

2024 NATIXIS GLOBAL SURVEY OF FINANCIAL PROFESSIONALS

Future Shock

Financial advisors navigate short-term risk to ensure long-term success.



Trapped between long-term demographic threats and short-term economic risks, financial advisors are feeling pressure from all sides as they look to ensure the future of their businesses:

Investment assumptions are being tested by lower inflation, lower rates, and slowing growth; clients are demanding more specialized services while holding high expectations for investment performance; and portfolio construction is becoming more complex as advisors adopt a wide range of new products and look to incorporate private investments in their strategies.

Even as they manage these immediate challenges, financial advisors worry that one factor could determine the long-term viability of their business – wealth transfer. Knowing that \$84 trillion will pass from one generation to the next over the next 20 years¹, 46% of financial advisors globally say wealth transfer presents an existential threat to their business.

Despite the pressure, advisors remain optimistic about their future prospects. Results from the 2024 Natixis Global Survey of Financial Professionals show

Advisors optimistic on growth

	Global	Asia	EMEA	LATAM	N. Am	UK
1-yr projected AUM growth	11.5%	12.4%	11.2%	11.1%	11.8%	11.1%
3-yr projected AUM growth	12.4%	13.5%	11.7%	14.2%	11.1%	11.2%
Target net – new number of clients (per yr)	34	38	39	34	16	30

that they anticipate an average of 11.5% growth on a one-year basis and expect annualized growth of 12.4% over the next three years.

What it takes to grow

To get there, advisors say they will need to add an average of 34 new clients to the books each year for the next three years, including a high of 53 clients for advisors in France and a low of 16 for those in the US. The survey population may include a wide range of business

models from 20 countries, but advisors are clear on which factors will determine their success in the future.

The secrets of their success

Demonstrating value beyond asset allocation (59%) sits at the top of the list for advisor success metrics. It's a priority aligned directly with growing client demand for financial planning services. Faced with an impending wave of wealth transfer, advisors also stress the importance of establishing relationships with client heirs (52%). And in the midst of a shifting macro and market environment, advisors say helping clients assess risk tolerance (46%) and helping them get back to investing beyond cash (43%) will be critical as well.

Key growth factors

59%	Demonstrate value beyond asset allocation
52%	Establish relationships with client heirs
46%	Help clients to better assess their risk profile
43%	Getting clients to invest beyond cash
36%	Transitioning more of my clients to model portfolios
31%	Merger/Acquisition
30%	Meet demand for private assets

In looking to futureproof their practices, advisors will need to address the short-term challenges and long-term pressures shaping four critical areas of the business:



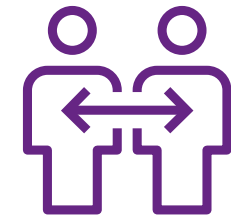
Client retention and acquisition

The first rule of growing a practice is keeping current clients on the books. In the long term, advisors know assets are up for grabs when a primary client dies, and 43% say they are increasingly worried about retaining assets from client spouses or heirs. In the short term, getting new clients is equally important, but time-strapped advisors currently dedicate less than 10% of their time on this critical growth activity.



Investment management

In an environment marked by the first rate cuts in four years, market highs, and slowing growth, financial advisors have the added challenge of navigating a year of contentious elections globally. In the short-term, 72% say the fundamentals are more important than elections. In the long term, policy will ultimately matter, as 64% rank public debt as a top economic risk.



Client management

Advisors spend 43% of their time meeting with or managing clients, but there's still more work to be done. In the long term, advisors need to address growing client demand for financial planning services, which 57% believe differentiates their practice. In the short term, advisors have to keep clients invested and help them avoid their number-one investor mistake: timing the market.



Product selection

In the long term, advisors know transitioning more clients to model portfolios will help free up the time needed to deliver financial planning and other services (50%). In the short-term, advisors are turning to private investments for differentiated returns, but 65% say it's difficult to build a portfolio of private assets at scale.

When it comes down to it, advisors have only so many options for growing their business: They can earn new assets from current clients, they can win new assets from new clients, or they can wait for market appreciation to drive asset growth. But for any of these options to make a measurable contribution to a successful future, advisors will first need to retain the assets already on their books. The coming "Great Wealth Transfer," however, could make that fundamental objective harder to achieve.

Clients come first in growth plans

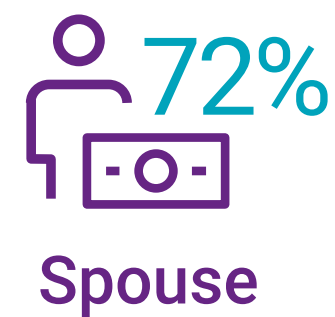
Client retention and acquisition has long been the foundation of a flourishing practice, and successful advisors have established effective strategies to win new clients and keep them. Many are now forced to reevaluate their approach, as current clients age out of their book of business and new technologies and techniques enable them to bring new clients in.

Wealth transfer: Existential threat or growth opportunity?

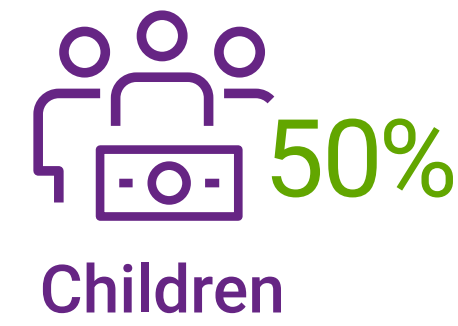
Of all the challenges facing advisors in growing their business, keeping current assets on the book is the most critical. Retaining assets relies on strong personal relationships not only with clients but also with their families. But when a client dies and leaves their holdings to a spouse or children, the relationship has to reset, and that puts assets under management at risk.

