Dolphinvest Global Asset Managers Barometer

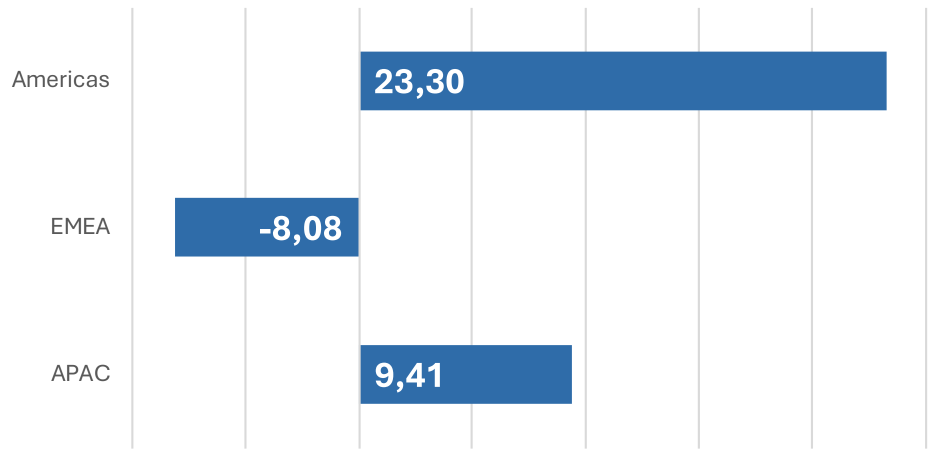
January 2025

Promotional material

Problem child: Europe

2024 was a good year for the equities of listed asset managers across the world. The Dolphinvest Global Asset Managers Barometer was on par with the broader stock market (MSCI World, in euros, as of 31 December), outperforming small-caps and value stocks across all industries, but trailing growth stocks and financials.

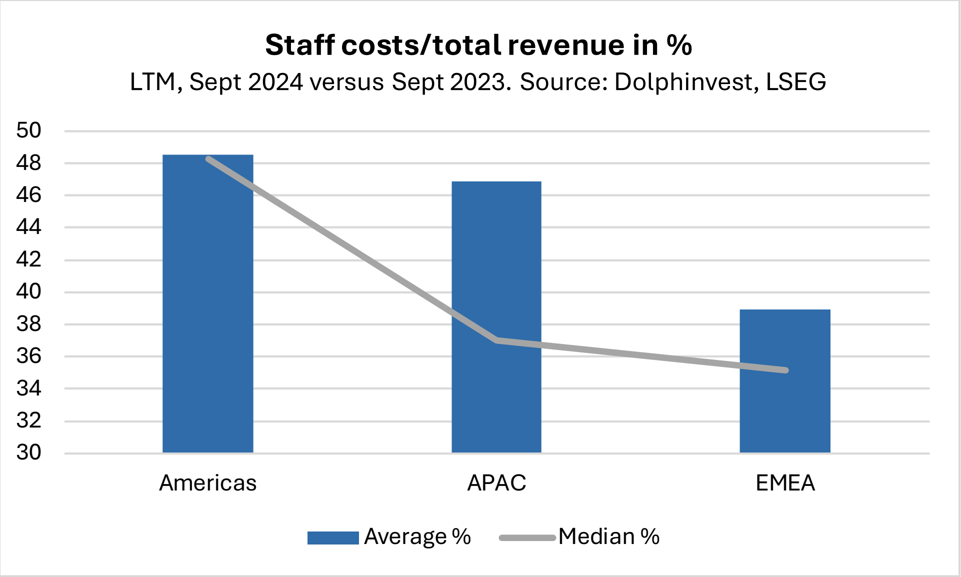
However, asset managers in Europe performed poorly by comparison. Their median market capitalization declined in 2024, while it increased significantly in the US.



Change in market capitalization in %

Median of all companies, by region,
1 January 2024 to 1 January 2025, Source: Dolphinvest, LSEG

This clear difference in valuation is surprising given an astonishing competitive advantage: The staff costs of asset managers in Europe – expressed as percentage of their total revenue – are well below those in the US and also lower than those of their Asia-Pacific peers.



Revenue growth in Europe

At least just as surprising is that European managers – unlike their US, Asian and Australian competitors – were able to increase their total revenue substantially compared with the previous year. In EMEA, the growth in aggregated total revenue of all managers amounted to 32.7% compared with 9.7% in the US and 2.2% in APAC.

