

Surveying the Shift: Retail Investors and the Future of Alternatives

SURVEY OF RETAIL INVESTMENT ON ALT ASSETS PLATFORMS

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A brief introduction

Alternative assets such as private market funds, art, wine, farmland, precious metals, and collectibles have long been thought of as the province of only the wealthiest Americans and institutional investors.

However, the rise of digital platforms that facilitate investments into alternative assets has offered an innovative way to democratize the asset class for the broader retail market.

Much the same way that online brokerages transformed the investment landscape and opened the stock market to the American public, these platforms have the potential to create new growth opportunities and financial avenues for millions of Americans.

The rise in digital investment platforms for alternative assets has been coupled, and perhaps in some ways bolstered, by a growing need for investors to diversify their portfolios. Changing market dynamics, particularly in the aftermath of the COVID pandemic, led to questions over the wisdom of the “60/40 rule” (60% of a portfolio in stocks, 40% in bonds) as the predominant investment principle, making a strong case for investors to diversify. Indeed, our research shows that alternative assets have the potential for growth within the portfolios of retail investors, presenting a prime opportunity for alternative asset platforms and fund managers looking to tap into a potentially lucrative new client base.





“... there is a significant opportunity for alternative asset investment platforms and fund managers to convert a greater share of the retail market.”

To gauge current investor attitudes towards alternative assets and understand the opportunity for retail growth among digital investment platforms, [Lansons](#) conducted a survey of 2,000 U.S. adults via market research firm [Opinium](#).

The findings reveal that there is a significant opportunity for alternative asset investment platforms and fund managers to convert a greater share of the retail market. But first, they must work to overcome key barriers to entry, including concerns about the potential for fraud and a lack of awareness about viable investment platforms.

“Our data found that there is a general lack of awareness among retail investors about the opportunities available for them to invest in alternative assets; however, there is significant interest in adding the asset class to their portfolios,” said James Schiavone, Head of New York Operations at [Lansons](#).

“The tens of millions of Americans who are already invested in traditional stocks and bonds and who are eager to diversify given current market conditions present a significant and largely underleveraged opportunity for alternative asset platforms and fund managers.”

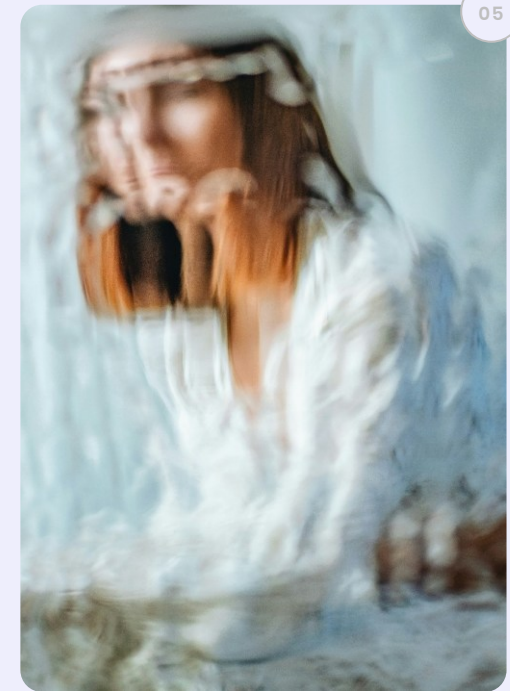


Investment Profile of U.S. Adults

Americans' likelihood to invest differs by gender, with men (32%) significantly more likely than women (20%) to hold investment accounts.

Notably, only 30% of respondents feel confident in their ability to weigh the pros and cons of an investment, with men (36%) reflecting higher levels of confidence than women (24%). Millennials (33%) and GenZ (35%) show higher confidence than Gen X (27%) and Boomers (25%).

Despite lower rates of both investment account holdings and confidence surrounding investment decisions, women report slightly higher median investment holdings (\$173,934) compared to men (\$165,816).



