

PERSPECTIVES

Does female leadership carry an investment return premium? Observations from global and European portfolios

September 2026



STOXX

Does female leadership carry an investment return premium? Observations from global and European portfolios

The DAX Women Leadership index, which tracks German companies with the highest proportion of women on the executive and supervisory boards, has outperformed its benchmark by a significant margin since 2018. Women Leadership strategies implemented across global and European portfolios have also delivered outperformance, although different sector exposures point to a nuanced story.

This year STOXX launched the [DAX® Women Leadership](#) index, offering exposure to German companies with high female representation in key corporate roles — a characteristic that a growing body of research has associated with stronger corporate outcomes.

The [index](#), which selects the 20 [HDAX®](#) companies with the highest proportion of women at the executive and supervisory boards as identified through [ISS Director Data](#), has outperformed the [DAX®](#) by an annualized 300 basis points and the HDAX by 330 basis points since March 2018¹.

A higher proportion of women in supervisory boards and top management positions can improve financial performance and decision-making quality, according to a body of academic and industry studies. The premise, as it emerges across this literature, is twofold: diversity in senior leadership brings a broader range of perspectives and information to decision-making, and it tends to correlate with stronger governance and risk discipline. From a sustainability standpoint, increased female leadership contributes positively to the United Nations Sustainable Development Goal 5 — Gender equality.

Given the strong performance of the DAX Women Leadership index in one national market, a natural question is whether that pattern is specific to Germany, or whether it holds up elsewhere. This report sets out to provide some insight into a possible answer.

STOXX backtested a similar logic to the one that underpins the DAX Women Leadership index across two broader geographic universes: a global developed market and a European one, using respectively the [STOXX® DM World](#) and the [STOXX® Europe 600](#) indices as starting points. Unlike the DAX Women Leadership index, neither portfolio currently exists as an investable index. Both are hypothetical constructions used purely for research purposes.² STOXX can develop custom indices tailored to specific client requirements, including either of the two approaches explored in this analysis, on request.

Methodology

The DAX Women Leadership index selects its constituents from the HDAX, Germany's broader all-cap benchmark. For each company in the parent index, a Women Leadership Score is calculated as the simple average of two figures: the percentage of women on the company's supervisory board and that on the executive board, both sourced from ISS Director Data.³ Constituents are then ranked from highest to lowest by their Women Leadership Score, with free-float market capitalization used as a tiebreaker where scores are identical. The 20 highest-ranked companies are selected into the DAX Women Leadership index.

For the global and European versions of the strategy, we considered the percentage of board directors at each company identified as women and the percentage of female executive officers, with both measures sourced from ISS Director Data.

² This document contains index performance data based on backtesting. Backtesting aims to represent how the index might have performed in the past by applying the relevant methodology and selecting and weighting historical constituents accordingly. However, the index backtesting environment may not fully correspond with the regular index calculation environment. Backtested performance information is purely hypothetical, is provided solely for informational purposes and does not represent actual performance.

³ Companies with no available data for either measure are assigned a score of zero for that data point.

¹ Price return in euros. Backtested data between March 2018 and April 2026.

We also incorporated a sector-relative selection constraint to avoid any large sectoral biases. In our analysis, companies are evaluated against the 70th percentile of the average Women Leadership Score within their own ICB Industry, rather than against a single cutoff across the whole universe as is the case with the DAX Women Leadership. Companies scoring above the 70th percentile within their Industry are selected, targeting a portfolio of around 30% of the parent universe's constituent count. Selected companies are weighted by free-float market capitalization.

Finally, we applied a 5% weight cap at an issuer level on single stocks to limit large tilts to a few mega-caps.

The global picture

Backtested since March 2018, the Global Women Leadership strategy has delivered a cumulative net return of 237.6% in euro terms, 55 percentage points ahead of its benchmark, the STOXX DM World. That represents an annualized advantage of 2.4 percentage points — a significant margin.

