
AUM of 500 top asset managers edges down, to \$76.7 trillion

By Editorial Staff Thu, Nov 10, 2016

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Assets managed by the world's largest 500 asset managers fell in 2015 for the first time since 2011, according to *Pensions & Investments* (P&I) magazine and Willis Towers Watson, the global advisory firm.

Total assets under management (AUM) were \$76.7 trillion at the end of 2015, or 1.7% below the 2014 mark of \$78.1 trillion. North American firms' AUM was \$44 trillion at the end of 2015, down 1.1%. Assets of U.K. and European managers declined by 3.3%, to \$25.1 trillion. U.K.-based firms' assets decreased 2% to \$6.6 trillion.

Brad Morrow, head of manager research, North America, Willis Towers Watson, attributed the decline to a challenging investment landscape and currency fluctuations. "At the same time, asset owners are internalizing asset management capabilities at the larger end of the spectrum and consolidating at the smaller and midsize end. This will continue to put pressure on revenues," he said in a release.

Actively managed assets, which account for 78.3% of assets, fell 2.8% in 2015, while passive assets declined by 5.5% during the year. Although the top 20 managers experienced a 1% decrease in assets from \$32.5 trillion to \$32.1 trillion, their share of total assets increased slightly from 41.9% to 41.6%.

Traditional equity and fixed income still make up 78.2% of all assets (45.4% equity/32.8% fixed income), but they declined by 7.1% during 2015, the research showed.

Alternative assets grew by 25.1%. The increase showed that "in an environment of low returns and increased uncertainty, investors are under pressure to identify other means of achieving more diversity and higher returns," said Morrow.

The research also reveals that in the past 10 years, the proportion of asset managers from the U.S. in the top 500 has increased to 52.5% from 41.9%. Within the top 20 in 2015, there were 12 U.S. managers, accounting for 69% of assets (up from 11 managers and 65.5% of the assets at the end of 2014). European firms managed the remaining assets.

Assets of the U.S. top 20 companies in 2015 increased 1.2% to over \$22 trillion in 2015, while assets of European top 20 companies decreased 3.3% to just under \$10 trillion in the same period.

Some of the main gainers by rank in the top 50 (including through mergers or acquisitions) during the past five years include Aegon Group (to 25th from 63rd), New York Life Investments (to 39th from 67th), Dimensional Fund Advisors (to 49th from 74th), Sumitomo Mitsui Trust Holdings (to 33rd from 55th) and Standard Life (to 50th from 71st).

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