

Australian Wealth Managers bet on Private Assets & AI to supercharge growth, finds Natixis Investment Managers

- *Private assets remain a core focus for wealth managers, although over a quarter (40%) say access, or lack thereof, is a threat to their business.*
- *The proportion of Australian wealth managers incorporating AI into investment strategies has more than doubled, rising from 25% in 2024 to 56%.*
- *80% of wealth managers say AI has the potential to accelerate earnings growth for the next decade, with 58% already implementing AI tools.*
- *Following the US election results, 44% say clients are becoming more willing to take on risk.*

Thursday 3rd April, 2025 – Despite increasing interest, two fifths of Australian wealth managers (40%) say a lack of access to private assets is a threat to their business, according to new research from Natixis Investment Managers (Natixis IM).

Wealth managers are now tapping a broader pallet of vehicles and asset classes to fulfil client needs. Locally, portfolios are now relying on a mix of 88% public assets and 12% private, a spread that is likely to narrow as the focus on private assets intensifies. What's more, nearly half (48%) say meeting client demand for unlisted assets will be a critical factor in their growth plans.

Overall, 92% of wealth managers plan to increase or maintain their private credit offering and similarly 91% plan to increase or maintain private equity investments. With almost seven in ten (68%) saying there is still a significant delta in returns between private and public markets.

Additionally, 80% say despite high valuations, they think private assets are good value for the long term and 40% say they will provide a safe haven in a recession.

Natixis IM, in collaboration with CoreData research, surveyed 520 investment professionals across 20 countries, including Australia, managing a total of US\$38.4 trillion for public and private pension and superannuation funds, insurers, foundations, endowments and sovereign wealth funds.

New product structures are helping to ease the pressure on managers however, with two-thirds (68%) saying that retail-friendly private asset vehicles help enhance diversification.

Natixis IM Country Head of Australia and New Zealand Louise Watson, said: *“If one thing is certain amidst the current market volatility, a potential trade war, and inflationary fears; it's that demand for private assets is still increasing.*

“Wealth managers welcome the diversification and return benefits of private markets as they aim towards an 8.3% growth target for portfolios this year. We are working closely with our private wealth and advice clients to understand their needs and wants for a retail-friendly private asset offering, and where demand exists, we'll build a customised, cost-effective solution to match it.*

“Pleasingly, Natixis IM’s private equity manager Flexstone Partners has secured approval from the French regulator to launch a retail private equity fund in Europe, and we can leverage this expertise in Australia.”

AI adoption doubled in 12 months

The proportion of Australian wealth managers incorporating AI into their investment strategies has more than doubled, rising from 25% in 2024 to 56% in 2025.

Bullish on the opportunity, eight in ten wealth managers say AI has the potential to accelerate earnings growth for the next decade and it will allow them to uncover hidden investment opportunities.

Wealth managers think a future sans AI is bleak, as almost seven in ten (68%) respondents say it is an essential tool for evaluating market risks and more than half (56%) say firms that do not integrate AI will become obsolete.

Economic concerns remain but clients ready to strike

Over half (52%) of respondents ranked inflation as their top economic concern, as many are worried it will be reignited by Trump policies (76%). This was closely followed by new geopolitical conflicts (44%) and US-China relations (40%).

When it comes to specific impacts of the US election on economic outlook, 64% are worried about the potential for a trade war. However, wealth managers also see opportunity on the horizon, as 80% think the regulatory shifts being proposed by the Trump administration will spur development of innovative investment products.

Taking all of this into consideration, 44% of respondents say in light of the US election result, clients are more willing to take on risk, with the potential for this to disrupt the cash-holding pattern investors have stuck with since central banks began hiking rates.

ENDS

Notes to editors

*Natixis IM Wealth Industry Survey found respondents in APAC are expecting an 8.3% growth in AUM in 2025.

Natixis IM surveyed 520 Fund Selectors in 20 countries throughout North America, Latin America, the United Kingdom, Continental Europe and Asia that collectively manage US\$25.2 trillion assets. The survey was conducted by CoreData Research in December 2024 and January 2025.

The full report of the 2025 Natixis Investment Managers Wealth Industry Survey is available here: <https://www.im.natixis.com/en-intl/insights/investor-sentiment/2025/wealth-industry-survey>

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 managers¹ with more than \$1.3 trillion assets under management² (€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.

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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.

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