2025 NATIXIS GLOBAL SURVEY OF INDIVIDUAL INVESTORS

Welcome to the Age of Diminished Expectations

NATIXIS
INVESTMENT MANAGERS

Investors have been on an emotional roller coaster over the first 25 years of the 21st century

On the downside, they held on for dear life as the dotcom bubble, Global Financial Crisis, European debt crisis, Covid, and a historic bout of inflation played out in the headlines and their portfolios.

But along with the losses, investors found compelling gains. A decade of record-low interest rates buoyed stocks, and the tech sector boomed. It was a thrill ride that produced impressive returns for those with the nerve to hold on for the long run. The final exclamation point came in 2023 and 2024 when the S&P 500® produced average annual returns of 25.55%, the Euro Stoxx 50 averaged 14.46%, and the MSCI averaged 20.34%, and market pundits were calling for more of the same in 2025.[1]

Nearly half of investors say the past two years have made investing look easy.

Returns were so strong and so consistent that nearly half (48%) of 7,050 investors included in the 2025 Natixis Global Survey of Individual Investors say it made investing look easy. But a deeper look at sentiment among these investors in 21 countries suggests something has changed, and few think it will be all that easy going forward.

Polled between February and March, before the "Liberation Day" tariff announcement, only 35% of those surveyed believed the market run would continue. Just 53% said they were comfortable taking risks to get ahead. Almost one-quarter (23%) of those surveyed have given up already, saying they don't know what to do, while another 21% said they were getting out while they still could.

The reality is that investors know their backs are against the wall in 2025, and it's changing how they feel about investing, the markets, and their future.

Return expectations decline as inflation remains elevated

Bankers made progress on curbing rising prices in 2024, but inflation still tops investors' list of investment concerns (50%) and financial fears (51%). With long-standing economic relationships and policies in flux, 43% of investors are also concerned about the potential for economic collapse, while another 41% are worried about prospects of a market crash.

Inflation still tops investors' list of investment concerns and financial fears.

It adds up to an environment in which long-term return expectations have dropped from the 12.8% above inflation recorded in 2023 to 10.7% above inflation. While those expectations may still seem high, this 17% decline comes after two years of double-digit market gains.

Beyond moderating return expectations, investors are concerned about how much they'll actually keep. Taxes rank high as both an investment concern (28%) and a financial fear (34%). Diminished market expectations may also signal a shift in how they view active management, as two-thirds say they do not want to be locked in to market returns.

At a time like this, investors value professional advice.Those surveyed are more likely to trust their advisor (91%) than even themselves (88%) when making financial decisions. But they are not merely looking for buy and sell recommendations. One of the facets they most value in their relationship with an advisor is having someone who takes the time to understand them and their unique situation.

For anyone trying to understand investors in 2025, it's essential to recognize three critical challenges that could determine their long-term success:

Confidence:

Today's macro/market environment is triggering investors' top investment concerns and biggest financial fears. Inflation remains stubbornly elevated, and less than half think high costs are in the rearview mirror. Uncertainty prevails, and seven in ten say instability has them worried about their finances. Tax policies are in flux in many developed countries. Less than half think the new policies will benefit them.

Clarity:

Most (47%) say they have a moderate tolerance for risk, but they still expect average long-term returns of 10.7% above inflation – a bold goal in a more challenging environment. Investment strategy is evolving rapidly, and investors are having trouble keeping up. High interest rates are likely to be cut at some point. Just 3% of investors know what that actually means for bonds. Many think private assets can help, but they are confused about which are right for them.

Coaching:

Investors value advice, but few relinquish complete control of their investments. Among those who work with an advisor, 32% say they are working in partnership, while 31% say they make decisions based on their advisor's recommendations. Overall, they value a relationship that extends beyond the portfolio such as retirement income planning (46%) and financial planning services (46%) to go along with their portfolio strategy.

The all-important first step in guiding investors in this unfamiliar scenario is to recognize the factors that raise the alarm on investment concerns and trigger their financial fears. Today, inflation remains at the heart of most investors' anxieties.

Investors face a crisis of confidence as inflation lingers

It's been five years since the pandemic broke global supply chains and three years since consumers experienced the biggest inflation spikes in decades. And investors are not past the sticker shock. Now, even as inflation nears central bank targets, few think it's truly under control.

Globally, just 41% of investors think elevated inflation is finally in the rearview mirror. But this is a case in which a middling average fails to tell the whole story. Country to country and region to region, inflation concerns vary greatly.

