

## U.S. Institutional Distribution Dynamics 2025

*The Evolving Relationship Between Institutional Investors and Asset Managers*

### OVERVIEW & METHODOLOGY

This new research report examines the strategies employed by institutional sales and service teams to distribute investment products and differentiate to provide top client service. The report includes an overview of the shifting institutional market and sizing of the addressable market broken down by client segment and distribution method. The research explores the capabilities, characteristics, and mindset of top asset managers through the lens of institutional investors, as well as how asset owners want to be engaged and what additional services are most valued. Additionally, it covers how sales and service teams use artificial intelligence (AI) to enhance efficiency. Lastly, it includes institutions' expected shifts in asset allocation, tracking of consolidation activity among investment consultants, and data on the use of consultants by channel.

### USE THIS REPORT TO

- Evaluate how consultants are evolving their business, as well as consultant use across institutional client segments
- Analyze how institutional sales and services teams are increasing their use of technology, forming strategic partnerships, and becoming more deliberate in how they connect with clients, consultants, and OCIOs
- Learn about asset owners' views on the capabilities, qualities, and characteristics of what they believe are top asset managers from both a strategy and firm perspective
- Explore how institutional sales and services teams are leveraging AI to boost the efficiency of their operations

### QUESTIONS ANSWERED

- What is the total addressable market across institutional channels by distribution method?
- In an increasingly competitive landscape, what tactics are distribution teams employing to build and enhance relationships with allocators?
- What are asset owners' views on the capabilities, qualities, and characteristics of what they believe are top asset managers from both a strategy and firm perspective?
- How are institutional sales and services teams leveraging AI to boost efficiency?
- How are investment consulting industry dynamics shifting, and how are investment consultants evolving their business model?

### PRODUCT DETAILS

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- Digital report in PDF format
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- Key findings
- Analyst support
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#### Interactive Report Dashboards

*Interact and explore select report data with Cerulli's visualization tool.*

**Investment Consultant Acquisition Matrix:** The matrix tracks more than 50 consolidations in the investment consulting industry over the last decade and a half.

**Topics That Are Top of Mind for Asset Owners and Allocators:** Side-by-side comparison of asset owners' perspective on the topics they will most likely discuss with their investment consultant or OCIO, compared to asset managers' input on the topics about which allocators are inquiring.

**Most Valued Ancillary Services Provided to Asset Owners:** Side-by-side comparison of asset owners' most valued ancillary services received, compared to asset managers' views on the most valued services provided to asset owners and third-party allocators.

**Most Important Components of Investment Performance Communication Updates:** Side-by-side comparison of asset owners' and asset managers' views on the most important components of investment performance communications.

**Top Factors Leading to the Termination of an Asset Manager:** Asset owners' views on the top factors leading to the termination of an asset manager.

**Frequency of Asset Owners Meetings with Asset Management Professionals:** Learn about the frequency with which asset owners meet with various asset management firm professionals.

Dakota (63%), Findaily (44%), and With Intelligence (31%) are the most frequently used third-party databases by distribution professionals to support prospecting and client relationship management efforts.