These two advantages are offset by a structural disadvantage of Europe, especially of the European Union. Despite the economic power of the EU, its capital market size lags well behind that of the US. This is essentially attributable to the lack of both an EU-wide capital market union and a widely accepted equity pension in the EU.

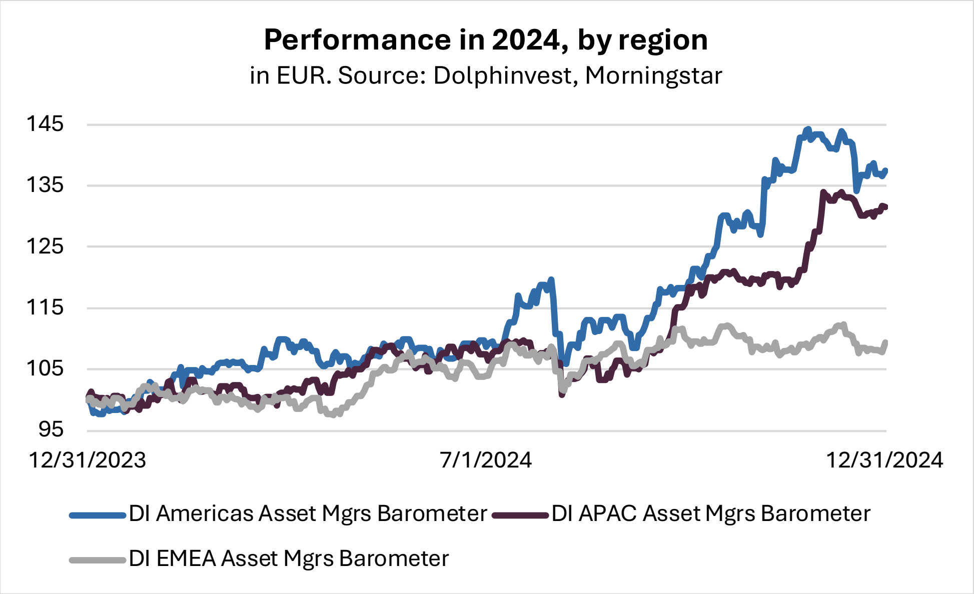
With the exception of Scandinavia and the Netherlands, the equity pension system in the EU is underdeveloped – within the framework of mandatory state pensions or as a voluntary but attractively incentivized supplementary pension.

Stumbling block: Germany

This is particularly true of Germany, the EU's largest country based on population and GDP. Given its size and economic significance, Germany is the EU's biggest stumbling block for the development of corporate finance that is independent of banks (and their crises).

This cannot be seen simply as a failure of previous CDU- or SPD-led governments, but is deeply rooted in a social consensus. After all, Germany's first supplementary pension that was completely capital market-based without guarantees – the so-called Nahles pension (2018) – failed in practice due to the heavy resistance of employers and employees.

The compromise solution that was laboriously achieved in the federal coalition government recently – known as the German retirement account – is likely to face an equally uncertain future, particularly as it was only driven by the smallest coalition party – the FDP – and the relevant law hasn't been enacted yet. The media response hasn't exactly been enthusiastic either.



Performance in 2024, by region

in EUR. Source: Dolphinvest, Morningstar

No growth story for Europe

Two additional factors contributed to the relatively poor performance of European asset managers' equities in 2024. Firstly, given the fundamental and structural problems of a European capital market that has yet to be unified, it has been very difficult to develop a sustainable and ambitious growth story for the regional asset management industry. The EU Commission's announcement that it was replacing the term "capital markets union" with "savings and investments union" has also done nothing to change that. Furthermore, in the course of the war in Ukraine and the government crises in the EU's two most important countries – France and Germany – a political paralysis of the entire EU has manifested itself – with negative consequences for markets and political decision-making processes.

Buybacks in America

Secondly, the CEOs of US asset management companies viewed their own future with much more optimism than their colleagues in Europe.

Half of all asset managers in America bought back their own stock in 2024, with the number of free float shares reduced by as much as 47.9%. In the Asia-Pacific region, half of all listed asset managers also engaged in active price management, but the maximum free float reduction here was a moderate 16.9%. In EMEA, by contrast, less than a third of all managers bought back own shares, with a relatively minor effect (maximum -11.6% of free float shares compared with 2023).

This large divergence between the US and Europe contributed to the underperformance of European asset managers' equities in 2024.

The ARC ALPHA Global Asset Managers fund had a weighting of about 52% for US assets and about 38% for European assets as of 31 December 2024. It will provisionally retain the allocated portfolio holdings in the new year.