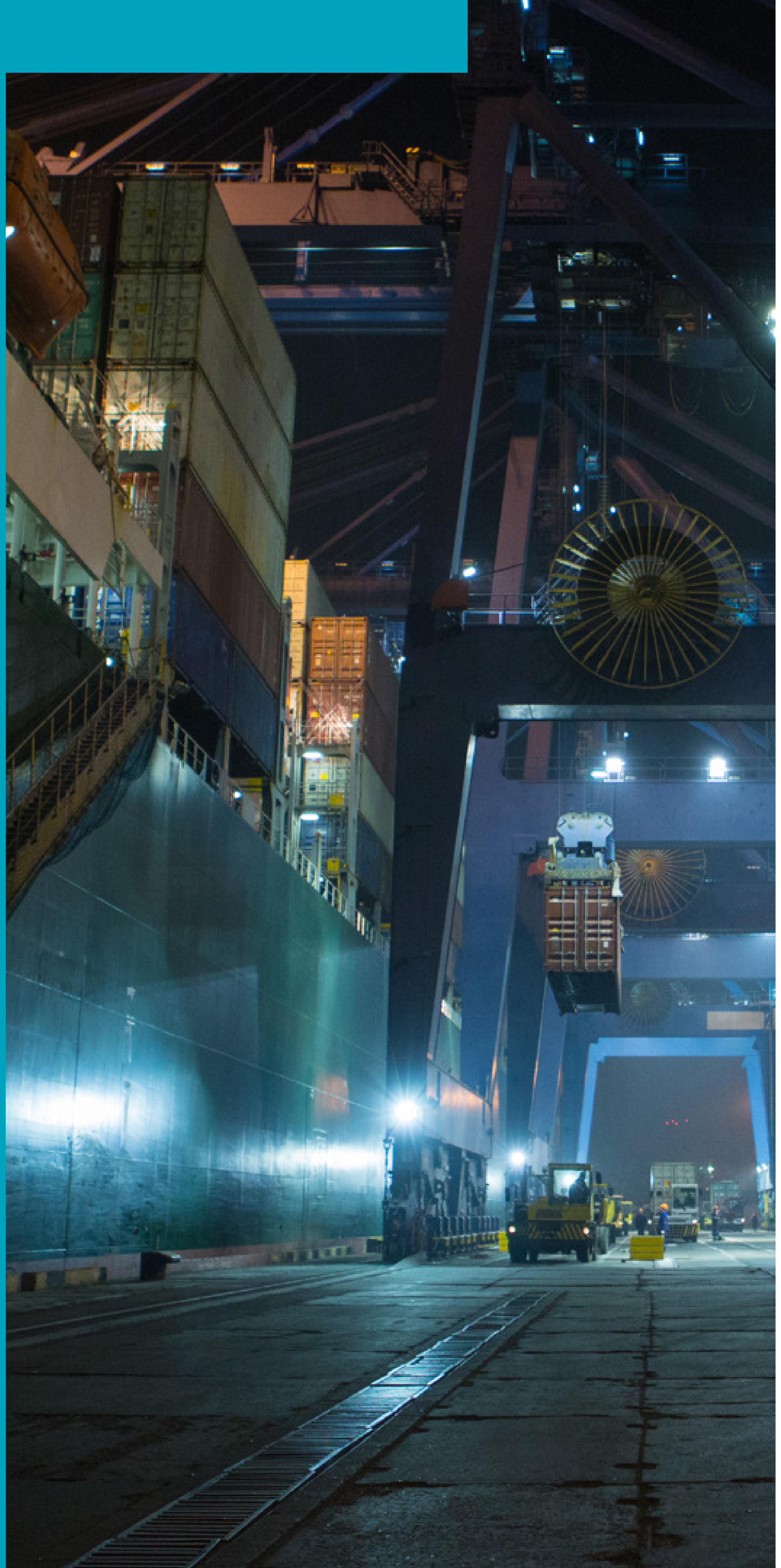
In the US, only 26% are convinced that inflation is behind them, and 61% rank it as their top financial fear. Even as inflation approaches 2% goals set by central banks, nothing will bring everything back to 2019 levels. Prices have escalated over the past five years, and they'll stay at those higher levels. Talk of tariffs and trade wars leave investors waiting for yet another price shock.

For example, Japan has consistently exceeded the central bank's 2% inflation target for three years and came in at 3.6% in March, but only 20% of investors think they're past rising prices. Investors in Taiwan (20%), South Korea (28%) and Hong Kong (27%) do not yet see the light at the end of the tunnel.

However, investors in Latin America are feeling relief as the disinflation process continues, monetary policy is easing, commodity exports are picking up, and supply chains are improving. As a result, 65% in Argentina/Uruguay, 60% in Mexico, and 56% in Colombia/Peru say escalating prices are behind them.

Who thinks inflation is in the rearview mirror

Not all investors are convinced that higher prices are behind them



Investors are losing ground to rising prices

Sticky inflation has left an indelible mark, and investors sense they are losing ground. About two-thirds (66%) say they are saving less due to higher everyday expenses – a sentiment that resonates most in Australia (80%), Taiwan (78%) and Hong Kong (77%).

Investors also report that, even as they have less to save, the gains on what they have been able to invest have been whittled away by inflation (59%), a sentiment that runs exceptionally strong with investors in Taiwan (83%) and Colombia/Peru (70%).

The squeeze is being felt even among high-net-worth (HNW) investors ($1M+ investable assets), as 60% of millionaires say they are saving less because of inflation. Another 56% of this group are concerned about maintaining their net worth and say inflation has whittled away at their investment gains as well.

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The impact on savings and investments is hard felt, and 38% of investors saying say long-term goals are more fantasy than reality. The despair is particularly deep among those investors at the lower end of the wealth spectrum: 45% of mass market investors ($100,000–$300,000 investable assets) and 41% of mass affluent investors ($301,000–$500,000 investable assets) see their goals slipping further out of reach.

My long-term financial goals are becoming more fantasy than reality

Uncertainty grows as geopolitical and macroeconomic norms are tested

After 15 years of low interest rates, high returns, and relatively smooth sailing, the world suddenly feels less predictable in 2025. Geopolitics look uncertain as two wars continue to play out, trade norms in place for decades are challenged, inflation continues to loom over much of the global economy, and markets have abruptly turned volatile.

In the face of this upheaval, 70% of investors say the world feels unstable and they're worried about their finances. The statement resonates most in Asia, where uncertainty over trade is a key factor: 79% in Korea are worried, so are 77% in Japan, 75% in Singapore, and 74% in Hong Kong. However, the concerns aren't limited to Asia, as 75% in France are worried as well.

Inflation may be a foundation for concern, but investors have more to worry about. High interest rates, eroding consumer confidence, and political uncertainties lead 43% to worry about an economic collapse.

Concern remains generally consistent for investors across the 21 countries included in the survey, except for Korea. Slow growth, ongoing political turmoil, and trade risks led 62% of investors there to worry about economic collapse.

Despite impressive returns in 2024, investors are now worried about a potential market crash. Even ahead of the Trump administration's Liberation Day tariff announcement, markets had become volatile. Add to it recession fears and sticky inflation, and 41% of investors are worried about a market crash as well. Crash concerns are highest in Argentina/Uruguay (56%) and the US (50%).

