm's revenue generating capability and is a commonly used industry performance measure.

	H1 2024	H1 2023
Net management fee income (US\$m)	<b>103.7</b>	114.9
Average assets under management (US\$bn)	<b>52.8</b>	58.3
Net management fee margin (bps)	<b>39</b>	40

## ALTERNATIVE PERFORMANCE MEASURES (CONTINUED)

### Variable compensation ratio

The variable compensation ratio is defined as the charge for VC as a proportion of earnings before variable compensation and tax (EBVCT). 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, and has been accrued in the interim accounts at 27.5% of EBVCT (H1 2023: 20.0%; FY2023: 21.6%).

EBVCT is profit before tax excluding the charge for VC, charitable donations, share of profit from associate and unrealised seed capital-related items, and including net seed capital gains realised in the period on a life-to-date basis. The unrealised seed capital items are gains or losses on investment securities, third-party interests' share of gains/losses in consolidated funds, expenses in respect of consolidated funds and net unrealised gains or losses in finance income. In prior periods, the VC ratio excluded interest income and seed capital-related items.

	Reference	H1 2024 £m	H1 2023 £m
Profit before tax	CSCI	<b>74.5</b>	53.8
Remove:			
Seed capital-related (gains)/losses	CSCI, note 15	<b>(19.6)</b>	16.5
Share of profit from associate	CSCI	<b>(0.2)</b>	(0.3)
Variable remuneration		<b>22.5</b>	18.5
Charitable donations		<b>0.3</b>	0.3
Add:			
Realised seed capital gains		<b>4.4</b>	3.6
<b>EBVCT</b>		<b>81.9</b>	92.4

## ALTERNATIVE PERFORMANCE MEASURES (CONTINUED)

### 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.

Earnings before interest, tax, depreciation and amortisation (EBITDA) provides a view of the operating performance of the business before certain non-cash items, financing income and charges, and taxation.

	Reference	H1 2024 £m	H1 2023 £m
Net revenue	CSCI	94.5	110.3
Remove:			
FX translation (gains)/losses	Note 7	(1.1)	(2.6)
Adjusted net revenue		93.4	107.7

	Reference	H1 2024 £m	H1 2023 £m
Personnel expenses	CSCI	(38.6)	(34.1)
Other expenses	CSCI	(14.8)	(13.3)
Remove:			
Other expenses in consolidated funds	Note 15	0.8	0.6
Add:			
VC % on FX translation	Note 7	0.3	0.6
Adjusted operating costs		(52.3)	(46.2)

	Reference	H1 2024 £m	H1 2024 £m
Operating profit	CSCI	34.2	38.7
Remove:			
Depreciation & amortisation		1.5	1.7
EBITDA		35.7	40.4
Remove:			
FX translation	Note 7	(1.1)	(2.6)
Seed capital-related (gains)/losses	CSCI, note 15	7.7	24.8
VC % on FX translation	Note 7	0.3	0.6
Adjusted EBITDA		42.6	63.2

### 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.

### Adjusted diluted EPS

Diluted earnings per share excluding items relating to FX translation and seed capital, as described above, and the related tax impact.

	Reference	H1 2024 pence	H1 2023 pence
Diluted EPS	CSCI	8.5	6.1
Remove:			
FX translation	Note 7	(0.1)	(0.3)
Tax on FX translation		–	0.1
Seed capital-related (gains)/losses	CSCI, note 7, note 15	(2.9)	2.3
Tax on seed capital-related items		0.2	(0.4)
Adjusted diluted EPS		5.7	7.8

## ALTERNATIVE PERFORMANCE MEASURES (CONTINUED)

### 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	H1 2024 £m	H1 2023 £m
Cash generated from operations	Consolidated cash flow statement	<b>39.0</b>	45.7
Remove:			
Cash flows relating to consolidated funds	Note 15	<b>1.2</b>	0.5
Operating cash flow		<b>40.2</b>	46.2
Adjusted EBITDA		<b>42.6</b>	63.2
Conversion of operating profits to cash		<b>94%</b>	73%

### Capital resources

Ashmore has calculated its capital resources in a manner consistent with the Investment Firms Prudential Regime (IFPR). Note that goodwill and intangible assets include associated deferred tax liabilities and deferred acquisition costs, and foreseeable dividends relate to the declared interim dividend of 4.8 pence per share.

	Reference	31 December 2023 £m	30 June 2023 £m
Total equity	Balance sheet	<b>867.1</b>	898.8
Deductions:			
Unaudited profits	CSCI	<b>(58.2)</b>	–
Goodwill and intangible assets		<b>(79.3)</b>	(80.0)
Deferred tax assets	Balance sheet	<b>(21.7)</b>	(23.9)
Foreseeable dividends	Note 11	<b>(34.0)</b>	(85.1)
Investments in financial sector entities		<b>(2.9)</b>	(5.0)
Capital resources		<b>671.0</b>	704.8

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