State of Retail Investment in Alternative Assets

In 2024, only 4% of U.S. adults are invested in alternative assets – down from 8% in a similar [Lansons' survey in 2022](#).

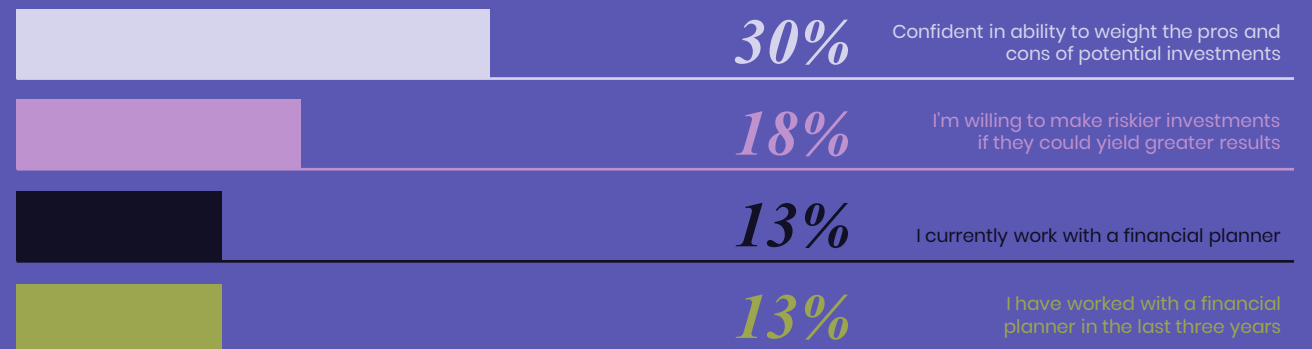
Despite fewer Americans investing in alternative assets, those who do so are willing to commit a sizeable percentage of their overall portfolio. On average, active investors are willing to allocate 25.7% of their investment portfolio to alternative investments, a tick above the 25.3% reported in 2022. This represents a potential inflow of more than **\$1.3 trillion** – a figure consistent with Lansons' 2022 survey.

When it comes to alternative investments, younger generations are more likely to invest. While 6% of Gen Z and 4% of Millennials currently invest in alternative assets, only 5% of Gen X and 2% of Baby Boomers do so.



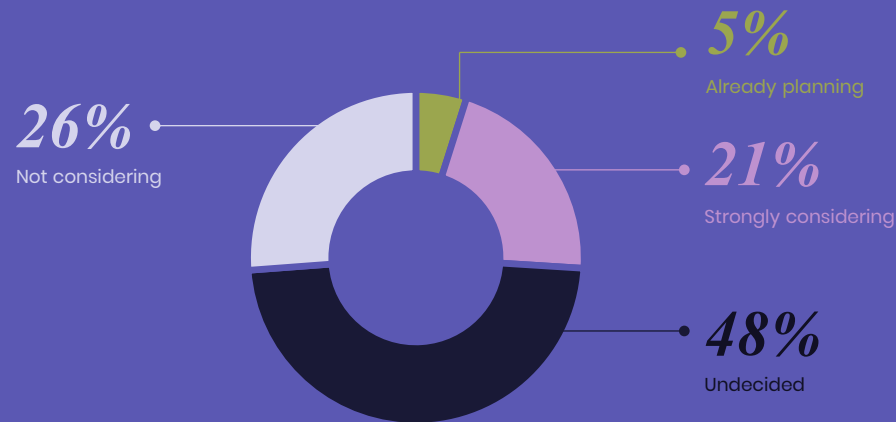
*Although many U.S. adults do not feel confident in their ability to weigh the pros and cons of financial investments, **only about one in ten** (13% each) Americans **currently work with a financial advisor** or has done so in the past three years. Financial advisors have an opportunity to educate their clients about alternatives and facilitate investment to complement their traditional offering of public equity and fixed-income funds, potentially drawing in new clients eager to broaden their investment opportunities.*