Multiply that risk by the \$84 trillion that will be passed down in the next 20 years¹, and it's no surprise that advisors see dire consequences. In fact, 46% of advisors worldwide say the Great Wealth Transfer represents an existential threat to their business. The future looks challenging, and 43% are increasingly worried they will not retain assets from clients' spouses or next-generation heirs.

How often advisors retain clients



Spouse



Children

Despite these very real concerns, advisors have had some success in retaining assets. Overall, they report retaining client relationships 72% of the time when the spouse inherits. But when a client's children inherit, asset retention is a 50/50 proposition, as advisors say they're successful only half of the time. Nothing is guaranteed, as one-third of advisors report that they've lost significant assets through generational attrition.

Key strategies for retaining assets

With so much on the line, advisors are making retention a key business strategy, and they are actively taking steps to shore up client assets for the long term. These efforts often reach well beyond core value propositions built on financial expertise and portfolio construction. Advisors are keenly aware what they need to do.

For many, it comes down to nurturing relationships with clients and their families. In fact, three-quarters (76%) of advisors say the most important factor for retaining assets is relationship building. As a starting point, 82% say they are regularly discussing family wealth planning

with older clients. Similarly, 81% extend the discussion to family members by including heirs in the financial planning discussion. And even if the heirs are not part of the planning discussion, 81% say they are comfortable asking their clients for an introduction to the next generation.

In addition, advisors say they help enhance relationships with families by providing personalized services, such as networking events (47%). One-third even offer financial boot camps that give next-generation heirs a firm footing in investing fundamentals. All in, these enhanced relationships allow heirs to gain experience working with their families' financial advisors.

What helps retain assets?

76%	Long-term relationship building
54%	Offering ancillary services, such as trust
47%	Personalized services, such as networking
33%	Offering a financial boot camp for next-generation heirs
30%	Implementing unified managed accounts (UMAs) for clients

Beyond relationships, service

Advisors also find that providing a comprehensive wealth management service helps retain assets. This includes offering trust services (54%) as well as UMAs (30%) that allow for assets held in varying vehicles and product structures to be managed holistically. On top of these steps, more than two-thirds (68%) are helping clients preserve assets by accelerating their gifting strategies.

Longer term, advisors are looking at their team makeup to help in retention efforts. In fact, 59% are addressing the shift in their client base by hiring younger advisors who can work peer to peer with younger, next-generation heirs.

New clients, new assets

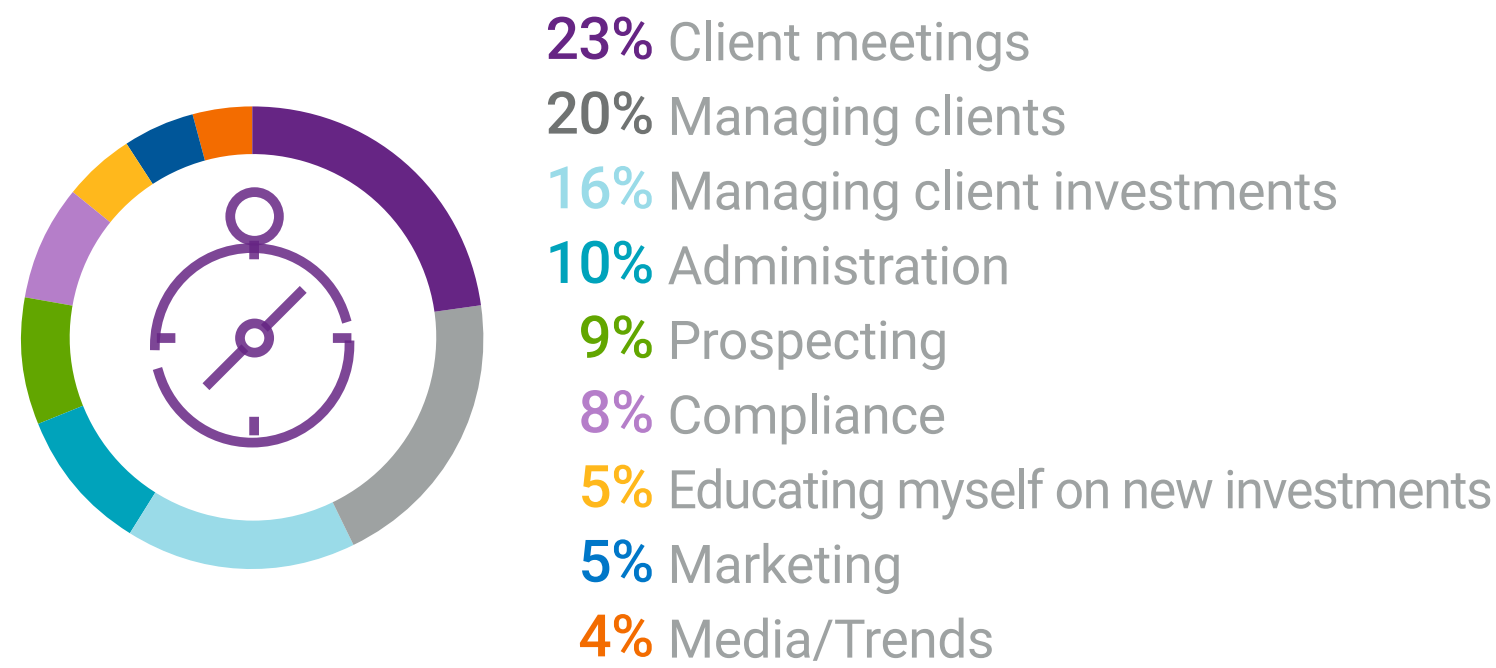
If the first principle of futureproofing a business is keeping the clients you already have, the second is finding more clients. That can be easier said than done. In fact, the biggest impediment to winning new clients isn't how advisors differentiate themselves with investment prowess. It isn't their service offering. It isn't determining their best acquisition opportunities.