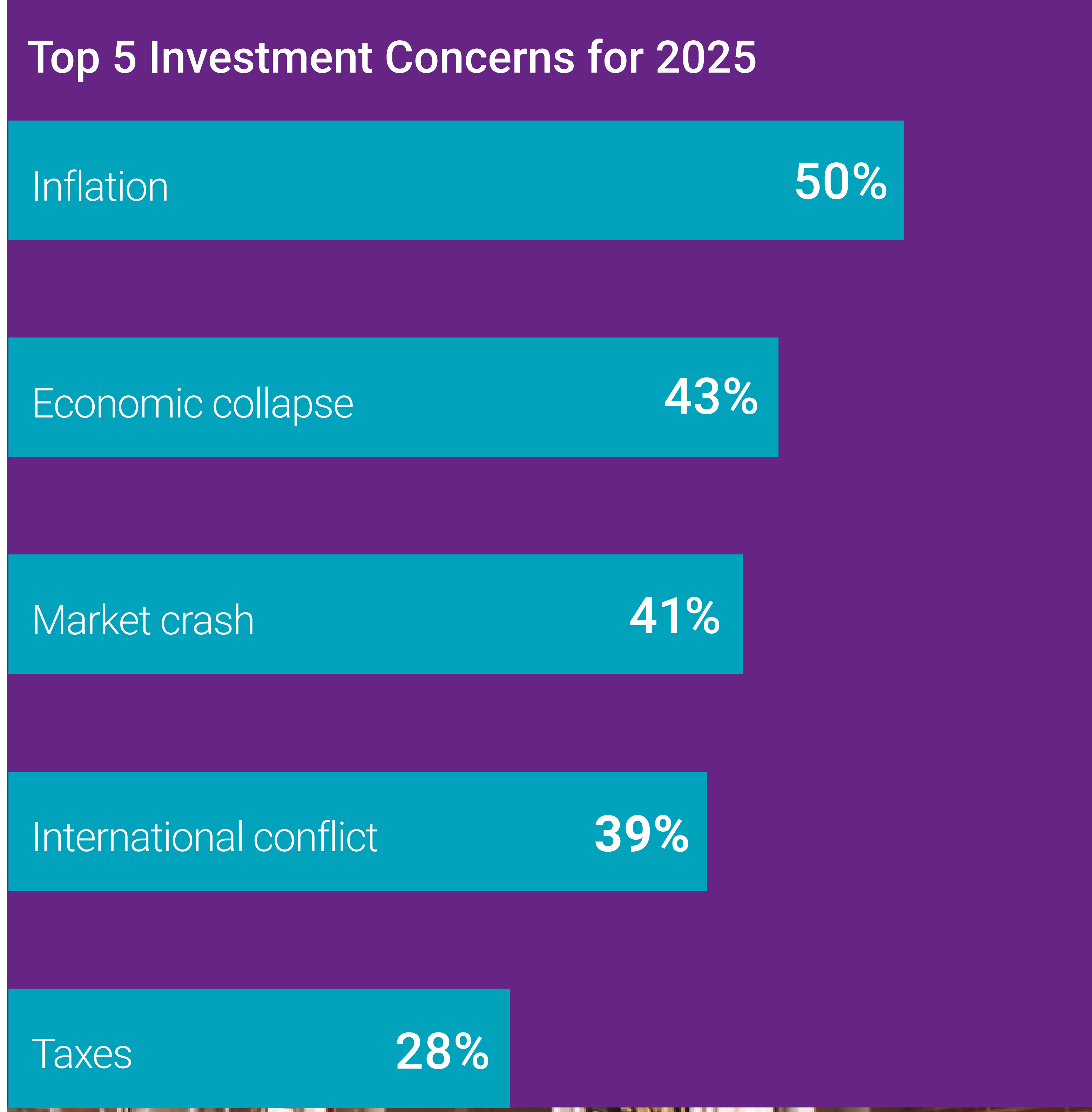
Ongoing wars in Gaza and Ukraine, coupled with changing political leadership globally have 39% of investors worried about international conflict. Given continued overtures from China challenging their country's sovereignty, concern ran highest among those in Taiwan (49%).

Investors anticipated market disruption

When it comes down to it, few think this new environment is good for markets. Asked for their outlook in the first quarter, a small number of investors remained optimistic that 2024's rally would continue. Just 35% thought nothing could stop markets from going higher. Investors in Italy (47%), France (41%) and the US (41%) were most likely to hold this view.

On the other end of the spectrum, only 17% thought the rally would run out of gas. That number may not indicate just how pessimistic some investors were at the start of the year, as another one in five (21%) sensed the end was near saying, "I'm getting out while I can."

About one-quarter (23%) were perplexed by all the new factors coming to light and said they didn't know what to do. With many worried that the end was near, 22% had regrets, saying they missed their chance.



Shifting tax policies add to investors' anxieties

Anxiety strikes close to home with taxes too. Investors rank taxes fifth on their list of investment concerns (28%) and third among their financial fears (34%), and they recognize that there is little they can control. Fear is greatest in Colombia/Peru (49%), Argentina/Uruguay (46%), Mexico (45%) and the US (42%), where taxes rank among their top five investment concerns.

The concern may be well reasoned, as six out of ten investors say they understand how taxes can impact their investments. And as return expectations decline and concerns of a market collapse rise, 70% of those surveyed say after-tax returns are more important than pretax.

The fear may be founded in the challenge facing both policymakers and investors. On one side of the equation are costly 21st-century priorities, including reducing record public debt, a critical need to modernize infrastructure, and the pressure to fund pensions and public retirement benefits, among other issues.

Public debt has swelled to record levels in the past five years, and 77% of investors globally are worried that government deficits will lead to higher taxes. Investors in Taiwan (85%), Japan (83%) and Colombia/Peru (84%) show the greatest concern for imminent tax hikes.