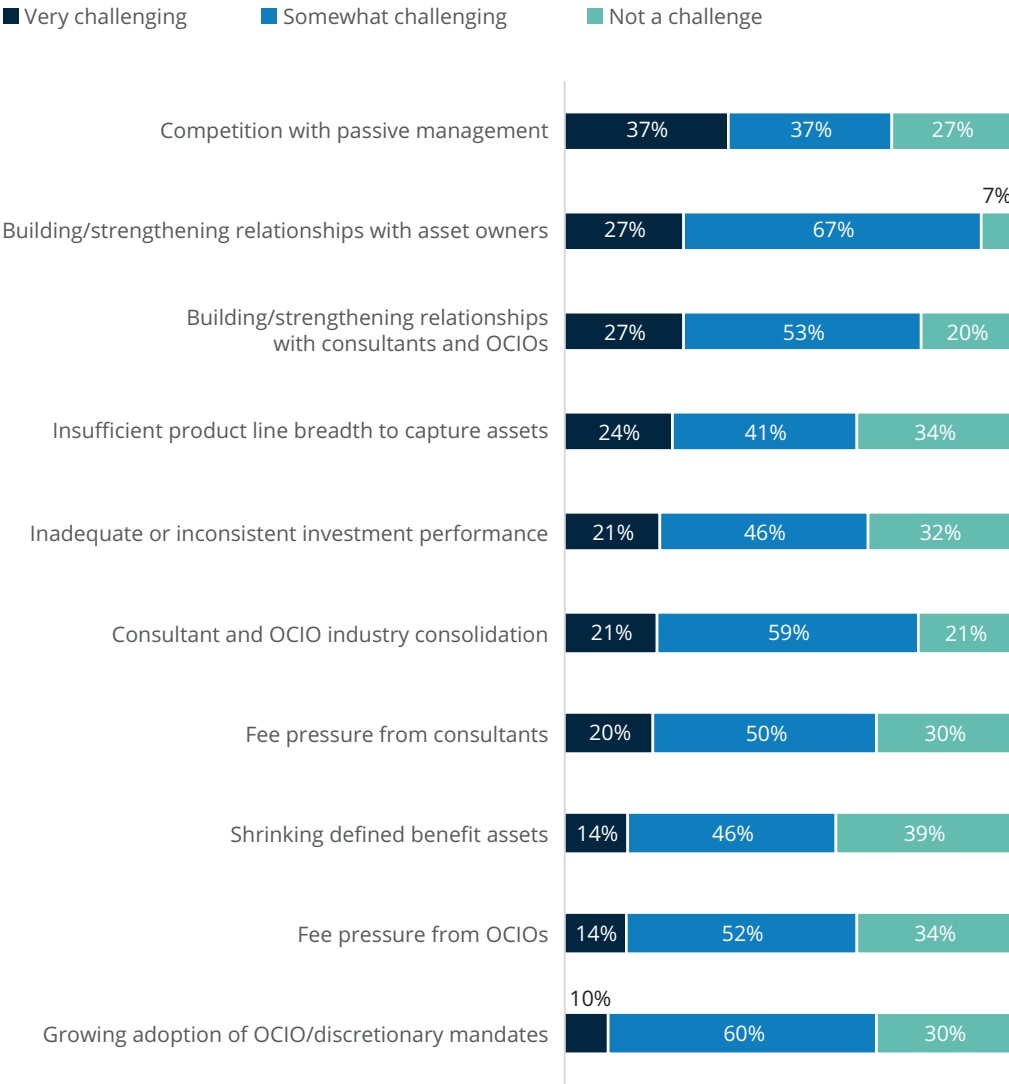
Research conversations reveal that distribution professionals use multiple databases, each with its own strengths. As one distribution professional tells Cerulli, “None of them is perfect, so the team uses a mosaic approach to put together the complete picture.”

Due to the strong performance of passively managed large-cap and mid-cap equity strategies over the past 15 years, more than one-third (37%) of distribution professionals see competition from passive management as a significant obstacle to expanding their actively managed institutional assets.

Building and strengthening relationships with asset owners (93%) and consultants and OCIOs (80%) are considered at least somewhat challenging, as is fee pressure from consultants (70%) and OCIOs (66%). As one head of consultant relations tells Cerulli, “We’re turning away a fair amount of OCIO business just because we can’t get to the level of fees that we need to be at to compete.” A majority (60%) of participants also cite that shrinking DB assets are at least somewhat challenging.

**Exhibit 2.13**  
**Top Challenges to Growing Institutional Assets Under Management, 2025**

**Source:** Cerulli Associates 2025 U.S. Institutional Distribution Professionals Survey  
**Analyst Note:** Other responses included “Private markets swallowing up demand,” “Launching new/lower-cost vehicles/identifying seed investors,” “Volume of DDQs from consultants and OCIOs,” and “Out of favor asset class.”



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