It is simply finding the time to pursue prospects.

When asked how their time is spent, advisors report that, on average, more of their time is taken up by meeting with clients (23%) or managing clients (20%) than it is for

managing investments (16%). Add to it the time needed for administrative tasks (10%) compliance reporting (8%), getting up to speed with new investments (5%), and monitoring media for market trends (4%), and there is precious time for prospecting (9%) and even less for marketing (5%).

Advisor's weekly time allocation



Prospecting priorities

Knowing their time is tight, many advisors are focused on finding efficiencies that can help them get better at prospecting. Most put client segmentation (52%) at the top of the list. Establishing standards for an ideal client will certainly streamline prospecting efforts, but the problem is their competitors are doing it, too. And advisors all tend to focus on the same demographic segments.

Globally, advisors say individuals either entering or in the midst of their prime earning years is the sweet spot for prospecting: 72% focused on those between the ages of

35 and under 50, while 85% focused on those between age 50 and 60. The trend is clearly defined by advisors in the US, where 96% are focused on the age 50 to under-60 bracket. Another 61% globally and 88% in the US look for clients aged 60 to 65 – a life stage where many may be consolidating assets and repositioning their investment strategy for retirement.

Segment priorities for client acquisition in next 12 months

	Global	LatAm	Col	Asia	US	UK
18-34	46%	67%				
35-49	72%	88%	99%	70%		
50-59	85%				96%	
60-64	61%				88%	
65+	37%				56%	53%
No Demo Targets	27%			12%		36%

In most cases, advisors are not targeting those age 18 to 34 (46%). The one exception is Latin America, where demographics skew younger, and two-thirds of advisors focus on this age group. Given concerns about wealth transfer and asset retention, advisors may want to take a look at how they can better engage this client segment.

Advisors are also implementing technology to complement segmentation efforts. Overall, 48% say they deploy customer relationship management (CRM) systems to gain efficiency. Another 37% look to artificial intelligence (AI) to help automate routine tasks and enhance data analysis.

A model of efficiency

Others are looking to gain efficiency on the investment side. Overall, 96% of advisors worldwide are deploying model portfolios in their practice, and while there are many reasons for advisors to implement models, 62% say it makes implementing rebalancing and tactical shifts across their book of business easier. Similarly, 50% say it frees up their time to provide financial planning and other in-demand services to clients.

Another way advisors are finding efficiency is to off-load portfolio analysis by leveraging services offered by asset managers that give them a more complete picture on exposures and performance attribution. Another 39% have adopted a team-based approach to their business, while 37% say they are already deploying AI to practice management.

The future of prospecting

One way a team-based approach helps enhance efficiency is that advisors can dedicate one team member to prospecting. Half (51%) of those surveyed ranked this approach among the nontraditional prospecting methods as the one they think will be most successful over the next five years. Social media (51%) carried

similar weight on the list, while many anticipate AI (42%) prospecting tools will emerge.

Technology will become even more ingrained in the prospecting process, as advisors project that advisor match services (35%), online webinars (34%) and email marketing (26%) will become effective solutions for prospecting efforts.

Even as growth plans emphasize client acquisition and retention, advisors need to focus on a core part of the business itself, which is managing client investments.

Best prospecting methods to emerge in the next five years



Managing portfolios through change

Advisors have mastered the art of recalibration over the past five years as markets delivered swift downturns and record highs, inflation spiked to a 40-year high, and interest rates shot from near zero to 5% or more. Although change may not always be as dramatic, advisors continually need to manage portfolios through exuberance and turbulence.

The long and short of politics and policy

Given the speed and frequency at which macro and market factors have changed in recent years, it could be easy to look at the US presidential election as yet another reason for concern about investments. But the November election is just one more in a long line of national elections carried out in 2024, and advisors see greater risks in the policies that come out of the election than the election itself.

Surveyed between June 2024 and August 2024, advisors were in the thick of political disruption. In the UK, a landslide victory for the Labour Party ushered in a new center-left government. In France, a surge for the left resulted in a deadlocked parliament. And in the US, one candidate survived an assassination

attempt, the other dropped out, and a new candidate took over the party mantle. All this in the span of just 33 days.

Fundamentals matter more than elections

Despite the dramatic shifts, advisors express two clear views on how much politics matter to markets: 72% of those surveyed globally believe that the underlying fundamentals are more important than election results. Looking specifically at the US election, 54% say that the results have already been priced into the market – though given events in the US during July, it's not surprising that only 39% of US advisors agree.

A more detailed look at the implications of the US election reveals a greater level of underlying concern. In the outfall of the 2020 election, one of the key questions is if the upcoming election will be settled on election day. Nearly six in ten advisors worldwide (58%) worry that election skepticism could have a negative effect on the markets.

The results of races down the ballot could matter more, as 59% believe split control of Congress between Democrats and Republicans will be good for the markets – a sentiment shared with 72% of advisors in the US. Ultimately, 59% of advisors believe the election results are less important than Fed policy.

Policy presents greater risks

The election may be seen as a moderate risk, but advisors have greater concerns about the policies that come out of the White House and the next Congress. More than six in ten believe the future of antitrust regulation is underappreciated in this election. The issue is especially relevant, as the US Justice Department is pursuing an antitrust case against Google's ad business. On the trade front, 69% say the US election has the potential to speed up bifurcation of the global economy.