At the end of 2024, the annual returns of the 101 individual holdings of the Dolphinvest Global Asset Managers Barometer amounted to 22.8% based on the global mean. Over the course of the year, the ARC ALPHA Global Asset Managers fund, which – unlike the barometer – is subject to restrictions with regard to the allocation to micro-caps, held around 35 holdings that were as equally weighted as possible, and achieved a return of 21.2% after fees.

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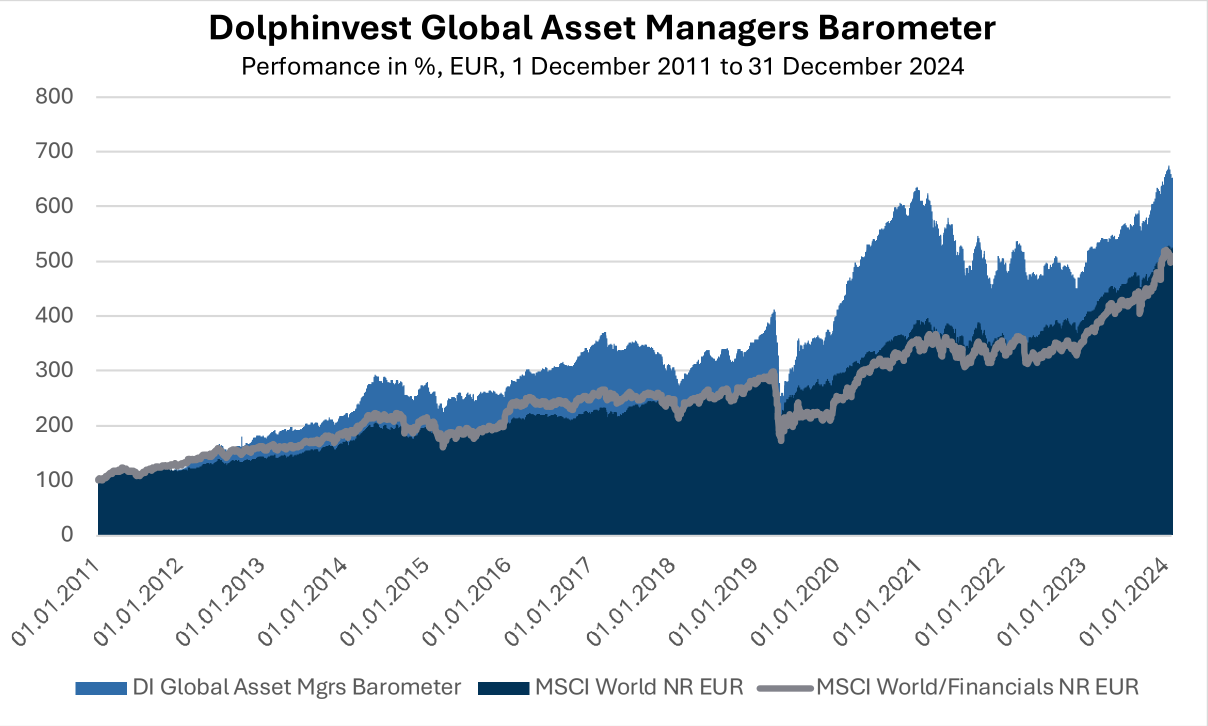
What is the Dolphinvest Global Asset Managers Barometer?

Each quarter we publish the “Dolphinvest Global Asset Managers Barometer”. This barometer is a tool for us to analyse the current situation of the asset management industry and to illustrate the view of international investors on the industry. For this reason, the “Dolphinvest Global Asset Management Barometers’” publication is by no means a buy or sell recommendation.

The barometer displays the performance of more than 100 listed asset management companies in EUR. For inclusion in the barometer, it is a mandatory requirement that a minimum of 75% of the overall revenue of a company is derived from asset management fees. Banks and insurance companies that have major asset management entities will, therefore, normally not be included in the barometer. The barometer represents all continents.

The transparency of listed asset management companies enables us to consolidate relevant information on the individual asset management companies included in the barometer into generally valid statements and to take them into account in our consulting work. Depending on the mandate, we divide the universe of constituents of the “Dolphinvest Global Asset Managers Barometer” into groups of similar companies against which we then benchmark our clients.



Sources: Dolphinvest Capital, Morningstar. As of 31 December 2024. Past performance is no reliable indicator of future returns and is not constant over time.

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