Self-description of personal financial traits

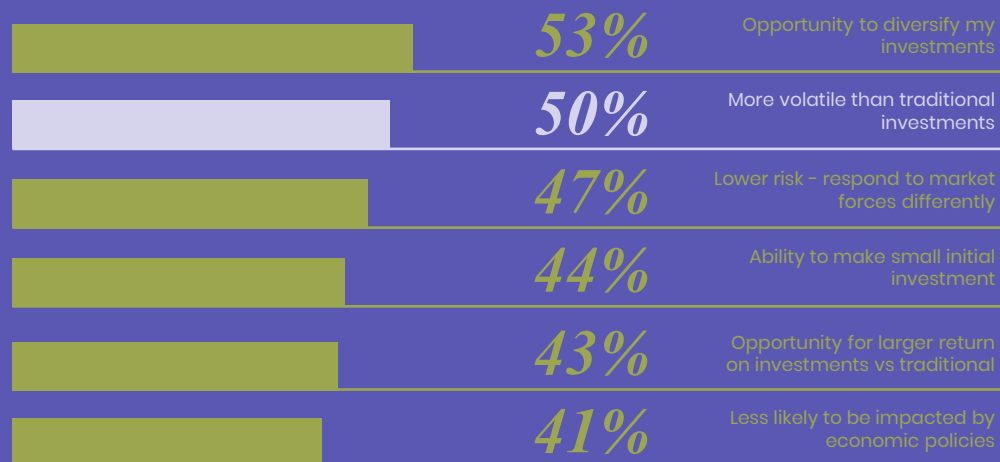


Consideration of alternative assets investment

Among those who do not already invest in alts...



Top reasons to consider or not consider investment



Retail Investors Are *Convertible*, Despite Low Current Uptake

Concrete investment demand in alternative assets remains low, with only **5% of Americans reporting they're already planning to invest in the next few years.**

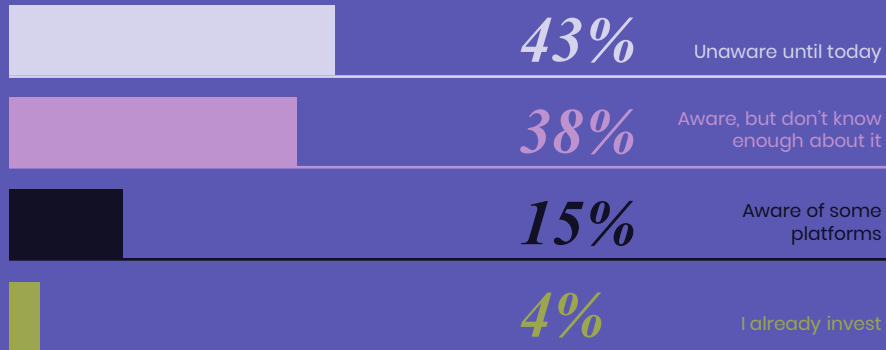
However, a fifth (21%) of U.S. adults report they'd strongly consider investing, indicating the potential to attract a large portion of the retail investment market into the alternative asset space in the near term.

Notably, many investors are aware of the potential benefits of investing in alternative assets already. For example, investors generally agree that alternative assets offer a way to diversify their portfolio and can make the overall portfolio less risky.

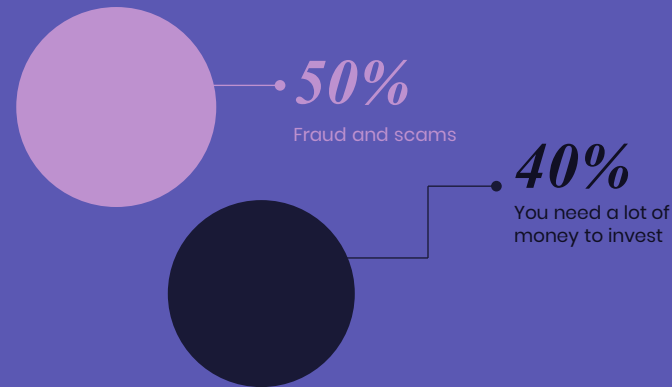
They also agree that alternatives can offer the opportunity for greater returns compared to traditional assets. They also believe alternatives are less likely to be impacted by the economic policies of the political parties in office, an attribute that may be especially attractive in the current political climate.

