MSCI

# The 2026 MSCI General Partner Survey

## The scaling imperative: Infrastructure, operational risk and AI

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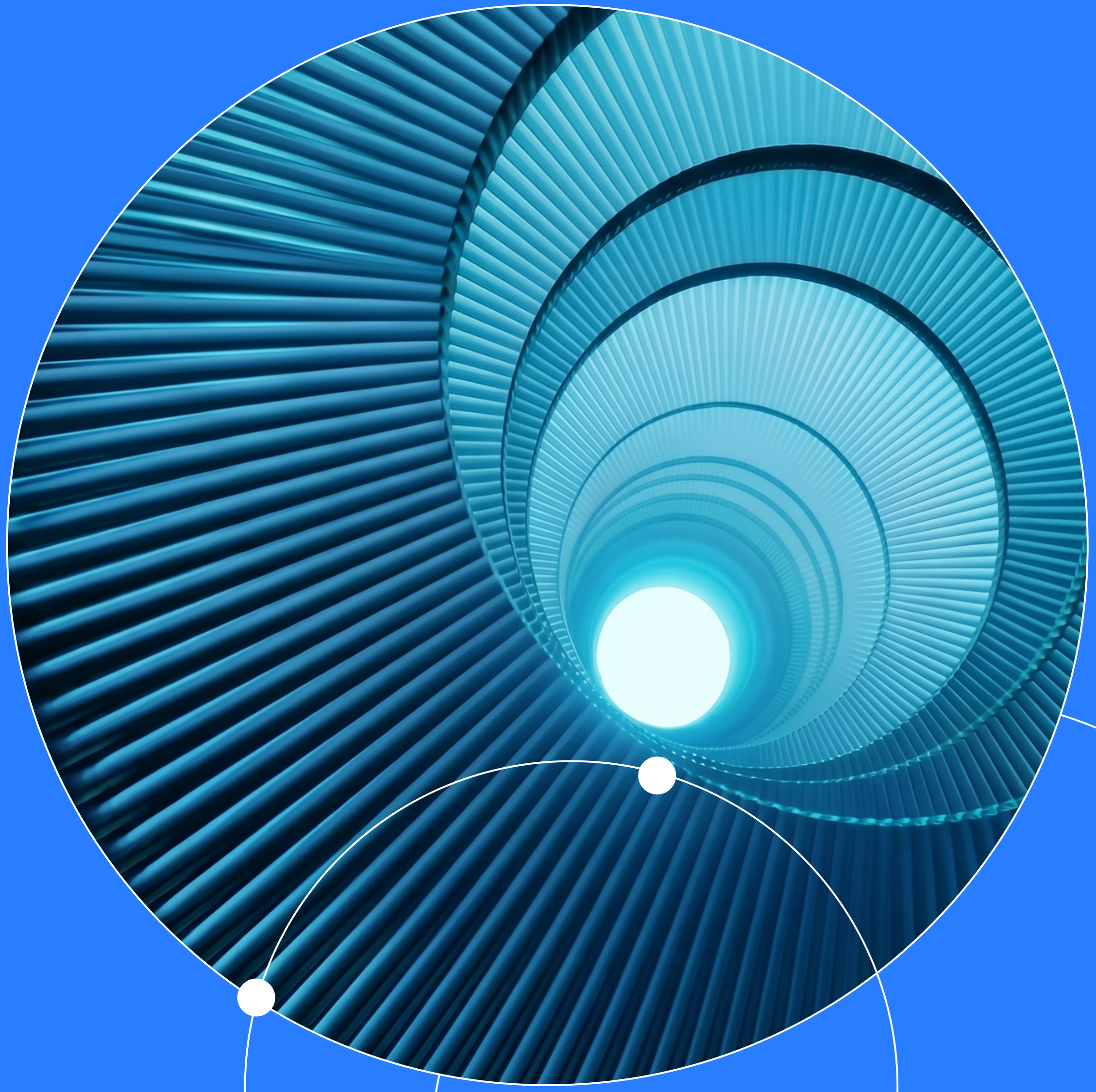