Another 55% believe independence of the Federal Reserve is at stake in this election as well. Most telling of their risk concerns, however, is the 73% of advisors who believe the US national debt will increase regardless of the election outcome.

72% believe the underlying fundamentals are more important than election results.

Public debt tops risk concerns

Looking at a range of macroeconomic and geopolitical risk on the horizon, public debt, not just in the US but around the world, ranks as the highest risk concern for advisors (64%). Central bank policy has been instrumental in avoiding economic catastrophe twice since the start of the 21st century. But policy intervention during both the global financial crisis and the Covid 19 pandemic has been a key reason why public debt in OECD countries has doubled since the year 2000.²

Overall, almost three-quarters of advisors (74%) say persistently high rates threaten to make public debt levels even more unsustainable. The real risk comes in the future, when policymakers have to figure out how to pay the bill.

The expansion of wars (62%) rates almost as high on the risk front as public debt for advisors, and the same number (64%) worry that an escalation of geopolitical conflicts will have an impact on markets. While concerns of persistent inflation (61%) remain high for some, advisors are equally concerned about the risk presented by US/China relations (61%), and 65% are worried that a breakdown in those relations is underappreciated. The question of trade is greater than growth, as only 47% see China's economy as a high risk.

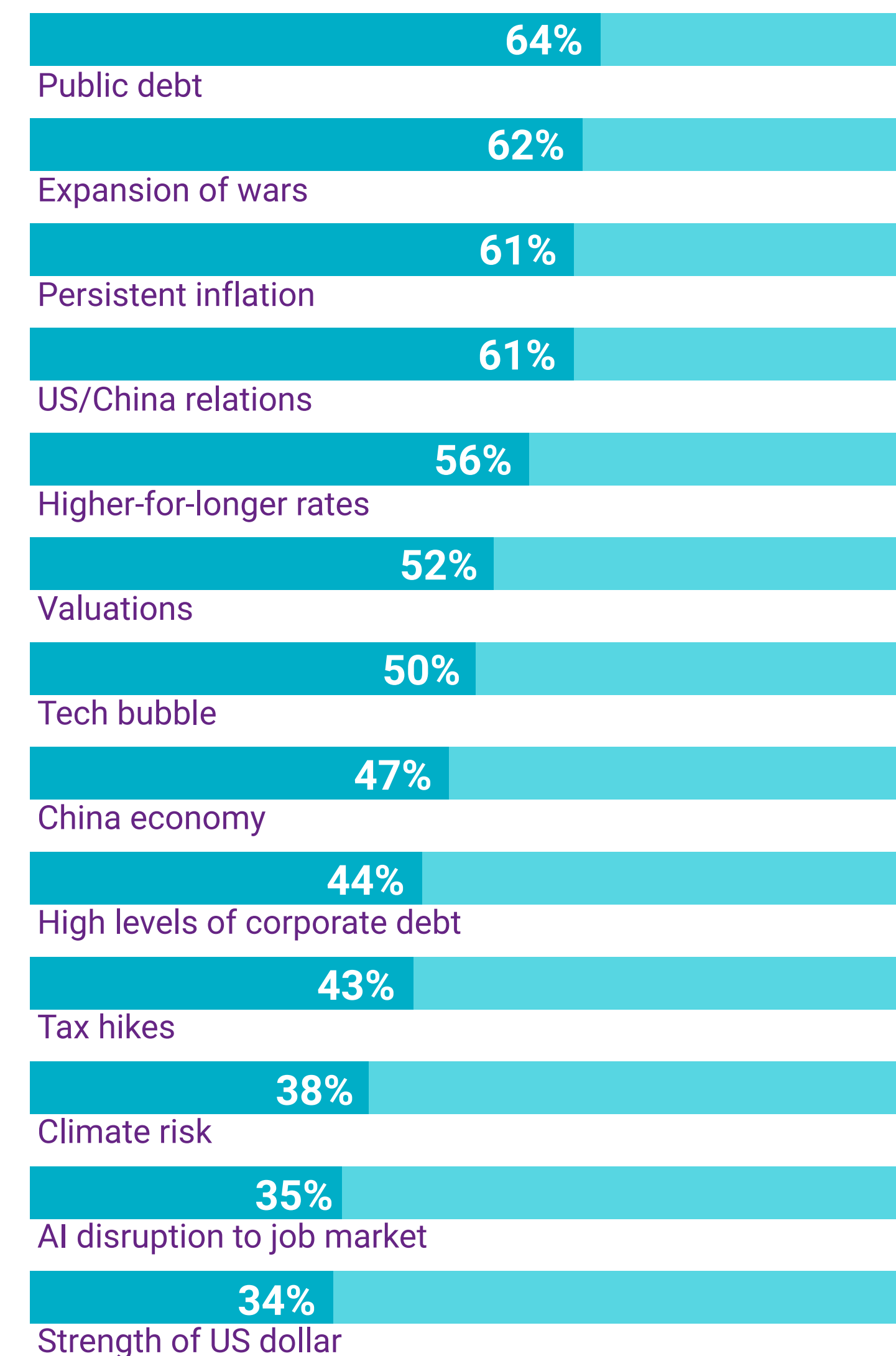
Looking at today's environment, 65% of financial advisors worldwide believe markets are complacent in light of some very real risks. Along with policy questions, they see clear macro and market risks at play. Half (52%) believe valuations are a high risk, while 44% are worried about high levels of corporate debt.

After seeing the Magnificent Seven drive returns over much of the past three years, half of advisors are worried about a tech bubble. Despite the impact of AI development contributing to the success of Big Tech, advisors are less concerned about its immediate impact. Only 35% worry that AI will impact the job market. Fewer still, are concerned about issues like climate risk (38%) or the strength of the US dollar (34%).