Interestingly, many investors say that the ability to make a small initial investment into alternative assets would make them more likely to make larger investments down the road. This reveals an opportunity for alternative asset investment platforms to attract greater retail participation by touting their relatively low thresholds to investment.

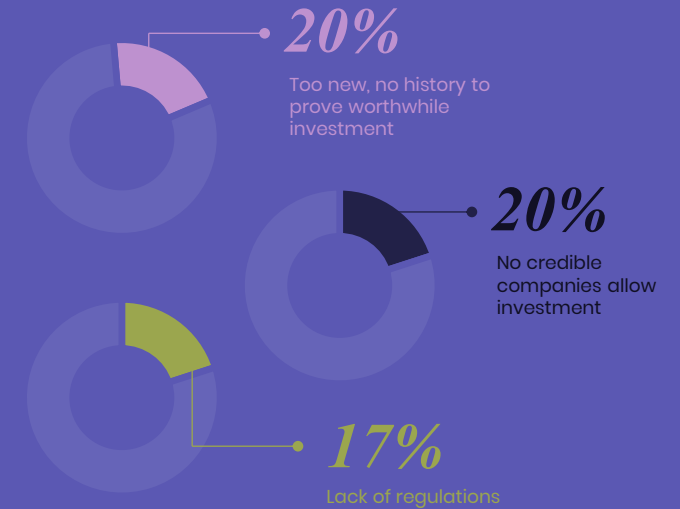
Awareness of platforms that allow you to invest in alts



Perceived barriers to investing in alts



Secondary barriers to investing in alts through digital platforms



Overcoming Barriers to Entry

To successfully convert the 21% of retail investors who would consider investing in alternative assets, investment platforms must actively work to overcome the primary barriers to entry, namely a lack of awareness and concerns over the possibility of fraud and lack of security.

Opportunity to raise awareness

Many investors (43%) are unaware of digital platforms that allow them to invest in alternative assets, and only 19% of investors consider themselves knowledgeable, revealing a significant opportunity for digital investment platforms to raise awareness of their offerings within the retail market.

Fears of fraud prevents many Americans from investing in alternative assets

Among Americans who currently do not invest in alternative assets, concerns around potential frauds or scams are the leading barrier to investing in alternative assets (50%), up considerably since 2022 (42%).

The growing sense of caution may stem in part from high-profile events like the collapse of crypto exchange FTX in 2022, which made headlines for the company's lack of internal controls and misuse of investor funds.