Compounding the deficit problem are the higher interest rates needed to squelch inflation. Higher rates mean governments will have to pay more interest on their outstanding bonds and loans, increasing the deficit even more and pressuring policymakers to generate revenue. This is one reason for the surprising talk about a millionaire tax in the US earlier this year.

On the other side of the equation are individual investors grappling with the effects of inflation. Rising costs certainly put a crimp on household budgets and stalled savings. Recent wage gains may have helped to alleviate some of that pain, but some investors have realized that "the more you make, the more they take," as higher wages have pushed some into higher tax brackets.

> Somebody's going to have to pay the bill, and investors think they're the likely candidates.

One thing is for certain. Somebody's going to have to pay the bill and investors think they're the likely candidates. Globally, 68% of investors and 66% in the US say these shifting policies make it hard to understand what their tax situation will be. Less than half (48%) overall and just 50% of HNW investors expect tax policies will benefit them in the next few years. Overall, the skepticism is greatest among investors in Japan (29%), France (37%) and the UK (35%).

Investors want clarity in the face of market uncertainty

With the uncertainty of today's macro/market environment clouding their financial prospects, individuals are struggling to find clarity on what to do next. Faced with an unfamiliar market environment, they need help rationalizing their return expectations with their appetite for risk and understanding what higher interest rates mean for their investments. They also need a better understanding of which investment opportunities are right for them now.

How moderate is moderate risk?

Since 2017, the data from our biennial investor survey has found a vast disconnect between investors' return expectations and the risk they're willing to take. That truth rings out loud and clear in 2025. Overall, 83% describe themselves as either conservative (36%) or moderate (47%) investors.

In light of the current environment, investors have set modest return expectations of 7.3% above inflation for 2025 – 33% lower than the 10.9% return they reported earning just last year. It appears that most see this as a temporary performance disruption and expect they will be able to generate returns of 10.7% above inflation over the long-term.

Lower expectations narrow the gap with what advisors call realistic.

Even with 10.7% returns, long-term expectations are out of line with what financial advisors say is realistic. But the gap is narrowing. In late 2024, advisors say it was realistic for investors to expect long-term returns of 8.3% above inflation.[2] The difference between investors and advisors leaves an expectations gap of 22%. While it is less than the 54% gap presented by investors' 12.8% expectations in 2023,[3] it is still significant, especially as markets struggle.

Nowhere has the gap closed more than in the US. In 2023, investors had long-term return expectations of 15.6% above inflation.[3] Advisors said 7.1%[2], leaving a 119% gap. Now even with investors setting a more moderate expectation of 12.6% above inflation, there is still a 76% gulf between what investors want and what advisors think they can achieve.

But even moderate expectations still present significant risk. Pursuing double-digit returns can require significant allocations to equities, leaving investors exposed to higher levels of market volatility. Despite what they may say, most are not comfortable with volatility.

Expectation Gap By Country	Investors' long-term return expectations	Expectation Gap	Financial professionals' long-term[2] expectation
Global	**10.7%**	**28%**	**8.3%**
United Kingdom	10.2%	104%	5.0%
United States	12.6%	76%	7.1%
Germany	10.6%	54%	6.9%
Switzerland	10.4%	46%	7.1%
Italy	9.5%	43%	6.6%
South Korea	9.1%	34%	6.8%
Mexico	12.7%	31%	9.7%
Spain	9.1%	29%	7.0%
Australia	10.8%	22%	8.9%
France	9.6%	20%	8.0%
Uruguay	11.4%	18%	9.6%
Singapore	11.8%	17%	10.0%
Luxembourg	11.4%	13%	10.0%
Hong Kong	10.2%	12%	9.1%
Colombia	12.5%	11%	11.3%
Belgium	13.7%	7%	12.9%
Netherlands	12.2%	7%	11.4%
Japan	10.3%	6%	9.7%

Investors see volatility as a bigger risk than missing goals

Investors appear to understand that volatility is part of investing, and 62% say it creates an opportunity to grow wealth. But this looks like a case of investors saying what they think rather than revealing what they feel.

Only 53% of investors say they are comfortable taking on risk in order to get ahead. So, how do they define risk? Investors consistently define risk as either exposure to volatility (25%) or losing assets (22%). But short-term distractions may divert them from long-term objectives, as only 11% define risk as not meeting their goals. Financial advisors in our surveys consistently rank failing to meet goals as the number-one risk investors face.[4]

After two consecutive years of double-digit returns, it is surprising only 11% see missing out on returns as a risk and 13% think of it in terms of outperforming the market.