Figure 1: Risk and return — Global Women Leadership portfolio

Risk and return characteristics	Global Women Leadership	STOXX DM World
3Y return (actual)	73.9%	61.9%
5Y return (actual)	96.7%	78.4%
Overall return (actual)	237.6%	182.6%
3Y return (annualized)	19.6%	16.9%
5Y return (annualized)	14.0%	11.9%
Overall return (annualized)	15.3%	12.9%
5Y volatility (annualized)	14.4%	13.9%
Overall volatility (annualized)	16.9%	15.8%
Overall dividend yield (annualized)	1.7%	1.7%
Overall Sharpe ratio	0.93	0.85
Overall tracking error (annualized)	2.7%	—
Overall beta	1.06	—
Overall maximum drawdown	34.3%	33.5%
Top 10 weight	37.6%	26.2%
Number of constituents	368	1,220

Source: STOXX, backtested EUR net return data from March 19, 2018, through June 30, 2026. Zero rate was used as a proxy for riskless returns. Beta and tracking error were computed against the STOXX DM World index. Stocks in the Women Leadership portfolio are capped at 5% on an issuer level at each quarterly review.

A closer look at the strategy's sector exposure, however, adds some perspective. The Global Women Leadership portfolio has a Technology weight of 39.3%, against 35% for the benchmark (Figure 4). This overweight is the largest positive sector tilt in the portfolio and, together with Health Care, are the only two large sector overweights. This is a notable outcome, and is due to the fact that the strategy selects the top-ranked companies by count rather than by market capitalization. Selecting companies by market capitalization instead would have produced lower sector deviations, but at the cost of much higher concentration in sectors dominated by a few large-cap companies.

The overweight therefore appears to arise from the intra-sector stock selection, with the strategy overweighting Technology bellwethers including Microsoft, Apple and Micron Technology. Over the period in question, Technology was also the best-performing sector in global equities by a wide lead. The strategy's large allocation to the sector may therefore account for some of its outperformance.

Running the thesis on a European portfolio

This is where the European version of the backtest offers a useful check. In our analysis, the Europe Women Leadership strategy is underweight Technology by close to 6 percentage points relative to the STOXX Europe 600 benchmark (Figure 6). And yet the strategy still outperforms, delivering a cumulative return of 121.5% since March 2018, against 113.6% for the benchmark.

Figure 2: Risk and return — Europe Women Leadership portfolio

Risk and return characteristics	Europe Women Leadership	STOXX Europe 600
3Y return (actual)	68.7%	50.2%
5Y return (actual)	81.5%	61.4%
Overall return (actual)	121.5%	113.6%
3Y return (annualized)	18.7%	14.3%
5Y return (annualized)	12.4%	9.8%
Overall return (annualized)	9.9%	9.4%
5Y volatility (annualized)	13.9%	14.0%
Overall volatility (annualized)	15.9%	15.8%
Overall dividend yield (annualized)	2.8%	2.8%
Overall Sharpe ratio	0.67	0.65
Overall tracking error (annualized)	2.7%	—
Overall beta	0.99	—
Overall maximum drawdown	36.8%	35.4%
Top 10 weight	43.9%	20.3%
Number of constituents	183	600

Source: STOXX, backtested EUR net return data from March 19, 2018, through June 30, 2026. Zero rate was used as a proxy for riskless returns. Beta and tracking error were computed against the STOXX Europe 600 index. Stocks in the Women Leadership portfolio are capped at 5% on an issuer level at each quarterly review.

The outperformance — half a percentage point a year — is noticeably smaller than in the global case, but it holds up without the aid of a large-cap Technology tailwind. That more modest record is, in some ways, a telling data point: a possible indication that a portfolio tilted toward companies with greater female representation in leadership may add value on its own terms, beyond the effect of a favourable sector allocation, although other unmeasured factors could also be at play.