The risks are many, and some may not yet be identifiable. Advisors may have a handle on investment strategy for this new environment. But that's only half the equation, as they will have to manage clients through the changes as well.

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Where advisors see high risk ahead



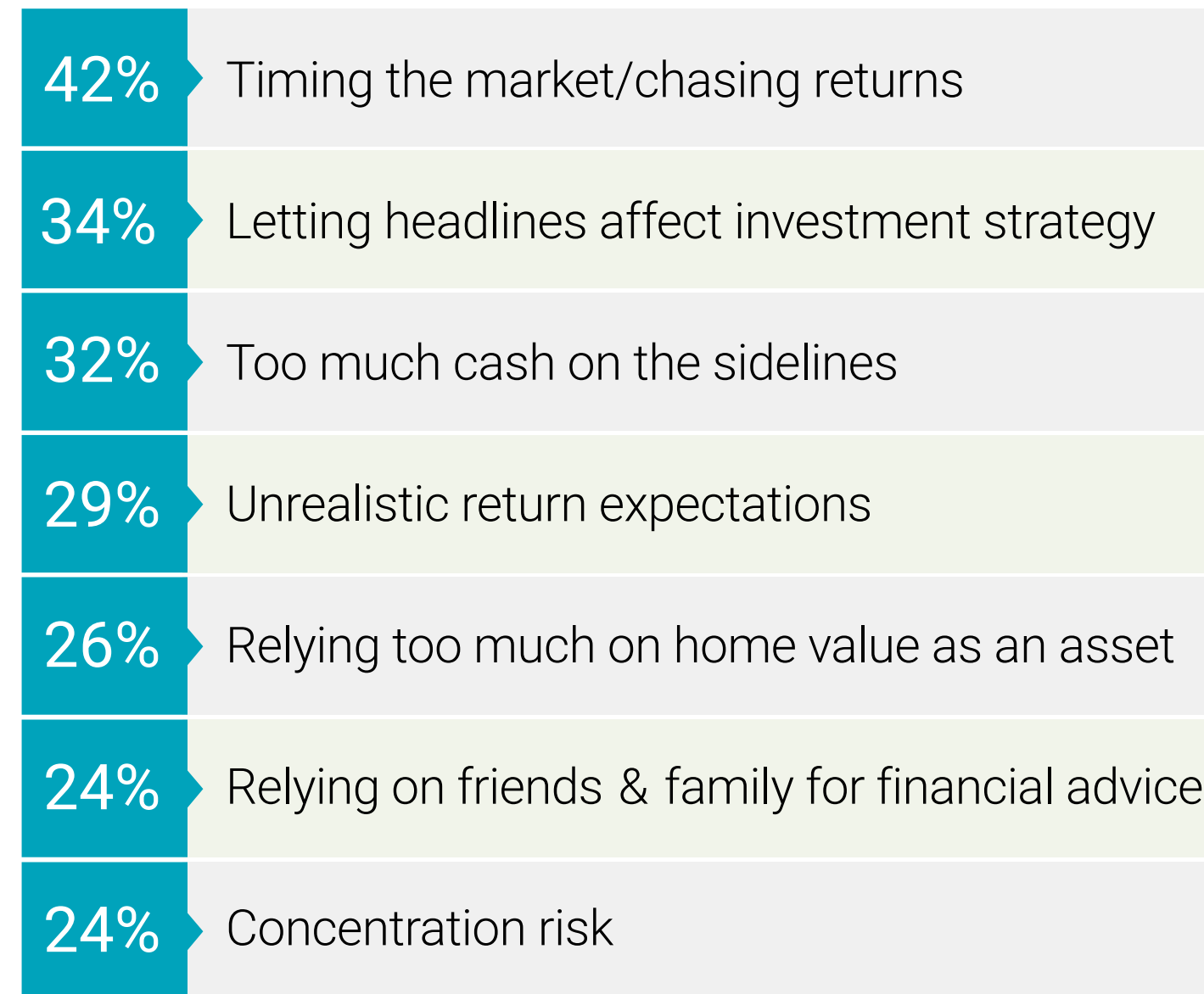
Misconceptions and overly optimistic expectations

While the risks are defined in political, macro, and market terms, they can often be amplified by client reactions. Advisors know where the challenges lie and have clear insight into which issues investors need to pay attention to right now.

With the market rally continuing in markets across the globe, advisors say the number-one thing investors need to beware of is their tendency to chase returns or their inclination to try to time the markets (42%). On the upswing, that can mean taking on too much risk by overallocating to hot-performing names. On the downside, that can mean jumping out of investments to avoid loss and missing potential rebounds—a behavior that can be measured in fund flows after most market events.

The next concern on the list is often the root cause of these behaviors: letting headlines affect investment strategy (34%). A 24-hour cycle of election news, reports on war and terrorism, let alone the commentary on markets and the economy, leave investors exposed to a continual stream of information that can influence their behaviors. Concern runs strongest over this issue among advisors in the US (48%), France (48%), Italy (47%), Australia (46%) and Japan (45%).

Top risks clients need to pay attention to right now



Being too conservative can be risky, too

Asked to define risk in our 2023 Investor Survey, individuals most frequently responded with exposure to volatility (26%) or loss of capital (23%), few thought of risk in terms of failing to meet their goals (11%) and even fewer saw the risk in having too much allocated to cash (6%).³ For advisors in past surveys, they have been twice as likely to warn clients on the risks of not meeting their goals (24%⁴). Now nearly one-third of advisors globally (32%) and as many as 62% in Singapore and

41% in the UK think having too much cash on the sidelines is something clients need to be aware of.