Uncertain markets make active investing more appealing

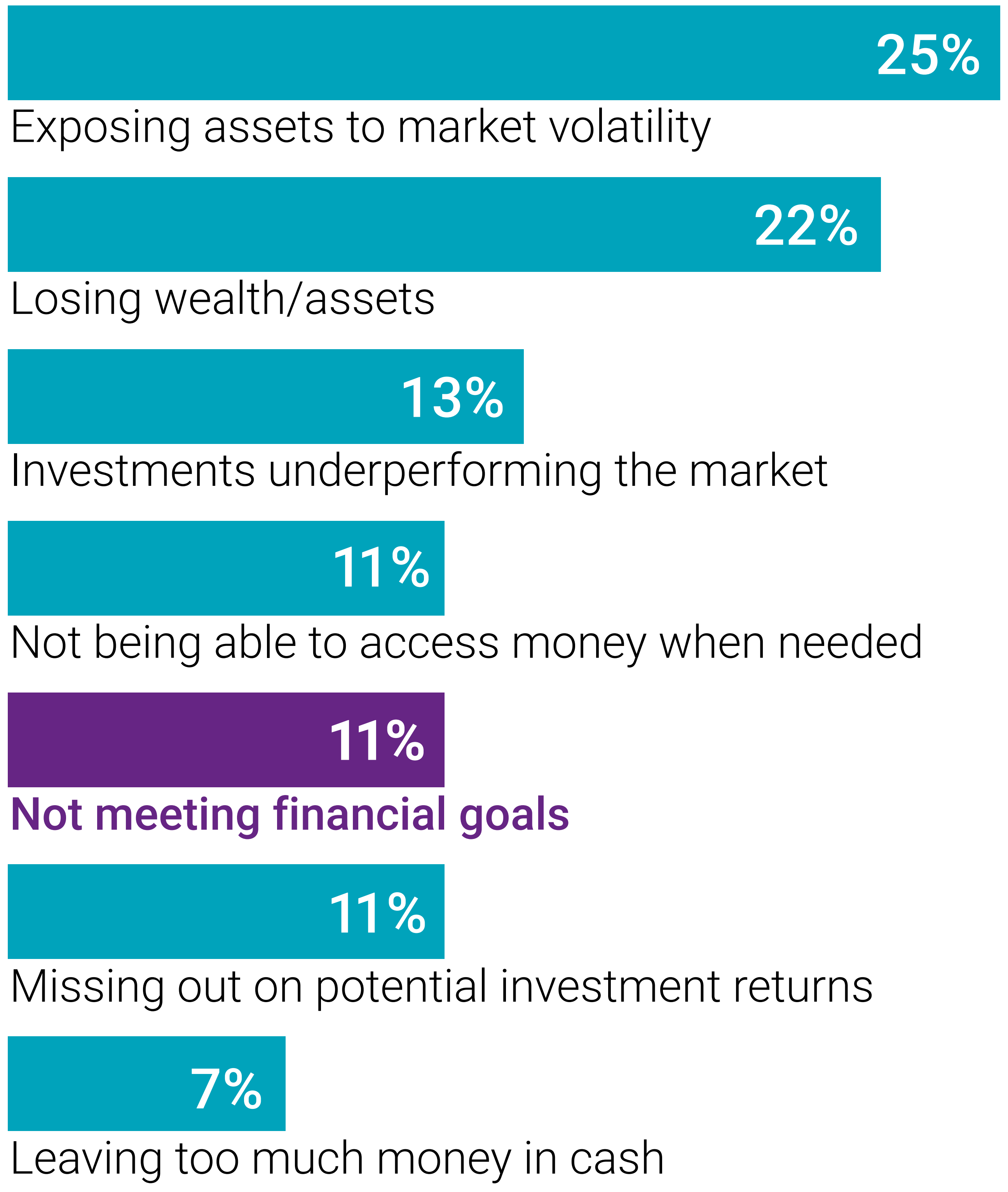
Market risks may be forcing investors to reconsider passive investments. Over the past 10 years, investors in our surveys have consistently shown they understand the basic premise of index funds: market exposure at a lower fee. But they've also assumed benefits that passive can't deliver, telling us passive is less risky, protects them on the downside, and gives them access to the best opportunities.

Few recognize that index funds expose them to all market risks. With no built-in risk management, index funds can't protect them from losses either. Simply put, if markets go up, so do returns. But when markets go down, returns do as well. Index funds may provide access to top-performing companies, but they also include the worst performers.

Looking at a more volatile market in 2025, two-thirds of investor say they don't want to be locked in to only what the market returns. Another 71% globally, and 80% in the US, want the opportunity to outperform the market. Recognizing that the recent tech run-up has given the Magnificent Seven stocks dramatic influence on index performance, almost half (48%) worry that if those companies falter, it would have an outsized negative impact on their portfolios.

That's not to say that they are willing to trade off half of the passive value proposition, as 53% say they are still concerned about investment fees. But almost the same number (52%) say they wish the mutual funds they like were available as an exchange-traded fund (ETF), adding credence to the rise of actively managed ETFs that combine the alpha potential of active investment selection and portfolio management with the intraday trading and tax efficiency of ETFs.

How investors define investment risk



Only **53%** of investors say they are comfortable taking on risk in order to get ahead.

Investors fail the complicated math behind bonds

With inflation holding on, higher interest rates may linger longer. But at some point, rates will come down. Few investors know what it means for bonds. Overall, 62% claim to understand how rates impact bonds, although those in Australia (42%) and the Germany (50%) were significantly less confident.

To test how much they understand about rates and bonds, we gave our investors a quiz. We asked what happens to bonds when rates are cut. We gave them four possible answers: If rates are cut, will the value of bonds you own now go up or down? And if rates are cut, will the income from bonds you buy in the future be higher or lower? The question allowed respondents to make multiple selections and also offered the option to select, "I don't know."

The correct answer has two parts: 1) The value of the bonds owned now will increase because a higher rate will be more attractive to other investors, and 2) the new lower-rate bonds will generate a lower level of income.

When it comes down to it, the math is tricky and includes inverse relationship. Only 3% of the 7,050 investors surveyed got it completely right. Just 226 people in that panel knew that a rate cut would mean the value of bonds they own at the current interest rate would go up (33%), and that bonds bought after the cut would have lower income potential (15%). In the end, about one-quarter of those surveyed took the out and said I don't know.

Despite the confusion, 48% of those surveyed own bonds, and they are willing to learn more about them. Overall, 65% say they understand the role of bonds in portfolios. As it stands, 41% plan to invest more in bonds over the next year. However, most telling about the relationship investors have with the math behind bonds are the 60% who say it's just more fun to invest in stocks.

The Bond Quiz

Question:
What happens to a bond portfolio when interest rates are declining?

- **a.** The price of the bonds I own now decreases
- **b.** The price of the bonds I own now increases
- **c.** The income currently received from the bonds decreases
- **d.** The income received from bonds purchased in the future decreases
- **e.** I don't know

Answers: b & d are the *two* correct answers

Only **3%** of investors from our survey answered correctly.

73% Answered incorrectly

24% Didn't know

Private markets hold strong allure as stocks and bonds stumble

With public markets off to a shaky start, investors are looking elsewhere for opportunity in 2025. Much like institutional investors, the individuals we surveyed are focusing on the potential for private markets to enhance returns and enhance diversification.