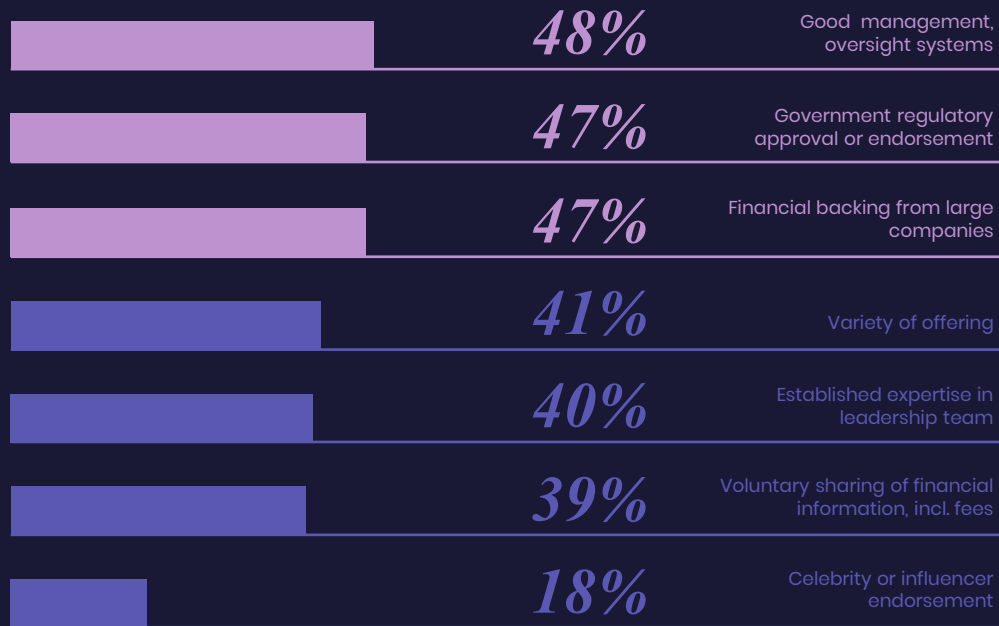
Tackling secondary barriers to entry

Roughly 40% of U.S. adults don't believe they have enough money to invest in alternative assets. Raising awareness of the relatively low minimum to invest which on many platforms offering art or collectibles is under \$100 and on platforms offering investments in private equity or credit can be around \$10,000 could help spur greater inflows. What's more, effectively communicating the virtues of alternative assets within

a broader investment portfolio for Americans of all income levels can further help digital investment platforms boost retail market participation.

Other barriers to investing in alternative assets include:

- Concerns about the viability of investment platforms that facilitate alternative asset investment (22%)
- Belief that investing in alternative assets is too new and there is no history (20%)
- Investors don't know credible companies to invest with (20%)

Factors impacting trust (% increase trust)*For companies and platforms facilitating investment in alts*

Building *Trust* with Retail Investors

Digital investment platforms have a significant opportunity to attract a greater share of the retail investor market, but building trust with potential new users is key.

In addition to emphasizing the benefits of investing in alternative assets and raising awareness of platform offerings, digital platforms have an opportunity to build trust by touting their internal controls and corporate governance as well as their adherence to regulatory requirements.

“The findings from our survey offer a roadmap for alternative investment platforms and fund managers looking to reach and engage a vast, underserved retail audience,” added Schiavone. “Given the volatility we’ve seen in public markets over the past few years, effective messaging focused on building trust through education has the strong potential to increase retail interest in alternatives.”

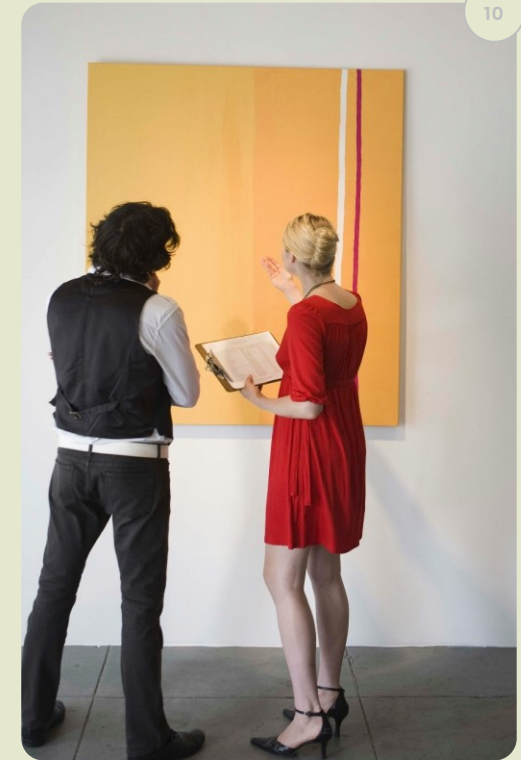
Respondents say their trust in investment firms or digital platforms would be most positively influenced by:

