



News Release

FOR IMMEDIATE RELEASE

Casey Quirk: Listed Asset Managers Upbeat and Re-Investing Following Robust Q2 2021 Results

NEW YORK and STAMFORD, Conn., Sept. 9, 2021 – Backed by solid market appreciation, publicly traded asset managers in North America and Europe hit new highs for revenue and assets under management (AUM) in the second quarter of 2021. Recovering from the bleak early days of the COVID-19 health crisis, listed asset managers delivered healthy profit margins and are now re-investing in their businesses with renewed confidence, according to global asset management strategy consultant Casey Quirk, a Deloitte business.

Casey Quirk's analysis of 27 listed asset managers with a combined \$32 trillion in AUM as of June 30, 2021, reveals that combined revenue increased 34.2% in the second quarter of 2021 compared with the year-earlier period. Aggregate revenue rose 16.9% in the first quarter of 2021 versus the similar period in 2020. AUM increased 5.5% in the second quarter compared with the second quarter of 2020.

Total profits reached a high of \$14.9 billion in the second quarter of 2021, up from \$7.7 billion in the same period a year ago.

Alternatives managers, or those primarily focused on private markets, continue to deliver higher profit margins than traditional firms, or those investing mainly in publicly traded stocks and bonds, as they confront less fee pressure, according to Casey Quirk. Median operating margin was 42% for alternatives managers in the second quarter and 29% for traditional managers, compared with 37% and 21%, respectively, in the year-ago period.

While listed asset managers overall shared financial gains broadly, net flows in the second quarter were generated primarily by firms with capabilities in private markets, active and passive fixed income, passive equities, and cash management.

Non-compensation and benefit expense rose 6.3% in the second quarter of 2021 versus the first quarter, as asset managers re-invested in their businesses, particularly in areas including technology, cybersecurity and corporate restructuring.

"Publicly traded managers are a solid proxy for a larger asset management industry that's in growth mode," said Amanda Walters, a principal at Casey Quirk. "Continued positive market momentum should result in greater re-investment and more focus on expanding and accelerating strategic initiatives."

"Continued favorable capital markets, strong financial results, and business confidence support our belief that 2021 will be the busiest year for asset management mergers and acquisitions transactions

since 2009,” said Scott Gockowski, senior manager at Casey Quirk.

Casey Quirk, a business of Deloitte Consulting LLP, is a leading management consultancy that focuses solely on advising asset management firms. Casey Quirk was established in 2002 and acquired by Deloitte in 2016. The organization has advised a majority of the 50 largest asset management organizations worldwide, including eight of the top 10. Casey Quirk provides senior leadership teams with broad business strategy reviews; investment positioning and strategy consulting; market opportunity evaluations; organizational design; ownership and incentive structuring; and transaction due diligence. For more information, please visit www.caseyquirk.com.

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