As they learn about how professional investors have been turning to real estate to private equity to private debt and infrastructure, 44% of investors globally say the more they read about private assets, the more they want to invest. Globally, 40% say they're already invested.

Overall, 65% say they understand some key differences between public and private markets. They recognize that private assets have a higher fee. However, 50% globally believe the returns are worth the additional expense. Performance potential is a key part of the appeal, as 34% say they feel like they're missing out on the best opportunities, such as SpaceX and OpenAI, by limiting themselves to public markets.

They also realize that private investments present some unique hurdles, but the intricacies can be confusing. Six in ten (61%) know that private assets require special tax reporting. And while 56% say they are interested in private investments, they are worried about liquidity. But only half know that private investments require long holding periods. Another 58% think that private assets are priced daily, which they aren't – a key point of distinction from public markets.

But the biggest point of distinction comes in knowing who can actually invest. Overall, 60% of investors surveyed believe they are eligible to invest in private assets. But there are significant differences between Europe, Asia, Latin America, and the US when it comes to private investing.

Europe:

LTIF and LTAF fund structures are democratizing private assets, giving investors access to the market through evergreen funds, offering some degree of liquidity. This is why 46% of investors have already invested.

Latin America:

The region's regulatory environment encourages private investment with bilateral investment treaties to help safeguard private investments and enhance fiscal-rule compliance. Coupled with the region's infrastructure needs and demand for private financing indicates why 53% of investors there are invested.

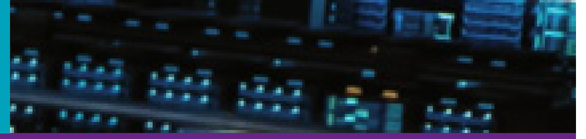
Asia:

Regulatory frameworks in many countries can be complex and restrictive. And a less robust private market overall has limited private investment among those in the region to just 29%.

The US:

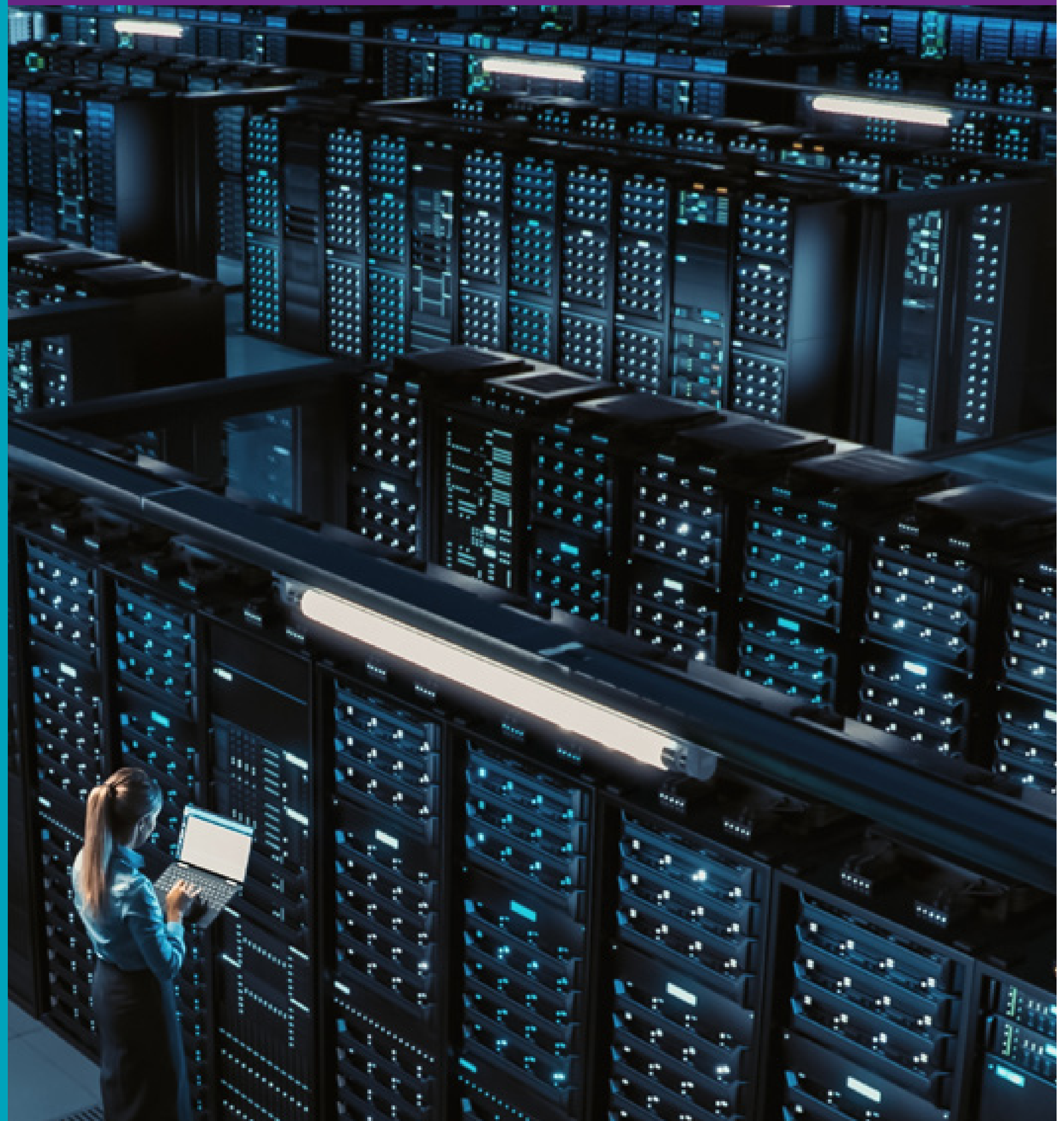
Private investment is often limited to sophisticated institutional investors and accredited investors who meet financial and other requirements. That is why only 24% of those surveyed in the US are currently invested.

