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INVESTMENT MANAGERS

PRESS RELEASE

U.S. Wealth Managers Press Growth Plans Amid Concerns of Further Market Disruption, Finds Natixis Investment Managers Survey

- *Market disruption remains a concern for 2025, with U.S. wealth managers facing uncertain economic conditions, rapid technological advancements, regulatory changes and a wave of industry consolidation.*
- *Nearly six in 10 (59%) U.S. wealth managers cite high valuations and inflation as their top portfolio risk concerns.*
- *To bolster growth, nearly half (45%) of U.S. wealth managers plan to expand service offerings, including private assets, direct indexing and active ETFs.*
- *82% of U.S. wealth managers are embracing model portfolios to improve efficiency and client retention.*
- *Artificial intelligence is seen as important tool for driving operational efficiency (74%), conducting research (73%), and analyzing risk (71%).*

BOSTON, March 25, 2025 – Nearly six in 10 (59%) professional fund selectors from major U.S. wealth management firms cite high valuations and inflation as their top portfolio risk concerns in 2025, according to survey findings released today by Natixis Investment Managers (Natixis IM). These concerns topped a wide-ranging list of political, economic, technological and business challenges.

U.S. fund gatekeepers project an average growth in assets under management (AUM) of 17.6% in 2025, significantly higher than the global average of 13.7%. By comparison, investment professionals surveyed in Europe excluding the UK project 11.2% in AUM growth and those in Asia forecast 8.3%.

To achieve their AUM growth targets in what could be a volatile period, 48% of U.S. wealth managers emphasize the need to move clients beyond cash, while 45% also prioritize expanding service offerings.

Natixis IM surveyed 170 U.S. fund selectors responsible for investment decisions at private banks, wirehouses, RIAs, RIA aggregators, and other advisory firms, collectively managing $17.5 trillion in assets.

“Following a year of contentious national elections in the United States and other major economies, wealth managers are moving to adapt to policy changes, economic uncertainty, technological advances, and industry consolidation,” said Dave Goodsell, Executive Director of the Natixis Center for Investor Insight. “To secure both short-term asset growth and long-term prosperity, wealth managers recognize that broadening their service offerings and delivering more sophisticated investment options to clients will be critical.”

Inflation fears re-emerge, but some optimism remains

While 80% of U.S. wealth managers remain optimistic about 2025, inflation concerns have resurfaced, driven by uncertainty around new U.S. policies. Half of U.S. managers view inflation as the biggest economic threat, followed by geopolitical conflicts (35%), escalation of wars (32%), U.S.-China relations (31%), and a tech bubble (27%). With CPI coming in 3% higher on a one-year basis in January, their concerns may have been well placed.

Despite this, almost 58% of U.S. managers anticipate a soft landing for the economy, while 33% expect no landing. Most (79%) predict a moderate interest rate-cut cycle, with 54% expecting interest rates to settle at 3.5-4.49%, 30% expecting 2.5-3.49%, and only 10% expecting rates to exceed 4.5%. In response, 54% of wealth managers are recommending longer-duration investments.

While 66% of U.S. wealth managers worry that Trump's policies could drive inflation, there is a sense of optimism among some of his policies. Over eight in ten (81%) anticipate increased M&A activity, and 69% expect growth in domestic manufacturing. Additionally, 68% believe tax cuts and spending boosts will fuel a market rally, while 67% foresee regulatory shifts leading to innovative investment products.

Expanding investment offerings

Despite uncertainties with the new U.S. administration, almost three quarters (74%) of U.S. wealth managers believe clients will be more willing to move out of cash, which almost half (48%) of U.S. wealth managers see as an important factor in growing their business. While they aren't making drastic allocation shifts, they are looking to add their investment offerings, including:

- **Active ETFs:** Half of U.S. managers plan to introduce active ETFs within two years. A significant 81% believe their ease of trading is a major improvement over mutual funds. These ETFs will primarily support expense management (43%), core holdings in model portfolios (42%), and thematic investments (41%).
- **Private Assets:** Wealth managers are increasing their recommended allocation to alternative investments, particularly private assets, from 12.8% to 14.5% in 2025. More than half (55%) intend to add private credit offerings, while 47% will introduce private equity options. Three-quarters of wealth managers incorporate private market assets for diversification, though 66% cite liquidity concerns as a challenge.
- **Direct Indexing:** Nearly half (49%) of U.S. managers plan to introduce direct indexing within the next two years.
- **Thematic Funds:** Thirty-seven percent of managers aim to add thematic strategies, with top themes including artificial intelligence/robotics (85%), cloud infrastructure (57%), and biotech/healthcare innovation (46%).