With rates reaching 15-year highs since 2023, investors have been flooding into cash instruments to chase “risk-free” returns. The problem is that even at 5%, cash alone cannot generate the returns most investors need to meet long-term funding goals. Advisors have much to discuss with clients in order to get them reinvested, but they say most effective is educating them on the risk of missing out (52%) on market performance.

To help clients become comfortable with investing again, advisors say it’s important to help them understand their risk capacity (48%) and remind them that they need growth so they don’t outlive their assets (47%). Ultimately, 45% say it’s important to remind clients that cash is not risk-free. Reminding them that inflation will cut into their earnings over time, interest rates could be significantly lower when they have to reinvest, and if their investments don’t earn enough, they could outlive their assets are all part of that discussion.

Unrealistic return expectations present risk for investors

On the flip side, advisors caution that after an extended run-up in equities, investors should be aware of unrealistic expectations (29%). When asked in 2023, investors said they expect their investments to earn 12.8% above inflation over the long-term³. In 2024, advisors said it's more realistic to expect 8.3% above inflation, leaving a 54% expectations gap between the two.

In the US where the gap has historically been wide, it remains highest coming in at 119% based on the 15.6% investors expect compared to the 7.1% advisors call realistic.

Advisors also caution investors on three other risks. With the run-up on real estate values, 26% of those surveyed say investors could be relying too much on their home value as an asset. After seeing a limited number of names in the tech space drive equity markets for the better part of two years, 24% of advisors also warn of concentration risk. Given the implications of a new market environment and an evolving risk scenario, 24% also caution investors about relying too much on friends and family for informal advice.

Breaking the bonds of cash

One of the key challenges facing investors in today's market is their lack of understanding about bonds, interest rates, and fixed income investing. Our 2023 Survey

of Individual Investors showed that as rates were rising, only 2% knew what it meant for bonds³ – current value went down, while future income potential went up. That lack of knowledge plus attractive rates on cash made it difficult to move clients back into bonds.

Most significant challenges in upping fixed income in client portfolios



Of the 2,700 advisors surveyed, 89% said they've been challenged to increase fixed income allocations in client portfolios. At the top of the list is the uncertainty around

interest rate policy. This sentiment may be changing, as target-level inflation has resulted in rate cuts, and the assumption is that there are more to follow.

The cuts may also address the number-two challenge facing advisors: With rates at 15-year highs, advisors say it's been hard to show clients the benefits relative to cash (43%). Another 39% say it's also been hard to show clients the benefits of upping fixed income allocations in general. Making it more challenging, according to 39% of advisors, is their clients' knowledge, or lack thereof, about fixed income.

In addition to the knowledge gap, 37% of advisors say one key challenge is that clients say they prefer other products such as money markets and certificates of deposit over bonds, while 36% find that with returns on cash at a 15-year high, clients do not have the risk appetite.

89% said they've been challenged to increase fixed income allocations in client portfolios.

Client questions about the future

Faced with so many changes, clients have many questions for advisors. The sustainability of the rally is at the top of the concerns, as 72% worldwide and 84% in North America say clients want to know if they are protected from a downturn. And after two years of feeling the sting of rising prices, 67% of clients want to know what they have to do to outpace inflation. In the long run, 64% of advisors say their clients are asking if they will meet their goals.

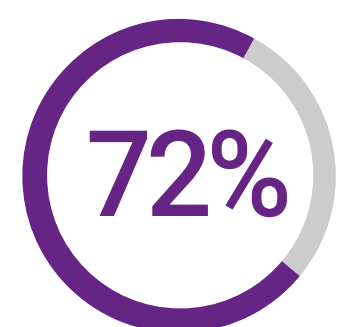
In the long run, wealth transfer is as much on clients' minds as it is on advisors'. Overall, 64% of advisors say their clients are asking about how they can pass on and preserve what they've built. Being effective at helping clients answer this critical question may be one way advisors can address clients' long-term concerns about retaining assets.

According to 60% of advisors globally, clients are asking why they should get back in the market when cash looks so attractive. Only 60% of advisors worldwide say their cli-

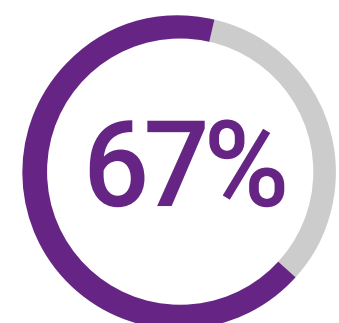
ents are asking if they should be worried about their investments because of the US election. However, risk concerns strike closer to home for those in the US, where 88% of advisors say they're getting this question from clients.

Advisors have questions of their own. As they look at managing investments, they have to ask themselves not only which asset classes and which investment style will best fit their strategy, but more and more they are having to ask which investment vehicle.

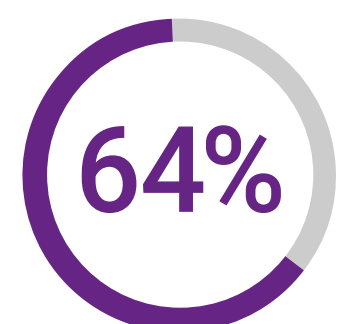
Top client questions:



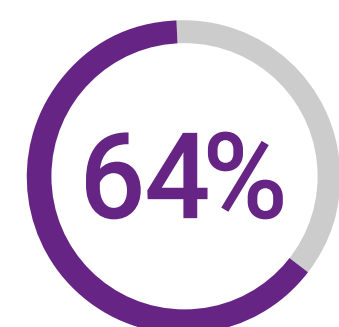
Am I protected from a downturn?



What do I need to do to outpace inflation?



Am I going to meet my goals?



How do I preserve and pass on what I built?



Should I be worried about my investment because of the US election?



Why should I get back in the market when cash looks so good?



