

Ashmore Group

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Ashmore delivers strong growth in assets under management

Ashmore Group PLC (LON:ASHM), the specialist emerging markets (EM) asset manager, saw assets under management rise 7.6% to US\$91.8bn in the second quarter of 2019.

The figure was a shade above the US\$90bn or so the market had been expecting.

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Assets under management (AUM) increased by US\$6.5bn in the second quarter, through net inflows of US\$3.3bn and positive investment performance of US\$3.2bn.

The net inflows were highest in external debt, local currency and corporate debt, with positive flows also seen in the blended debt, overlay and alternatives themes. There was a small net outflow from the equities funds.

Ashmore said client activity levels remain healthy with continuing demand from retail clients particularly for corporate debt and local currency products.

"Ashmore has delivered strong growth in assets under management of 24% over the past year, through net inflows of US\$10.7bn and positive performance of US\$6.9bn," said Mark Coombs, the chief executive officer of Ashmore.

"The consistent implementation of Ashmore's active investment processes is delivering outperformance for clients, and the group's focused strategy is successfully driving higher allocations to emerging markets and diversifying Ashmore's business. The outlook for emerging markets remains positive, with supportive economic fundamentals, attractive valuations in fixed income and equities, limited opportunities in developed markets and a clear opportunity to continue raising investor allocations to higher, more representative levels," he added.

Broker Peel Hunt said it was a strong quarter of flows but after the recent rise in the share price, it was cutting its rating to 'add' from 'buy'; the broker updated its target price, moving to 530p from 470p.

"Strong flows continue to reflect good levels of client interest in EM assets, with institutional clients increasing allocations to the sector. We believe this contributed some larger mandate wins within the External debt theme. There was also good demand from retail clients (in corporate debt and local currency), with the proportion of flows higher than the existing stock of business. Whilst this is positive for margins, it is offset by the larger institutional mandate wins elsewhere," the broker said.

Shares in Ashmore were 3.6% lower at 499.8p in early deals.

Price: 426.4

Market Cap: £3.04 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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At Ashmore, our Blended Debt strategy seeks to create alpha in two ways. Learn more about our approach:
<https://t.co/HLucczFMlm> pic.twitter.com/UnyXxVBg5Q

— Ashmore Group plc (@AshmoreEM) July 11, 2019

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