A risk-adjusted view

The picture looks somewhat different once risk is considered. Globally, the Women Leadership strategy's higher return has come with higher volatility too — 16.9% annualized over the entire period considered, against 15.8% for the benchmark — consistent with its larger exposure to Technology. Its higher Sharpe ratio, at 0.93 versus 0.85 for the benchmark, indicates that the extra return has more than compensated for the additional risk taken.

In Europe, the relationship is more favorable still: the Women Leadership strategy's overall annualized volatility, at 15.9%, is broadly in line with that of the STOXX

Europe 600 benchmark. That means the portfolio's modest outperformance has come without any additional risk taken — a cleaner result that reinforces the reading of Europe's numbers as a more conservative, better-supported signal.

“Research has extensively examined the link between gender diversity and corporate performance, and our analysis adds an investment perspective to that discussion,” said Saumya Mehrotra, Associate Vice President for Index Product Management at STOXX. “Across three different universes, portfolios tilted towards companies with greater female representation in leadership have outperformed their benchmarks, although the drivers and magnitude of that outperformance vary somewhat. These findings should be considered alongside other factors. Nevertheless, they suggest that investors may have reason to consider women leadership not only through a sustainability lens, but as a potentially relevant investment characteristic.”

Figure 3 shows a summary of 5-year risk and returns for the Women Leadership strategy in Germany, Europe and globally.

Figure 3: Summary of Women Leadership strategy performance

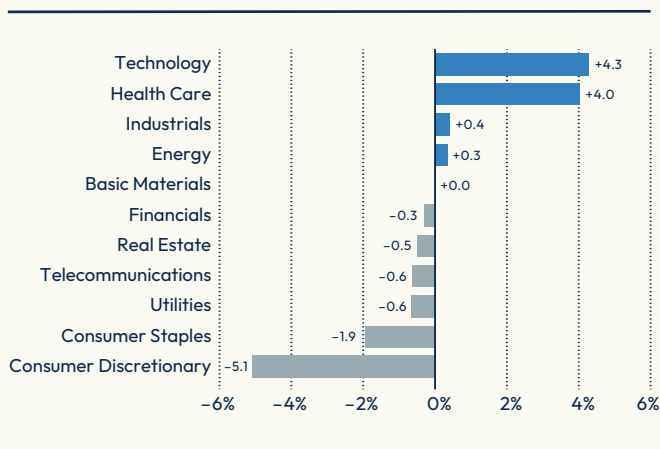
	DAX Women Leadership index	Europe Women Leadership	Global Women Leadership
5Y return	88.8%	81.5%	96.7%
5Y volatility (annualized)	16.9%	13.9%	14.4%
5Y Sharpe ratio	0.79	0.91	0.99

Source: STOXX. Net returns in euros. Data through June 30, 2026. 252 is used for the annualization factor. Zero rate was used as a proxy for riskless returns.

Sector and country tilts

Having discussed those results, Figures 4 to 7 look at the global and European portfolios' sector and country exposures. The global portfolio's sector positioning is dominated by its Technology overweight, as described earlier, a position that's funded by an underweight in six of the remaining industries.

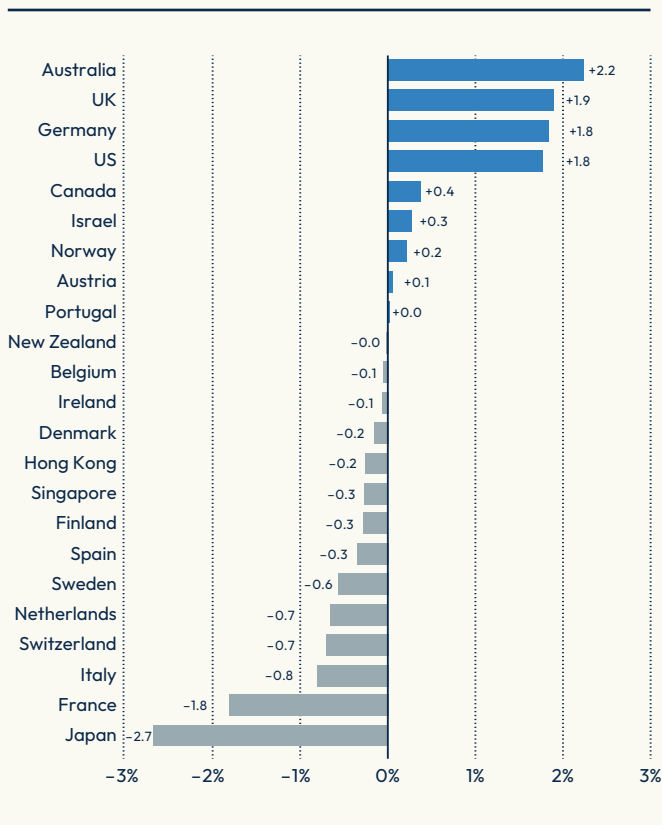
Figure 4: Global Women Leadership portfolio sector allocations vs. benchmark



