

January 2025

Milestones, Markets, and Momentum

Annual message from Co-CEOs, Tom Powers & Bill Roberts

To Our Valued Clients, Business Partners, Friends, and Employees,

As GW&K concludes its 50th year in business, we want to take a moment to express our gratitude, reflect on the year just passed, and share some firm updates. As our Founder-Chairman, Harold Kotler, recently remarked: For [50 years](#) our firm has successfully helped our clients invest confidently over a broad spectrum of economic cycles and ever-evolving investment landscapes. We are proud of this milestone, and we could not have reached it without you, the clients and business partners who have put their trust in us, and our talented professionals. Thank you.

2024 Market performance: A wild ride

Financial markets were dynamic and resilient in 2024. The economy managed to avoid a recession, and while higher-than-desired inflation persists, the Federal Reserve ended its historic rate-tightening cycle and began reducing rates. Technological advancements in [artificial intelligence \(AI\)](#) are reshaping industries, and markets responded positively to [President Trump's re-election](#). Many economists expect the new year to be even better with respect to earnings and economic growth, as economic indicators, especially regarding the labor market, housing, and consumer spending, remain quite strong. Equity markets exhibited breathtaking growth in 2024, with the S&P 500 returning 25% for the year — the second consecutive year of 20%+ gains — thanks in large part to several trillion-dollar tech companies, aka the Magnificent 7.

Markets shifted away from expected behavior in fixed income, however. Fixed income indexes struggled for much of the year, remaining frustratingly flat or in negative territory. As the bond market enters 2025, we see solid fundamentals and a promising technical backdrop.

The only constant is change, indeed. While volatility impacted most asset classes last year, it also created distinct opportunities for disciplined, research-driven, active investors. The investment industry is always evolving, and we continue to closely monitor how things are changing while we thoughtfully consider how best to respond, ensuring that our approach aligns with our commitment to delivering value while staying true to our core principles. Our focus will remain on meeting and anticipating our clients' investment needs, enhancing client relationships, and fostering a collaborative, inclusive, and forward-thinking culture.

Strengthening our foundation

Embracing change allows us to unlock new opportunities and strengthen our ability to adapt and thrive. Technological innovation continues to drive value creation in ways that would have seemed unlikely a decade ago. These trends underscore the importance of staying agile and future-focused, which is what we strive to do. Two years ago, we initiated a multi-year systems upgrade, which will continue to support GW&K's growth and adaptability. We've made substantial progress in updating our trading and billing platforms, and we are dedicated to collaborating closely with our partners to ensure a seamless transition. We are continually assessing the state of our business infrastructure to ensure our foundation stays strong and primed for future growth.

In 2024 we took a new approach to how we manage data with the creation of our Enterprise Data and Analytics team. Combining our Performance and Analytics group with members from Information Technology, this newly formed team will be instrumental in shaping our ability to drive innovation and maintain a competitive edge — including a focus on data integrity and the incorporation of AI into our business. This team will also help us enhance existing processes and create new, streamlined ways of approaching our work.

We have also added the role of Chief Financial Officer (CFO) to complement our established Finance & Administration department, and we are thrilled to welcome [Brian Maguire](#) to GW&K in this new role this year. Looking to the future, we feel that adding a CFO with industry experience will bring an important strategic perspective as our business continues to grow in scope and complexity.

Lastly, we are also excited to share that for the fourth consecutive year *Pensions & Investments* named GW&K one of the [Best Places to Work in Money Management](#). We are continually inspired by the collaborative and respectful culture that defines our firm. The connections we've fostered, the camaraderie we've cultivated, and the shared values that inspire us are what make GW&K an exceptional place to work, learn, and grow. In 2024, we focused on strengthening and preserving this unique culture through enhanced employee training programs, empowered affinity groups, impactful community service partnerships, and a strong mentorship initiative. These efforts fostered deeper connections among colleagues and cultivated a more cohesive and inclusive environment. We look forward to building on this momentum and making further enhancements in 2025.

A focus on the future

Looking ahead, we believe we are well-positioned for the opportunities and challenges that the new year will bring. As we build for the future, whether through enhanced technology and artificial intelligence or new investment offerings, our commitment to excellence remains unwavering. We are determined to deliver timely and exceptional value to our clients.

We are filled with optimism and excitement for what lies ahead. Together, we will continue to navigate the complexities of the market with purpose and determination. Here's to a new year filled with possibility, progress, and shared success.

Warm regards,



Thomas F.X. Powers
Co-CEO



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Co-CEO