Based on the asset-level qualifications alone, US investors are confused about who is eligible to invest: 63% of those with \$501,000–\$1M in investable assets think they're eligible, as do 66% with \$300,001–\$500,000, and even 54% of those with \$100,000–\$300,000.



Individuals are not invested in AI

Recent developments in artificial intelligence (AI) and a rally in cryptocurrencies are putting technology front and center in market conversations. While investors see that AI has the potential to dramatically reinvent how business operate, their sense of the investment opportunity is more subdued. Similarly, the recent rally in Bitcoin has investors interested, but only 36% say they will invest more or begin to invest in cryptocurrencies this year.



Cryptic about crypto

Driven in large part by what's perceived as a more supportive regulatory outlook and growing institutional investment in the asset class, Bitcoin reached the $100,000 mark in December 2024. Despite being aware of the resurgence, investors are not ready to jump in headfirst.

But that doesn't mean there isn't any interest. Overall, 32% of investors globally say they invest in crypto. And 51% believe Bitcoin will reach yet another new high in 2025. Those who don't invest have some regrets, as 42% of those surveyed felt like they missed the boat on crypto investments.

Investors think there still may be opportunity, however, as 44% say new vehicles – such as crypto ETFs – will make the asset class a more attractive investment. Just as they have a reserved view on this asset class, investors show restrained enthusiasm for AI.

Cool on the AI opportunity

In looking at the potential impact of AI, 70% of those surveyed think it will revolutionize how the world does business. But two-thirds (66%) see it as a helpful tool and not much more. That view comes across loud and clear in terms of how the AI investment opportunity is perceived.

Professional investors are optimistic about the opportunity: 79% of wealth managers say AI has the potential to accelerate earnings growth for the next decade,[5] and 63% of institutional investors say it will supercharge tech growth in 2025.[6] Individual investors are not as excited. Just 42% are willing to say it's the biggest investment opportunity in a lifetime.

They are a little more skeptical of the hype than the professionals too. Where just 42% of institutional investors think the rapid run-up in AI stocks is a bubble, 51% of investors globally and 62% in the UK say AI is a bubble waiting to burst.

51% of investors think AI is a bubble waiting to burst.

This more restrained take on the investment opportunity is also reflected in their thoughts on how AI will impact their lives. Despite societal concerns about AI replacing workers, only 36% see it as a threat to their livelihood.

However, some investment professionals may be concerned about being replaced: 46% of investors globally say that advances in AI make them more likely to use automated advice – a point that gives credence to the 52% of wealth managers who said earlier this year that AI is helping to make robo-advice a meaningful competitive threat.

Fortunately, individuals are more likely to trust their advisor (91%) than even themselves (88%) when making a financial decision.

COACHING

Investors want a financial coach

Earning investors' trust really begins with understanding each individual and their goals, as well as their family and financial circumstances. Ultimately, this is what investors value most in their advisory relationships.

Overall, 64% of individuals who work with an advisor prioritize the more personal aspects. Beyond a portfolio, they want financial planning advice (47%), which generally covers setting goals, evaluating assets and liabilities, budgeting, and then setting the steps needed to ensure long-term financial security.

With markets growing more complicated and investment choices more complex, investors also find it valuable for their advisor to help them understand investing (39%). They also say it's valuable when their advisor understands them and their unique circumstances (33%) and just listens to them (31%). Important to note for this current environment: polled while markets were just becoming frothier, 21% say it's good to have their advisor reassure them in difficult markets.

This kind of personal relationship is likely why 55% of individuals in the survey panel, overall, are working directly with a traditional financial advisor, either solely (37%) or in combination with some form of automated advice platform (18%). Only 7% of those who get advice say they rely only on automated advice.

Investors trust people over tech

Asked who they trust when making investment decisions, investors start with their advisor. In fact, investors are more likely to say they trust their financial advisor (91%) than even themselves (88%). Others they trust include their family (69%), financial advisors in general (68%) and banks (60%). Most surprising is that investors say they trust advisors and banks more than they trust even their close friends (56%).

In an age of fake news, bots, and depersonalized service experiences, there is a much lower degree of trust in technology.

Why investors value their advisor

- 47% Gives me financial planning advice
- 39% Helps me understand investing
- 33% Understands me and my unique situation
- 31% Listens to me
- 30% Offers investments that reflect my personal values

Only 40% trust algorithms and AI to support their decisions. Social media, including platforms such as Twitter, Reddit, Tik-Tok, and Facebook, comes in dead last on the list with just 17% saying they trust the posts they read when making decisions.

Investors in the US show the highest level of trust in their financial advisor (96%) and other advisors (79%), and the lowest level of trust in algorithms (29%) and social media (9%).

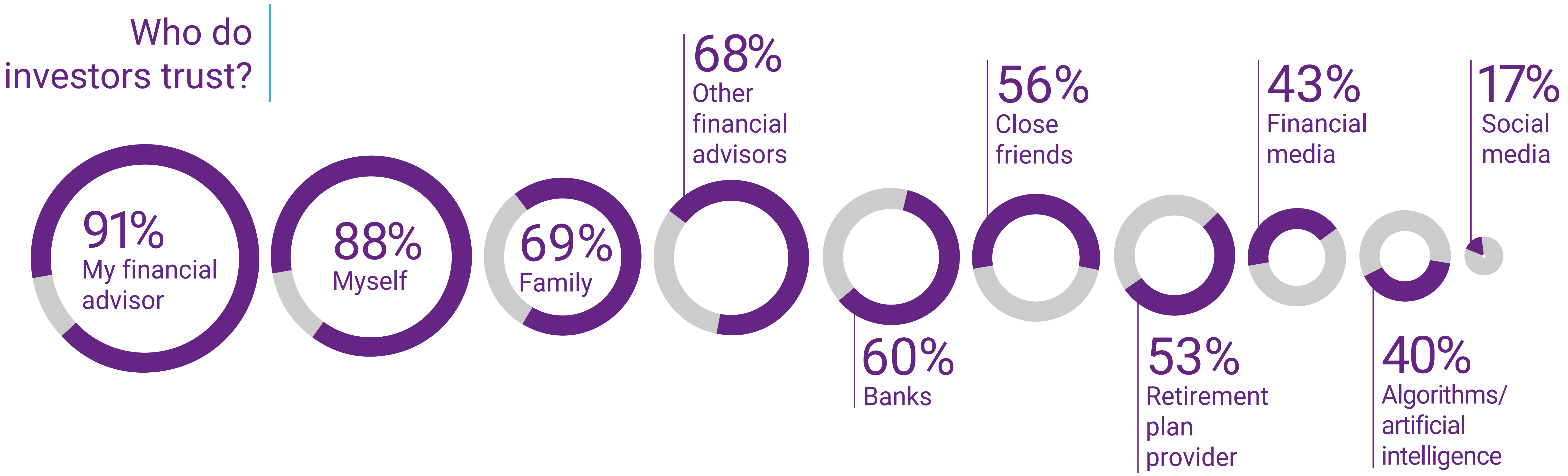
Few investors are willing to outsource all the decisions