PRODUCT SELECTION

One more decision for advisors

Active or passive? Public or private? Build it myself or outsource it? Exchange-traded fund (ETF), mutual fund, or separate account? Advisors have a wide range of options in front of them for managing client assets. In most cases, the answer isn't either/or; it's really a question of how much of each as seen in their broad product usage.

Overall, advisors say they are deploying a diverse range of investment vehicles in their practice. Most frequently, advisors are using active funds (73%). This investment stalwart continues to fit the needs of many advisors as they look to exploit market inefficiencies and pursue potential for out-performance. A large number of advisors also implement passive funds, as they look to capture broad market exposures and manage fees. In addition, many advisors also incorporate ETFs (70%) to fulfill a range of portfolio functions.

Two other product trends are also gaining traction with advisors. Overall, 30% of advisors worldwide are also incorporating separately managed accounts (SMAs) into their practice. However, usage is substantially higher in the US (50%), where owning the underlying securities can allow for more customization and greater tax efficiency. Similarly, there is a significant difference in the use of UMAs in the US (23%) than globally (10%).

Access, liquidity essential to private asset adoption

While there is a wide array of vehicles for public market investments, advisors are more challenged to deliver on demand for private assets, which three out of ten advisors say is one of the keys to growing their business. According to 65% of financial advisors worldwide, the biggest challenge is that it's difficult to build a portfolio of private assets at scale.

Advisors see clear benefits to adding private assets to client portfolios. Almost half (49%) say private assets are more attractive, given high correlations in public markets. When it comes down to it, 56% say private assets have improved outcomes for clients. That said, more investor education is needed, as 72% say that clients do not understand the holding period that comes with private investment.

Given increased investor demand, 56% also plan to increase the use of private assets in the next five years. But 68% say the availability of more liquid products will lead them to recommend private assets to clients more often. Interval funds are one such option, and 40% say this structure is essential to helping clients access private assets. They also see new structures on the horizon that hold promise for retail investors. Overall, 60% say that evergreen funds, which can accept periodic investment and provide preset intervals for withdrawals, are a good way to incorporate private assets in client portfolios.



Models offer more than efficiency

As advisors look to grow their business, model portfolios are taking on a critical role in the investment process, while also helping advisors achieve greater efficiency in their practice. Consistency may be the greatest investment benefit advisors derive from model portfolios.

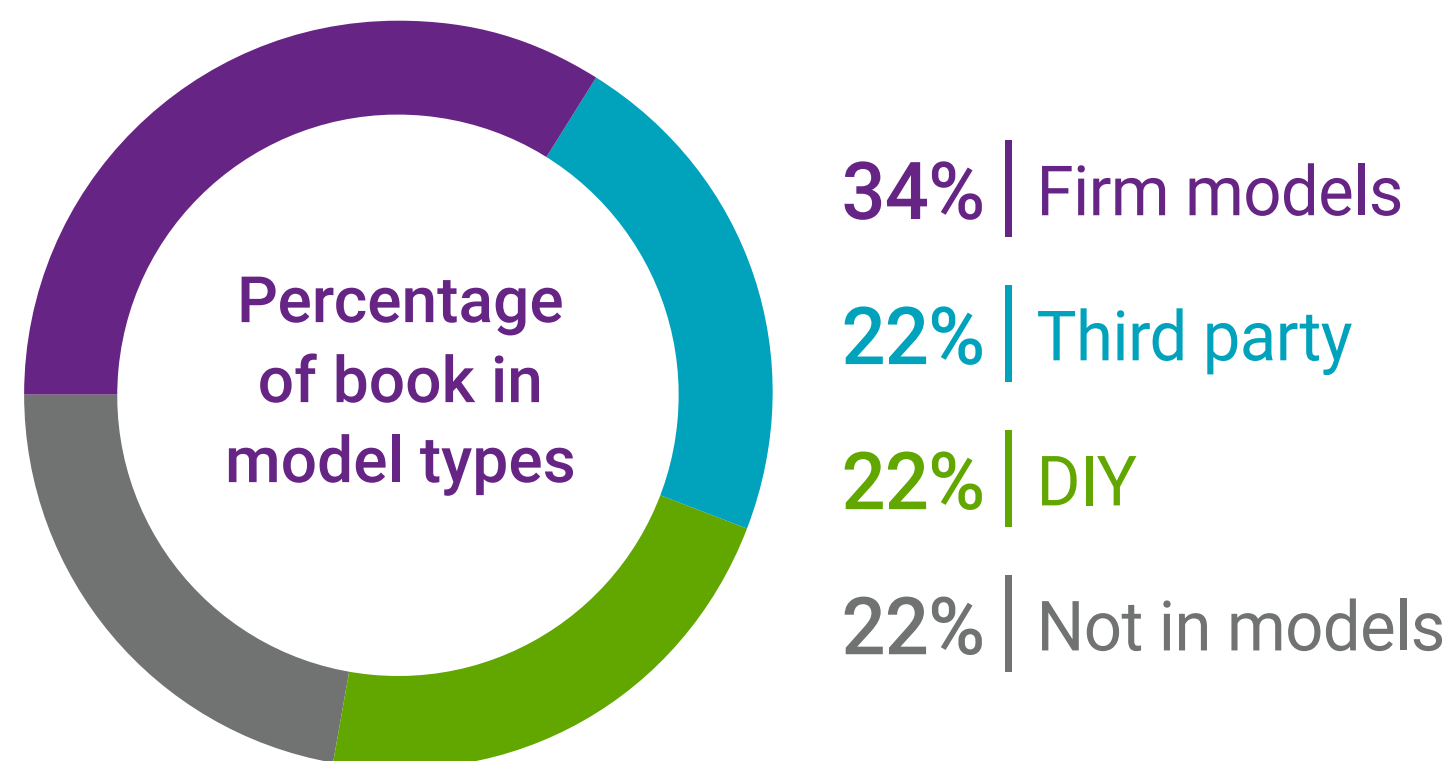
Overall, 48% report that model portfolios enhance the consistency of their investment process. For 62%, that consistency may be because models make it easier for them to implement rebalancing, tactical shifts, and other portfolio changes across their entire book of business. Close to half (45%) of advisors find that models allow them to offer clients access to more asset classes and investment strategies, while 40% find that they offer an added layer of due diligence. Another way advisors say models are providing greater consistency is that diversification, risk management, and long-term focus of models help keep clients invested in volatile times.