Source: STOXX. Data as of June 30, 2026.

Geographically, the US is only the fourth-largest overweight in the global Women Leadership portfolio. Noticeable underweights include Japan and France.

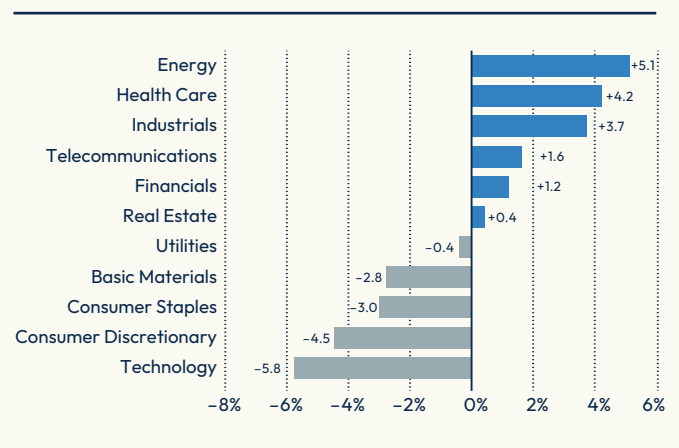
Figure 5: Global Women Leadership portfolio country allocations vs. benchmark



Source: STOXX. Data as of June 30, 2026.

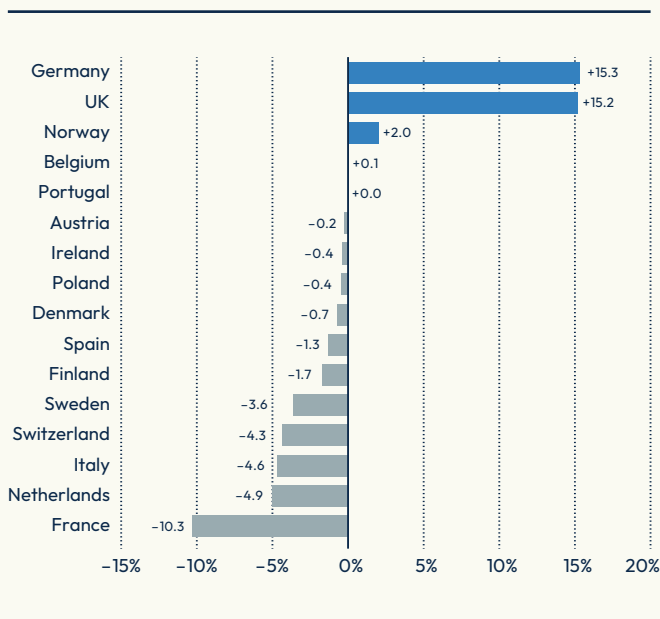
The European portfolio's sector tilts sit in an entirely different place to the global one. Energy, Health Care and Industrials are among large overweights, while Technology, Consumer Discretionary, Consumer Staples and Basic Materials are underweight. No single sector allocation stands out in the way Technology does for the global portfolio – a further point in favor of reading Europe's result as closer to a potentially genuine Women Leadership-related effect.

