NATIXIS
INVESTMENT MANAGERS

PRESS RELEASE

Growth is on the horizon as Wealth Managers look to AI and Private Assets to boost AUM, Finds Natixis IM's Wealth Industry Survey

- *79% of wealth managers say AI has the potential to accelerate earnings growth for the next ten years, with 58% already implementing AI tools*
- *Private assets remain a core focus for wealth managers, although over a quarter (26%) say access, or lack thereof, is a threat to their business.*
- *Following the US election results, 57% say clients are becoming more willing to take on risk*

London, 25 March 2025 – Growth has been strong for wealth managers over the last five years, as assets under management (AUM) climbed by 20% globally. According to survey[1] findings published today by Natixis IM, that drive for growth is even greater this year, as firms project average AUM growth of 13.7% in 2025 alone. However, faced with geopolitical change, economic uncertainty and rapid technological advancements, gatekeepers and analysts know that delivering on these expectations won't always come easy.

The 2025 Natixis Investment Managers Wealth Industry Survey polls the views of 520 investment professionals responsible for running investment platforms and managing client assets at leading wealth managers in 20 countries.

Findings show that while 73% are optimistic about their market prospects in 2025, ongoing volatility in the macroeconomic environment is still very much front of mind. Respondents ranked new geopolitical conflicts (38%) as their top economic concern, closely followed by inflation (37%), which 74% say they are worried will be reignited by Trump policies. Two thirds (66%) also forecast only moderate interest rate cuts ahead for their home region.

However, despite this, 68% of analysts report that they will not adjust return assumptions for 2025, with wealth managers putting strategies in place for their businesses, the market and most importantly, client portfolios to ensure they can deliver results.

Geopolitics and inflation continue to dominate economic concerns

Geopolitics top the list of economic concerns in 2025, as wealth managers consider the impact of 2024's "year of the election." Faced with the uncertainty of new governments across the world, respondents ranked new geopolitical conflicts as the top economic threat in 2025:

- New geopolitical conflicts (38%)
- Inflation (37%)
- Escalation of current wars (34%)
- US-China Relations (34%)
- Tech bubble (27%)

With this in mind, wealth managers are carefully considering how geopolitical turbulence and persistent inflation will play out in the macro environment. Half (50%) of those surveyed forecast a soft landing for their region's economy, with sentiment running strongest for a soft landing in Asia (68%) and the US (58%). However, this drops to 46% in Europe and just 37% in the UK. In addition, 61% are worried about prospects for stagflation in Europe.

When it comes to specific impacts of the US election on economic outlook, two-thirds globally are worried about the potential for a trade war. However, wealth managers also see opportunity on the horizon, as 64% think the regulatory shifts being proposed by the Trump administration will spur development of innovative investment products. Further to this, two-thirds think plans to cut taxes will power a sustained market rally. Taking all of this into consideration, 57% globally 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.

The investment potential of AI

After witnessing the rapid development of generative AI models, nearly eight in 10 (79%) of wealth managers say AI has the potential to accelerate earnings growth for the next 10 years. With this in mind, firms are looking to harness the benefits of new technology in three key areas: tapping into the investment potential of AI, deploying AI to improve their internal investment process and using AI to enhance business operations and client servicing.

Almost seven in 10 (69%) say AI will enhance the investing process by helping them to uncover hidden opportunities and another 62% say AI is becoming an essential tool for evaluating market risks. In fact, the potential is so great that 58% say firms that do not integrate AI will become obsolete.

With that in mind, 58% say their firm has already implemented AI tools in their investment process. The highest concentration of early adopters are found at wealth management firms in Germany (72%), France (69%) and Switzerland (64%).

Beyond investment opportunities and portfolio management applications, wealth managers also anticipate that AI will impact the service side of the business. Overall, just over three-quarters (77%) say AI will help meet their growth goal of integrating a wider array of services. However, tech can be a double-edged sword, as 52% also worry that AI is helping to make robo-advice a meaningful competitive threat.

Cecile Mariani, Head of Global Financial Institutions, Natixis IM said*: "* *Wealth managers face a wide range of challenges in 2025, educating their clients to the benefits of owning private investments, to finding the best ways to integrate AI into their investment and business processes. However, despite potential roadblocks, wealth managers are confident that they can harness potential disruptors to unlock new opportunities and live up to the AUM growth goals they need to hit in 2025."*

Wealth managers' appetite for private assets remains unabated

Technology may have the potential to reshape the industry, but firms face the more immediate challenges of meeting client investment preferences and return expectations. Wealth managers are now tapping a broader pallet of vehicles and asset classes to fulfil client needs. Globally, 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.

However, not everything is smooth sailing in fulfilling the demand for private asset allocation. Over one-quarter (26%) say access to private assets, or lack thereof, is a threat to their business. New product structures are helping to ease the pressure however, with nearly two-thirds (66%) saying that retail-friendly private asset vehicles help enhance diversification. The next challenge here will be education, as 42% say client understanding of liquidity can be a hurdle to incorporating private assets. That said, illiquidity can work in favour of some investors, as three-quarters (75%) of wealth managers globally say the long-term nature of retirement savings makes investing in private assets a sound strategy.

All in all, 92% plan to increase (50%) or maintain (42%) their private credit offering and similarly 91% plan to increase (50%) or maintain (41%) private equity investments on their platforms. Few among those surveyed see that changing, as 63% say there is still a significant delta in returns between private and public markets. Additionally, 69% say despite high valuations, they think private assets are good value for the long term.

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Notes to Editors

[1]Natixis IM surveyed 520 Fund Selectors in 20 countries throughout North America, Latin America, the United Kingdom, Continental Europe and Asia that collectively manage $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 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.

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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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