By consolidating their investment decision making with models, advisors are also finding business efficiencies that go beyond the 40% who say models make compliance reporting easier. At a time when clients are demanding more than asset allocation from advisors, 50% of those surveyed said models free up the time they need to deliver financial planning and other services to clients. And

as they look to expand their client base, 38% of advisors say models free up time for prospecting. Advisors also find that models help them make their business more consistent by making their income less volatile (28%).

All models are not the same

As models have been more widely adopted, advisors are finding more choices available to them. In terms of model management, they are integrating three essential types: models they build themselves, models established by their firms, and models outsourced to asset managers and other third parties.



Most frequently, advisors are using their own models, which 59% say allows them to tailor portfolios to the specific client needs and interests. Overall, 53% say they provide better alignment with their own investment philosophy, and 51% say they

find it easier to explain investment strategy and decisions. This is in line with 50% who say building portfolios is core to their value proposition. Another 39% believe building their own portfolios is more cost-effective for their business.

When it comes down to talking about model portfolios with clients, 49% say they talk about them just like they would talk about any other investment product. In fact, the same number say they refer to the models as strategies as opposed to models. And 40% talk about them as the building block of clients' portfolios. Advisors do go deeper, and 45% go into detail about the specific investments that compose the portfolio. But the discussion can go deeper in another way, as the same number talk about models as a way to have a more comprehensive conversation around their financial goals.

Moving to models

Advisors have a range of strategies for how they move their business to models portfolios. Overall, they are split as to whether they migrate their book to models over time or all at once. Most frequently, they say the best strategy is to move clients into models on a case-by-case basis based on client willingness to make the change (50%). After that, 47% say they take a phased approach with a goal of converting their book over time. But a large number (42%) also say a comprehensive approach that converts the entire client base quickly is best.

Best strategies for implementing models

50%	Case-by-case approach based on client willingness
47%	Phased approach with goal of converting entire client base over time
42%	Comprehensive approach to convert entire client base quickly
39%	Focus on new clients
34%	Focus on retirement drawdown clients
32%	Focus on lower-balance clients
30%	Focus on retirement rollovers (US ONLY)
24%	Focus on younger clients

To complement the need to be efficient in growing their business, 39% use models when they bring new clients into their practice. Another 32% use models with lower-balance clients, and 24% use models with younger clients. Many find use for models for managing retirement assets: 34% use models for clients who are in retirement drawdown. And in the US, 30% use models to manage assets from retirement plan rollovers.

Active ETFs

Recent product innovations allow advisors to give clients access to actively managed investment strategies in the form of an ETF. In essence, it's the best of both worlds, as clients get access to investments that focus on beating the benchmark but still provide the tax benefits, intraday liquidity and fee structure of an ETF.

While the concept was originally introduced in 2008, active ETFs have been growing in popularity and availability in recent years, and advisors are taking note. Overall, 53% of financial advisors say they plan to increase their use of active ETFs. For 50% of those surveyed, active ETFs are being used primarily as a core holding in client portfolios. More than six in ten (63%) see potential beyond outperformance and are looking to active EFTs to manage client risk exposures. And when volatility increases, 36% say they increase their use of active ETFs.



Futureproofing the business

Financial advisors have set big goals for growth over the next three years and are under pressure from all sides as they look to add assets and clients. But even as they recognize the challenge, advisors are responding with smart solutions to their challenges.

The Great Wealth Transfer puts assets at risk, but advisors know they'll need to focus their efforts on keeping client heirs on the books. They also know that bringing in new clients is fundamental, and they are streamlining operations and their investment process to increase their opportunity set.

They recognize that the investment challenge is two-fold. Not only will they need to manage investments through a changing macro and market environment, but the bigger challenge will be managing clients through the change. To be successful, they will need to reeducate clients on key investment concepts, get them acclimatized to new risks, and help them manage their expectations.

When it comes down to it, advisors genuinely have all they need to futureproof their business. To succeed, they will need to continually adapt — something they've become accustomed to over the past two decades.



About the Survey: *Natixis Investment Managers, Global Survey of Financial Professionals, conducted by CoreData Research between June 2024 and August 2024. Survey included 2,700 respondents in 20 countries.*

1. Cerulli Associates: U.S. High-Net-Worth and Ultra-High-Net-Worth Markets 2021.
2. <https://data.worldbank.org/indicator/GC.DOD.TOTL.GD.ZS?end=2022&locations=OE&start=2000>
3. Natixis Investment Managers, Global Survey of Individual Investors, conducted by CoreData Research in March 2023 and April 2023. Survey included 8,550 individual investors in 23 countries.
4. Natixis Investment Managers, 2020 Global Survey of Financial Professionals, conducted by CoreData Research in March 2020 and April 2020. Survey included 2,700 financial professionals in 16 countries.

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Actual results may vary.

All investing involves risk, including the risk of loss. No investment strategy or risk management technique can guarantee return or eliminate risk in all market environments.

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