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Ashmore Group's billionaire founder unveils stake sale plan

Ashmore Group PLC's (LON:ASHM) chief executive and founder Mark Coombs is to sell down his 39% stake in the emerging market fund manager.

Coombs wants to reduce his holding to 'more manageable' level over the medium term, said Ashmore. Sales will be limited to a maximum of 4% of his stake each year.

READ: Ashmore downgraded to 'Neutral' by UBS as risk/reward profile balances out

A Cambridge law graduate, Coombs set up Ashmore as a new division of Australian bank AZN back in 1998, before leading a lucrative management buyout the following year.

The notoriously private 58-year-old, became a billionaire and one of the richest men in the Square Mile when he took the fund manager public in 2006.

Since then, he has continued to build up a list of blue-chip clients which has allowed Ashmore's funds under management to surge to north of US\$73bn from just US\$500mln when it was first set up.

At its peak this time last year, the fund house was worth £3.3bn.

That growth has allowed the Tory party donor, who has lived down the same tree-lined street in Wimbledon for more than two decades, to pocket hundreds of millions in dividends over the years, including an estimated £45mln pay-out last September.

Shares in the fund manager eased 5% to 395p on news of Coombs' plans. but that still values his holding at £1.15bn.

Solid half-year

Ashmore also revealed a solid half-year in spite of increased volatility in emerging markets.

Growing trade tension between the US and China, US economic data and economic collapses in Argentina and Turkey all hit the space, said the fund manager.

Net management fee income rose by 18% while underlying profits were 8% higher at £98.8mln.

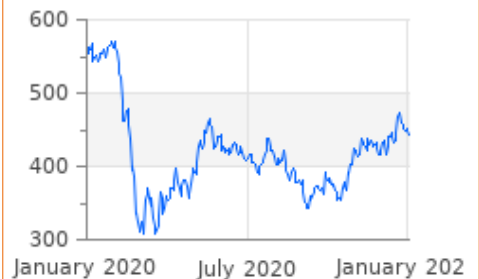
Ashmore also indicated conditions had improved a little.

"The temporary factors that supported the US dollar in 2018 are fading and consequently Emerging Markets assets are performing strongly," said Coombs.

Price: 448.4

Market Cap: £3.2 billion

1 Year Share Price Graph



Share Information

Code: ASHM

Listing: LSE

52 week High Low
581.5 281.8

Sector: Investments and investor services

Website: www.ashmoregroup.com

Company Synopsis:

Ashmore Investment Management Limited is one of the world's leading investment managers dedicated to emerging markets with a history of consistently outperforming the market. Ashmore focuses on a number of investment themes including dollar debt, local currency, special situations (incorporating distressed debt and private equity) corporate high yield and equity.

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Assets under management rose to 4% to US\$73.9bn over the six months to December while there were net inflows of US\$2.4bn.

-- Updates for additional info and share price --

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