Figure 6: Europe Women Leadership portfolio sector allocations vs. benchmark



Source: STOXX. Data as of June 30, 2026.

In the Europe Women Leadership portfolio, Germany is overweight by 15.3 percentage points and the UK by 15.2 points. France is the biggest underweight. Interestingly, the UK has no mandatory quota for female representation in senior roles – only voluntary targets – while France has since 2017 required that large publicly listed and private companies have at least 40% representation of each gender on boards of directors and supervisory boards.

Figure 7: Europe Women Leadership portfolio country allocations vs. benchmark

Source: STOXX. Data as of June 30, 2026.

“Gender diversity is measurable and, as a transparent factor, can be embedded into portfolio construction and index methodologies,” said Veronika Kylburg, Head of Global Benchmarks DAX at STOXX. “That makes it an increasingly relevant consideration as regulators, investors and society at large focus on how companies foster the advancement of women into leadership positions.”

Attribution analysis

Industry and country exposures, however, do not tell a full story. A returns attribution analysis can uncover hidden performance drivers, offering a better understanding of a portfolio's composition.

For the three portfolios in this study, we ran a factor attribution analysis with the help of the Axioma risk models. Figure 8 shows a summary of findings for each index. In all three instances, the Specific factor — or the portion of returns that can be explained by a stock's idiosyncratic characteristics rather than broad market forces — has had an important influence on returns. In fact, in Europe it explains all the portfolio's active returns.

For the World portfolio, the Industry factor accounted for the highest contribution to returns, a result of its overweight to the Technology sector. In the European and German portfolios, the Style factor was the key driver of returns, according to the analysis.

“Further investigation is needed to understand which portion of the Specific active return contribution is explained by gender, as gender diversification impacts industries unevenly, depending on their inherent expected returns and the industry's weight in different index universes,” said Luca Smolari, Associate, Product Management, STOXX. “Decomposing the active return by adding gender as a factor could shed more light on the impact of having a higher ratio of women at the top of companies.”

Figure 8: Global, Europe and DAX Women Leadership portfolio factor attribution

	Global Women Leadership portfolio		Europe Women Leadership portfolio		DAX Women Leadership index	
Source of return	Return	Risk	Return	Risk	Return	Risk
Portfolio	16.72%	14.81%	10.84%	14.39%	10.89%	18.31%
Benchmark	14.23%	14.35%	10.43%	14.21%	8.69%	17.14%
Active	2.48%	2.06%	0.41%	2.59%	2.20%	5.98%
Specific return	0.90%	1.66%	0.41%	2.01%	1.12%	5.04%
Factor contribution	1.58%	1.19%	0.00%	1.65%	1.08%	3.06%
Style	0.50%	0.51%	0.47%	0.65%	1.08%	1.26%
Country	-0.11%	0.88%	-0.21%	0.80%	0.02%	0.18%
Industry	0.70%	0.78%	-0.10%	1.07%	-0.02%	2.65%
Currency	0.48%	0.54%	-0.16%	0.52%	0.00%	0.00%
Market	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Axioma. Gross returns in EUR. Monthly frequency data from March 30, 2018, to June 30, 2026. Respective benchmarks are STOXX DM World, STOXX Europe 600 and HDAX.

Informed decisions

This analysis aims to add insight on the performance of companies with the highest percentage of female board members and executives amid increasing interest in social and responsible investing. The results point to a potential investment premium associated with such type of leadership. While the global portfolio implies that an Industry overweight may explain a large part of the outperformance, the European portfolio shows modest outperformance without leaning on any single dominant Industry tilt, and without any increase in volatility.