Another reason investors prefer the human touch is how much they want to be personally involved in their advisory relationship. Few of those surveyed are totally hands off in their relationship (10%). A limited number of investors (27%) delegate day-to-day decisions to their advisor, while wanting to be plugged in on the big issues.

More than six in ten investors globally say they want to be regularly involved in their investment decisions, working either in partnership with their advisor (32%) and engaged in the decisions or maintaining complete control (31%), by having their advisor bringing them recommendations and calling the shots themselves.

When it comes to what kind of services they want, investors put what they value most at the top of the list: financial planning (46%). Along with managing finances and growing assets, the same number of investors want their advisor to help annuitize their savings with retirement income planning services (46%).

Given their concerns over tax policies, 36% of investors world-wide also say they want their advisor to bring them tax-efficient investing strategies. Historical data suggests that tax concerns have been rising for investors in certain countries.



Tax management in demand

While the demand for tax-efficient investments from their advisor has remained relatively stable globally, at 34% in 2021,[7] 32% in 2023,[3] and 36% in 2025, demand has gained steam in the US, moving from 32% in 2021[7] and 2023,[3] then shooting to 47% of investors in 2025.

Demand has also grown in Spain, although demand started at a higher level and grew more slowly over the past five years (40%,[7] 43%,[3] 44%).

The good news is that investors say advisors are doing a good job on the tax front. When asked, 74% of advised investors globally and 78% of investors in the US say managing tax liability is a key aspect for financial planning with their advisor. Almost the same number (72%) globally and 80% in the US say they're confident in their advisors' minimizing their tax liabilities.

This level of confidence is likely linked to the meteoric growth of direct indexing strategies in the US. Built with separately managed accounts, these integrated portfolios are designed to maximize tax efficiency by applying tax-loss harvesting and other techniques. Industry analyst Cerulli estimates that assets in direct indexing strategies will grow from $615 billion in 2023 to more than $1.5 trillion by the end of 2025.[8]

Private asset opportunities

Investors are also looking for advisors to satiate their hunger in private assets. One-third of investors globally want their advisor to connect them to private investment opportunities. Demand for private investments is greatest in Latin America (43%) and Europe (36%). Meanwhile, only 16% of investors in the US, where the market is limited to qualified investors, are asking their advisor to bring them private investment opportunities.

Advisors appear to recognize the growing demand, as 52% of advised investors say their advisor is recommending private investments. And where demand is greatest, advisors are following suit. In Latin America, 73% of investors in Argentina/Uruguay, 72% in Mexico, and 65% in Colombia/Peru say their advisors have recommended private investments. In Europe, investors in Spain (66%) and France (60%) are receiving the same advisor recommendations.

Managing diminished expectations

Investors had a great run over the past couple of years. Returns were strong. Volatility was relatively low. And higher interest rates made bonds more attractive. But by the start of 2025, investors knew that nothing lasts forever and adjusted their expectations accordingly.

Looking at a less stable geopolitical, macroeconomic, and market environment, return expectations have dropped significantly. Inflation continues to loom large as investors express concern about climbing prices eroding their ability to save and what they earn on their investments. As a result, investors are looking to maximize their opportunity set.

They are focused on taxes and want strategies to help them keep more of what they earn. They see uncertainty for public markets and want to explore the potential for private investments to help them diversify and enhance returns. While they may intuitively understand the need for such measures, they're still not sure about what to do about bonds.

In the end, they need advice that helps them regain their confidence and provides genuine clarity on what they need to do next. In the end, they need their financial advisor to step in and coach them through the age of diminished expectations.

About the Survey: Natixis Investment Managers, Global Survey of Individual Investors, conducted by CoreData Research in February and March 2025. Survey included 7,050 individual investors in 21 countries.

1. Bloomberg (in USD).

2. Natixis Investment Managers, Global Survey of Financial Professionals, conducted by CoreData Research between June and August 2024. Survey included 2,700 respondents in 19 countries.

3. Natixis Investment Managers, Global Survey of Individual Investors, conducted by CoreData Research in March 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 March and April 2020. Survey included 2,700 financial professionals in 16 countries.

5. The 2025 Natixis Investment Managers Wealth Industry Survey was conducted in December 2024 and January 2025 and included 520 individuals in 20 countries throughout North America, Latin America, the United Kingdom, Continental Europe, Asia and the Middle East.

6. Natixis Investment Managers, Global Survey of Institutional Investors conducted by CoreData Research in October and November 2024. Survey included 500 institutional investors in 28 countries throughout North America, Latin America, the United Kingdom, Continental Europe, Asia and the Middle East.

7. Natixis Investment Managers surveyed 8,550 investors globally across 24 countries in March and April 2021, with the goal of understanding their views on the markets and investing.

8. Cerulli Associates

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