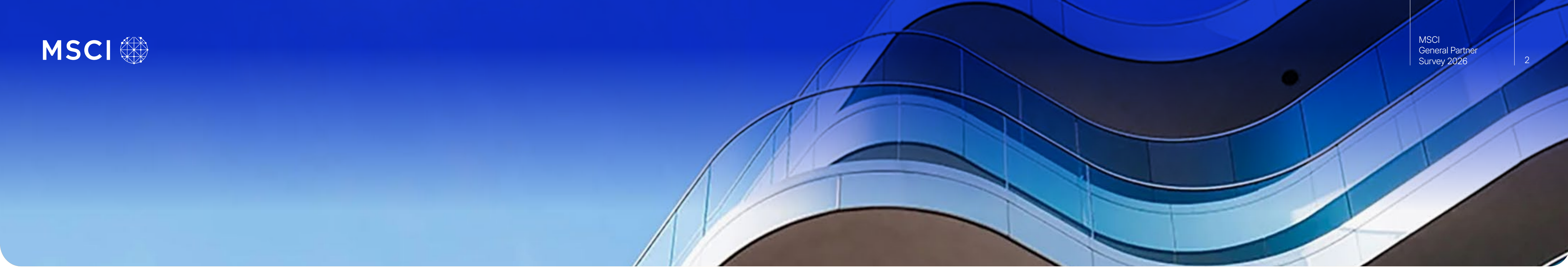

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# Introduction

## Private markets are entering a more demanding phase of institutionalization.

Last year's General Partner Survey results reflected the heightened complexity and broad institutionalization permeating private markets. The implication for GPs? A growing need to scale their data infrastructure, a dynamic that has accelerated as limited partners continue to raise the bar.

In 2026, GPs are being evaluated on more than deal execution. LPs are increasingly focused on the strength of the broader operating model, including how performance is measured, how value creation is reported and how their confidence is sustained. The center of gravity has shifted from deployment discipline to demonstrated outcomes. Distributions to paid-in capital, realized value and the comparability of returns across managers and vintages are now central to how LPs evaluate their GP relationships.

Our survey of 130 GPs across 12 countries reflects an industry actively responding to that pressure. Firms are directing capital toward data, analytics and technology, not merely to improve reporting, but to strengthen the foundational infrastructure that governs how they manage capital, communicate with investors and scale their platforms.

AI sits at the center of that agenda. As with last year's survey results, GPs reported fundraising among their chief challenges, but AI integration and transformation concerns far outpaced fundraising among this year's respondents. What complicates this effort is that its value hinges on the quality, consistency and structure of the data beneath it. For most, the more urgent near-term challenge is less about identifying AI applications and more about building the operational foundation those applications require. Independent, structured data may support what GPs are able to demonstrate to investors — and how credibly they can stand behind it.

Our latest GP survey offers a view into how firms are adapting their operating models for this next phase of private markets and where a clear gap remains between investor expectations and GP capabilities.

**Luke Flemmer**
Head of Private Assets
MSCI

# Who we surveyed

Conducted in April 2026, this survey draws on perspectives from 130 GPs spanning a variety of firm sizes, regions and strategies, from investment and portfolio management teams to capital formation and finance functions. Participants shared candid views on where the market is testing them most, and what tools and capabilities they believe will prove fundamental in the years ahead.

**130**

**General Partners**

surveyed April 2026

## Respondent profile

| | |
|---|---|
| Investor / investment team | 48% |
| Portfolio management | 31% |
| Finance / accounting | 11% |
| Capital formation/investor relations | 8% |
| Sustainability / climate | 2% |

## Strategy mix

| | |
|---|---|
| Private equity | 61% |
| Real assets | 22% |
| Private credit | 18% |

Respondents could select more than one strategy, so figures exceed 100%.

## Location

| North America | Europe | Asia |
|---|---|---|
| 39% | 38% | 22% |

## Firm Size private / alternative asset AUM

| | |
|---|---|
| USD 1–30B | 48% |
| USD 30–200B | 38% |
| Over USD 200B | 14% |

## Team division/structure

- 69% Independent private asset manager
- 31% embedded private asset manager within a larger financial institution

# What our survey revealed

The 2026 survey findings reveal an industry at an inflection point. GPs are seeing clearly the widening distance between where their firms are and where they'd like them to be, but implementing the tools needed to bridge that gap effectively remains a challenge without established frameworks or best practices.

Four structural tensions are defining how GPs operate and compete in 2026.

## GPs rally around DPI amid rising pressure

Distributions to paid-in capital (DPI) has become a defining performance metric for GPs competing for LP buy-in. Yet the pathways to deliver it — exits, secondaries and recapitalizations — remain constrained by higher interest rates, longer holding periods and a generally challenging exit environment. GPs report they are generating liquidity at a time where market conditions aren't supporting it naturally.

**67%** rate DPI as their top strategic priority.

## Technology is where GPs feel farthest behind

Respondents reported a technology shortfall, most acute at mid-size and large firms, where operational complexity amplifies limitations across the stack. The largest budget increases are being directed toward infrastructure and front-office workflows, suggesting that firms are prioritizing the foundational capabilities needed to support broader AI adoption.