Driving efficiency through model portfolios and artificial intelligence

As wealth managers broaden services, they are seeking to strengthen efficiency and client retention. A significant 82% of U.S. asset managers use model portfolios, with 91% agreeing they streamline investment processes. Additionally, 85% believe they provide a more consistent investing experience, 84% say they help clients stay invested during uncertainty, and 81% report they help manage risk. More than half (55%) plan to allocate more client assets to model portfolios over the next year, including tax-managed strategies (40%), tactical allocation models (35%), and high-net-worth models (35%).

Artificial intelligence is also playing a growing role. About 42% of U.S. wealth managers see AI as a key growth driver, with 70% believing it will integrate more services and 60% seeing potential for uncovering investment opportunities. At the same time, U.S. wealth managers also recognize that not implementing AI could leave them behind, with half saying they fear competition from disruptive tech-driven entrants.

In terms of implementing AI, U.S. wealth managers are largely exploring or in the early phases of using it in office productivity (74%), investment research (73%), risk analytics (71%), client materials development (65%), portfolio optimization (63%), investment operations (61%), customer service (51%), and client acquisition (49%).

The survey of U.S. fund selectors is part of a larger survey of 520 wealth industry professionals across Asia, Europe/EMEA, North America and the UK.

A full copy of the report on the global findings from the **2025 Natixis Investment Managers Wealth Industry Survey** can be found at: https://www.im.natixis.com/en-us/insights/investor-sentiment/2025/wealth-industry-survey

Methodology
Natixis Investment Managers Wealth Industry Survey conducted by CoreData Research in December 2024 and January 2025. Survey included 520 wealth industry professionals in 20 countries throughout North America, Latin America, the United Kingdom, Continental Europe and Asia.

About the Natixis Center for Investor Insight
The Natixis Center for Investor Insight is a global research initiative focused on the critical issues shaping today's investment landscape. The Center examines sentiment and behavior, market outlooks and trends, and risk perceptions of institutional investors, financial professionals and individuals around the world. Our goal is to fuel a more substantive discussion of issues with a 360° view of markets and insightful analysis of investment trends.

About Natixis Investment Managers
Natixis Investment Managers' multi-affiliate approach connects clients to the independent thinking and focused expertise of more than 15 active managers. Ranked among the world's largest asset managers[1] with more than $1.3 trillion assets under management[2] (€1.3 trillion), Natixis Investment Managers delivers a diverse range of solutions across asset classes, styles, and vehicles, including innovative environmental, social, and governance (ESG) strategies and products dedicated to advancing sustainable finance. The firm partners with clients in order to understand their unique needs and provide insights and investment solutions tailored to their long-term goals.

Headquartered in Paris and Boston, Natixis Investment Managers is part of Groupe BPCE, the second-largest banking group in France through the Banque Populaire and Caisse d'Epargne retail networks. Natixis Investment Managers' affiliated investment management firms include AEW; DNCA Investments[3]; Dorval Asset Management; Flexstone Partners; Gateway Investment Advisers; Harris | Oakmark; Investors Mutual Limited; Loomis, Sayles & Company; Mirova; Naxicap Partners; Ossiam; Ostrum Asset Management; Seventure Partners; Thematics Asset Management; Vauban Infrastructure Partners; Vaughan Nelson Investment Management; Vega Investment Solutions and WCM Investment Management. Additionally, investment solutions are offered through Natixis Investment Managers Solutions and Natixis Advisors, LLC. Not all offerings are available in all jurisdictions. For additional information, please visit Natixis Investment Managers' website at im.natixis.com | LinkedIn: linkedin.com/company/natixis-investment-managers.

Natixis Investment Managers' distribution and service groups include Natixis Distribution, LLC, a limited purpose broker-dealer and the distributor of various US registered investment companies for which advisory services are provided by affiliated firms of Natixis Investment Managers, Natixis Investment Managers International (France), and their affiliated distribution and service entities in Europe and Asia.

[1] *Survey respondents ranked by Investment & Pensions Europe/Top 500 Asset Managers 2024 ranked Natixis Investment Managers as the 19th largest asset manager in the world based on assets under management as of December 31, 2023.*

[2] *Assets under management (AUM) of affiliated entities measured as of December 31, 2024, are $1,363.7 billion (€1,316.9 billion). AUM, as reported, may include notional assets, assets serviced, gross assets, assets of minority-owned affiliated entities and other types of nonregulatory AUM managed or serviced by firms affiliated with Natixis Investment Managers.*

[3] *A brand of DNCA Finance.*

All investing involves risk, including the risk of loss. Investment risk exists with equity, fixed-income, and alternative investments. There is no assurance that any investment will meet its performance objectives or that losses will be avoided.

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