For Immediate Release

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PUBLICLY TRADED INVESTMENT MANAGERS WORLDWIDE GENERATE MEDIAN 13% REVENUE GROWTH IN 2014; UK-BASED FIRMS LAG PEERS: CASEY QUIRK

DARIEN, Connecticut, March 31, 2015 – Publicly traded fund management firms worldwide delivered median revenue growth of 13% in 2014 and the highest median profit margin level in five years, 33%, according to an analysis of listed firms by Casey, Quirk & Associates LLC, a leading management consultant to the global asset management industry.

While the median revenue growth rate achieved by the quoted managers globally in 2014 was exceeded only in 2013 and 2010 in the past five years, UK-based managers trailed their counterparts in the U.S., Canada and Australia in revenue expansion last year. The UK-based firms produced a median 3% revenue growth in 2014 – while 40% suffered declines in revenue, according to the Casey Quirk analysis. By contrast, peers based in the U.S., Canada, and Australia had double-digit median revenue growth rates in 2014 and the percentage of listed firms with negative revenue growth was smaller.

"Many UK firms remain aligned with slower growth buyer segments and geographic regions," said Jeffrey Levi, a partner at Casey Quirk, and head of the firm's Knowledge Center. "They have not been sufficiently aggressive at building new active and innovative beta capabilities or repositioning against higher-growth markets creating headwinds in firm growth. That being said, we are seeing some UK firms making significant investments to take advantage of key opportunities."

The 62 quoted managers in the analysis represent approximately $14.3 trillion in assets under management. The universe is comprised of 33 U.S.-based firms, 10 domiciled in the UK, eight headquartered in Canada, seven based in Australia, three from continental Europe, and one from Japan. The universe includes 12 investment managers focused on alternatives.

While 76% of all listed firms in the Casey Quirk analysis enjoyed net new flows last year, a smaller group of 11 firms were the clear winners in gathering the net new flows, a key contributor to revenue growth. Almost one-quarter of the quoted managers – 24% – suffered net outflows in 2014, according to Casey Quirk.

Alternatives managers, for the fifth consecutive year, garnered more net new flows than their traditional counterparts, according to the Casey Quirk analysis.

“Business complexity is at an all-time high,” Levi said. “Managers are being challenged by both buyers and shareholders in a lower growth environment. Buyers want highly tailored outcome-oriented solutions while shareholders want to see significant cash flow generation through more scalable offerings. Product development and delivering a distinctive client experience will be critical for success.”

About Casey, Quirk & Associates LLC

Casey Quirk is a management consultant that focuses solely on advising investment management firms. Casey Quirk’s work with senior leadership teams includes broad business strategy reviews, investment positioning and strategy, market opportunity evaluations, organizational design, ownership and incentive structuring, and transaction due diligence. From its offices around the world, Casey Quirk has advised a majority of the 50 largest investment management organizations worldwide over the past five years. For more information please visit www.caseyquirk.com.

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