**48%** identify advanced data, technology and AI as greatest capability gap.

## Operational risk appears concentrated in strategically important workflows

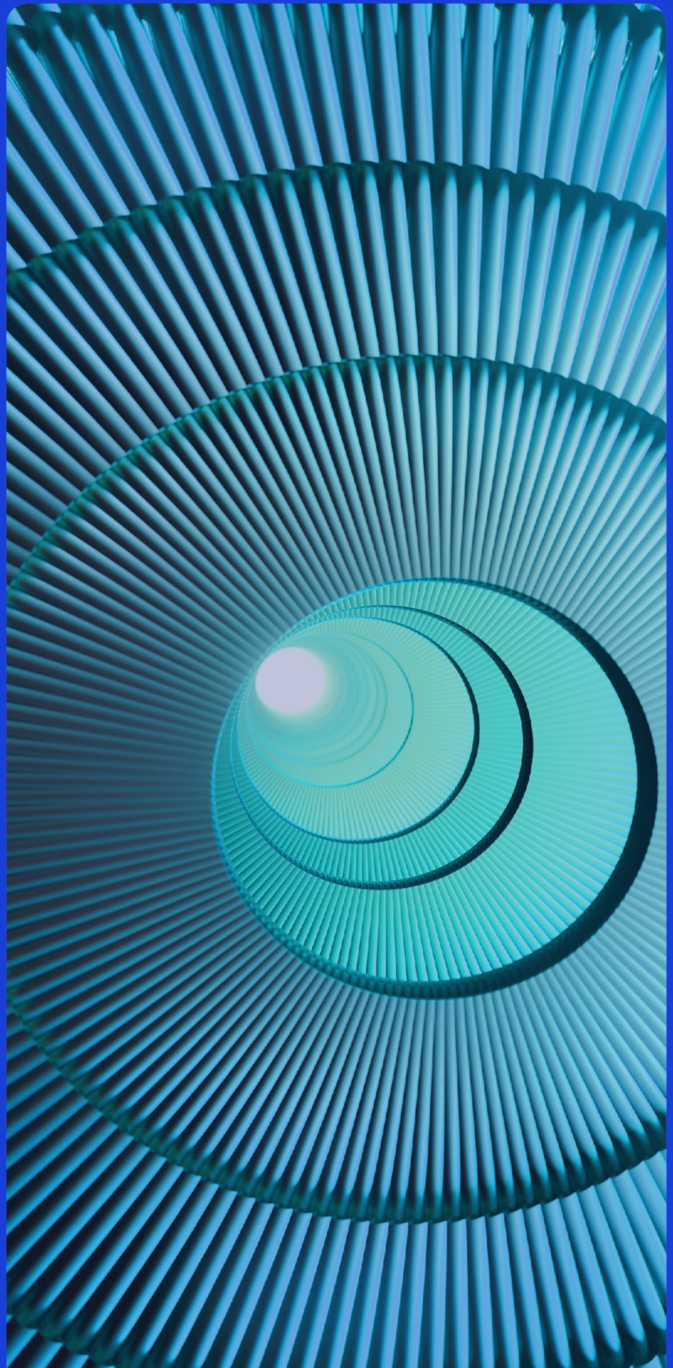
The highest-ranked strategic priorities were simultaneously the areas flagged as most exposed to operational risk. Due diligence and other core investment workflows sit at the intersection of strategic importance and execution vulnerability, where the cost of an error is high.

**62%** cite transaction execution efficiency as the #1 priority – also tied for highest operational error risk.

## Risk awareness is strong, but readiness lags

GPs are acutely aware of the threats they face: macro volatility (55% concerned), geopolitics (54%) and AI-driven governance and security risks (52%). But preparedness to sufficiently address these challenges consistently lags, leaving GPs exposed to risks they can already see.

**36%** feel adequately prepared when it comes to AI and technology.



# The LP pressure cooker

The performance conversation has fundamentally shifted. While unrealized paper gains have long served as an accepted, industry-wide proxy for value, LPs are calling for something more tangible. The consistency of distributions has dwindled across the asset class, and LP trust that cash will come has eroded with it. As a result, GPs are feeling the pressure to deliver at every stage of the fund lifecycle.

## From paper returns to realized performance

DPI is now the metric that matters most. Two-thirds of GPs (67%) name consistent DPI their top strategic priority, and they see LPs demanding the same: 38% cite it as the measure drawing the most investor attention after IRR, well ahead of MOIC (19%) and TVPI (14%).[1] The question has moved from how capital is deployed to what it has returned. That fixation is grounded in cash-flow reality. According to our State of Private Markets report, across private equity, distributions have run at roughly 12% of valuation, well below the 20% historical norm, and only in 2025 did net cash flows reach breakeven for the first time since 2021.[2]

Delivering on that is getting harder. Higher interest rates (41%) and rising LP selectivity (38%) are complicating fundraising (51%) and exits (44%), pushing the two to the top of the competitive pressure list.