- (48%) Good management / oversight systems
- (47%) Government approvals
- (47%) Financial backing from large companies

Across the board, men are more likely than women to indicate these factors would increase their trust in platforms. Notably, influencer and celebrity endorsement of alternative asset platforms doesn’t do much to move the needle on trust, with only 18% of respondents citing it as a trust-builder. Reflecting on the wave of celebrity endorsements and ads promoting crypto companies at the height between 2021 and 2022, it’s possible that investors’ trust in this type of marketing has waned following the public collapse of FTX, a popular crypto exchange platform.

“Perceived risk continues to be a barrier for some investors in alternative assets, but this can and is being overcome,” said Jack Denton, Chief of Staff at Ctrl Alt, a B2B infrastructure provider focused on making alternative asset structuring and investing more accessible and efficient.

“Platforms that integrate secure technologies like blockchain, and do so within clear regulatory frameworks, are helping to build trust. Transparency is key when investors are shown exactly how security and compliance are handled, it reduces uncertainty and reframes these investments as credible and secure options. The industry doesn't need to downplay risk, it needs to explain how it's being addressed.”



Conclusion

With more than half (53%) of respondents noting that they believe alternative investments offer an opportunity to diversify their portfolio, there is a great opportunity for alternative investment platforms to educate retail investors about their opportunities to add alternatives to their portfolios, emphasizing trust and security.

Leveraging the insights from the survey on retail sentiment can help companies across the alternative assets sector – including direct investment platforms, alternative asset managers and distribution platforms – emphasize their differentiators, raise awareness and connect with audiences.

Lansons has extensive experience working with alternative asset platforms and private market fund managers to develop and implement effective communication strategies. We would be happy to connect to discuss the results of the survey – including additional findings not made public – and how they can be applied to companies operating in the alts space.

For more information, contact
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Methodology

Lansons partnered with strategic insights agency Opinium to conduct a nationally representative survey of 2,000 Americans. The survey was weighted using the latest figures from the U.S. Census Bureau. “Active Investors” is defined as anyone who has an individual investment account, including in stocks, bonds, crypto, etc.

The study was conducted from September 26th, 2024, to October 1st, 2024.

ABOUT LANSON'S TEAM FARNER

Founded in 1989 by Clare Parsons and Tony Langham, Lansons is a communications and reputation management consultancy, centred in London and New York, with 90+ consultants specialising in media, investor, political, regulatory, employee and marketing communications. We partner with organisations, senior leaders and governments to transform reputations and change behaviours for the benefit of individuals and society. In its 35-year history Lansons has been named 'Agency of the Year' 36 times winning the title from PRWeek and PProvoke among others. In 2023 Lansons was acquired by pan-European group, Team Farner.

For more information: www.Lansons.com/New-York

ABOUT FARNER INTERNATIONAL AG / TEAM FARNER

Team Farner is a group of leading consultancies that see communication as a key factor in the success of an organisation. The fast-growing group is led by successful communications entrepreneurs and partners who are themselves active in the consulting business. As an international team of the best minds, Team Farner combines all disciplines of communication such as strategy, reputation management, sustainability communication, branding, brand management, corporate communication, public affairs, marketing communication, behavioural science, advertising and digital. Team Farner has its roots in Switzerland, where Farner is the market leader in integrated communications, founded in 1951.

For more information: www.TeamFarner.com

ABOUT OPINIUM

Opinium is an award-winning strategic insight agency built on the belief that in a world of uncertainty and complexity, success depends on the ability to stay on pulse of what people think, feel and do. Creative and inquisitive, we are passionate about empowering our clients to make the decisions that matter. We work with organizations to define and overcome strategic challenges – helping them to get to grips with the world in which their brands operate. We use the right approach and methodology to deliver robust insights, strategic counsel and targeted recommendations that generate change and positive outcomes.

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