

Ashmore group

11:41 24 Aug 2012

Citi downgrades Ashmore Group to 'sell', says price not right

Citi today advised investors to sell shares in **Ashmore group (LON:ASHM)**, saying shares in the emerging markets focused investment to continue to underperform.

The broker also replaced **Schroders (LON:SDRC)** with Ashmore as its least preferred asset management stock.

Analyst Haley Tam said in a note titled "The price is not right" that the emerging market bond fund industry matures and investors are starting to rely more on performance track records for allocation decisions.

Her analysis suggests that key Ashmore funds have underperformed over one and five years and as three year returns are better, "quantum of outperformance is small".

"Modest EM Debt fund flows at Ashmore are in contrast to industry data that suggests H1 calendar 2012 has been a strong period for EM bond fund flows," said Tam.

"Ashmore appears to be missing out on these trends."

Tam expects Ashmore's pre-tax profits to drop five percent this year and next, while earnings per share are set to decline 11 percent this year and five percent in 2013.

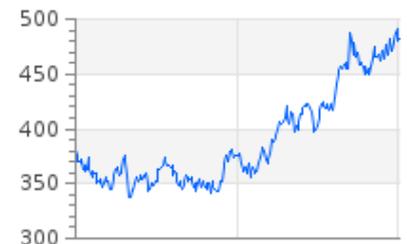
Citi downgraded its recommendation on Ashmore to 'sell' from 'neutral', while also lowering its target price to 300 pence per share from 305 pence previously.

Ashmore fell 4.5 percent to 331.5 pence following the downgrade, which made it the heaviest faller in the FTSE 100 index.

Price: 482.4p

Market Cap: £3438.26M

1 Year Share Price Graph



June 2018 December 2018 June 2019

Share Information

Code: ASHM

Listing: LSE

52 week High Low
492.00p 334.60p

Sector: Equity Instruments

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.

action@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

Proactive Investors is a publisher and is not registered with or authorised by the Financial Conduct Authority (FCA). You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any

specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.