This is broadly consistent with the findings in a 2012 study, which identified improved firm performance in companies with high representation of women in top management, a factor that, argued the authors, brings informational and social diversity benefits, enriches the behaviors exhibited by managers throughout the firm and motivates women in middle management.⁴ A 2023 BlackRock

analysis similarly found that companies with female CEOs have “almost consistently” outperformed their male-led peers over the past decade.⁵

Further investigation should be conducted — such as a deeper factor-based attribution analysis on both portfolios and additional levels of selectivity — to uncover other potential deviations from the benchmark and identify distinct drivers of returns in Women Leadership portfolios. Research in this field is welcome to support more informed and accountable investment decisions, as the asset-management community puts its focus on responsible investing approaches that are both sustainable in nature and that have a real-world impact.



⁴ Dezso, C.; Gaddis Ross, D., “[Does female representation in top management improve firm performance? A panel data investigation](#),” Strategic Management Journal: Volume 33, Issue 9.

⁵ BlackRock, “Lifting financial performance by investing in women,” November 2023, as reported in World Economic Forum, “[There’s a sweet spot for gender diversity in the workplace, finds BlackRock – get it right and you’ll outperform your peers](#),” November 16, 2023.

Offices and contacts

Learn more about STOXX & DAX Indices on [STOXX.com](https://www.stoxx.com)

Zug

Theilerstrasse 1A
6300 Zug
Switzerland
P| +41 43 430 71 60

London

1 London Bridge
4th Floor, West Building
London, SE1 9BG
United Kingdom
P| +44 20 7862 7680

Frankfurt

Taunus Tower
Mergenthalerallee 73–75
65760 Eschborn
Germany
P| +49 6196 7719 257

Paris

5 Rue du Renard
75004 Paris
France
P| +33 1 55 27 38 38

Milan

7th Floor
Piazza Velasca 3/5
20122 Milan
Italy

Prague

Futurama Business Park Building E
Sokolovska 662/136e
186 00 Prague 8
Czech Republic
P| +420 226 238 419

ISS Inc. (New York)

1177 Avenue of the Americas
14th Floor
New York, NY 10036
USA
P| +1 646 680 6350

Hong Kong

19th Floor, Nexxus Building
41 Connaught Road Central
Hong Kong
P| +852 3107 8030

ISS K.K. (Tokyo)

Sumitomo Fudosan Kanda, Building 16F
7 Kanda Mitoshiro-cho, Chiyoda-ku
Tokyo 101-0053
Japan
P| +852 3107 8030

ISS Australia Pty. (Sydney)

7F, 55 Clarence Street
Sydney, NSW 2000
Australia
P| +61 2 8048 3999

New Delhi

404-40h7, Tower-B, 4th Floor
Unitech Cyber Park, Sector-39
Gurugram, Haryana 122003
India

Call a STOXX representative

Customer support
customersupport@stoxx.com
P| +41 43 430 72 72

Part of

STOXX

ISS STOXX



DEUTSCHE BÖRSE
GROUP

STOXX Ltd. (STOXX) and ISS STOXX Index GmbH (together "STOXX") research reports are for informational purposes only and do not constitute investment advice or an offer to sell or the solicitation of an offer to buy any security of any entity in any jurisdiction. Although the information herein is believed to be reliable and has been obtained from sources believed to be reliable, we make no representation or warranty, expressed or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such information. No guarantee is made that the information in this report is accurate or complete, and no warranties are made with regard to the results to be obtained from its use. STOXX will not be liable for any loss or damage resulting from information obtained from this report. Furthermore, past performance is not necessarily indicative of future results. Exposure to an asset class, a sector, a geography or a strategy represented by an index can be achieved either through a replication of the list of constituents and their respective weightings or through investable instruments based on that index. STOXX does not sponsor, endorse, sell, promote or manage any investment product that seeks to provide an investment return based on the performance of any index. STOXX makes no assurance that investment products based on any STOXX® or DAX® index will accurately track the performance of the index itself or return positive performance. The views and opinions expressed in this research report are those of the author and do not necessarily represent the views of STOXX. This report may not be reproduced or transmitted in whole or in part by any means – electronic, mechanical, photocopying or otherwise – without STOXX's prior written approval.