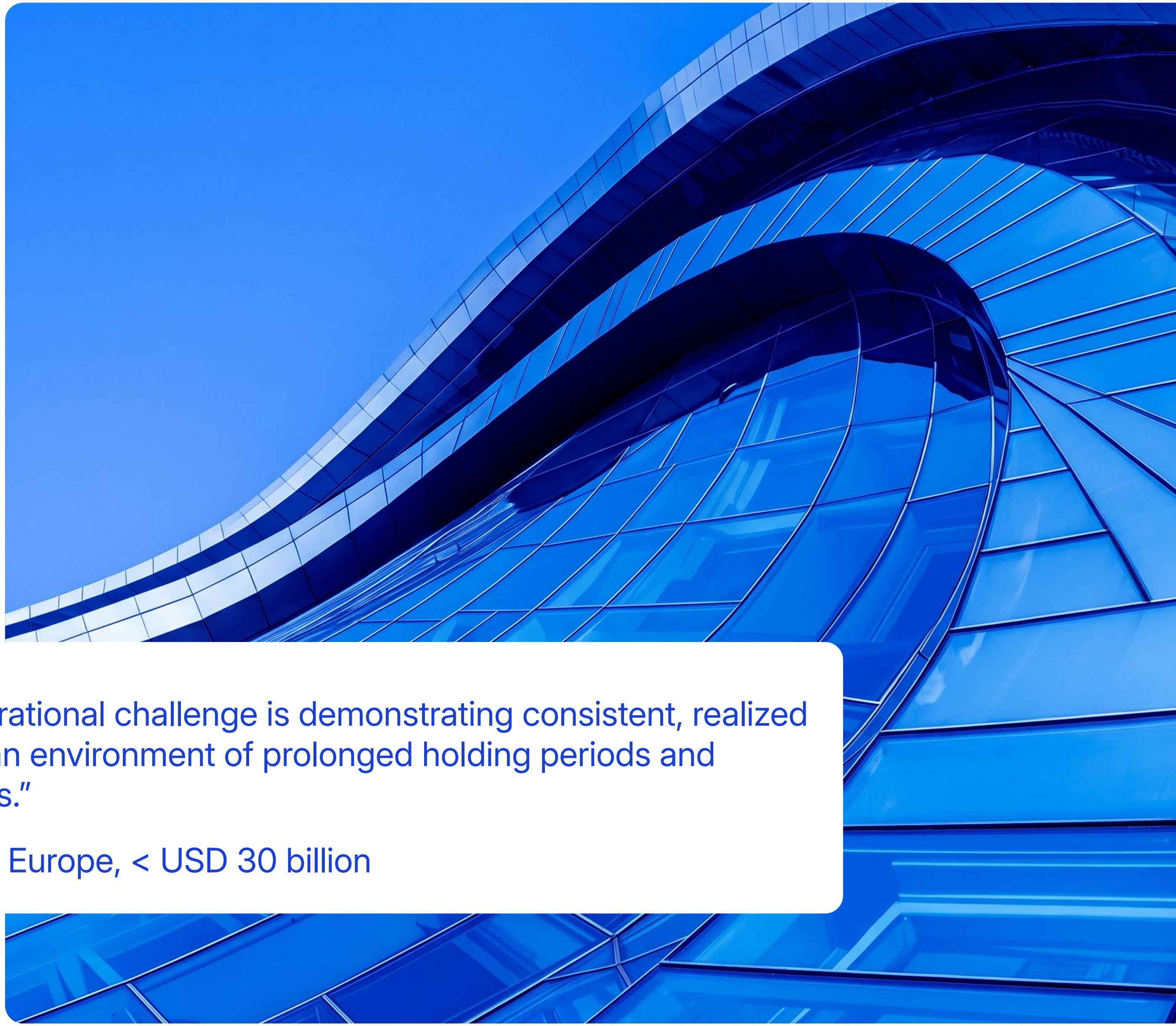
## GPs and LPs both put DPI first


[1]Respondents were asked which performance metrics LPs are demanding most outside of IRR. MOIC (multiple on invested capital) and TVPI (total value to paid-in capital) are standard measures of private-market fund performance.
[2]MSCI, The State of Private Markets 2026.

Capital is flowing toward a narrower set of strategies, and GPs anticipate an increase in fundraising toward these select few: PE and growth equity (+44%), Infrastructure (+35%) and Secondaries (+35%). Q4 2025 topped off a decade of positive returns for Infrastructure, finishing at 12.8% for the year. This underscores GP desire to allocate toward strategies with demonstrable track records.[3] Allocation patterns diverge sharply by region. North American and European GPs are leaning heavily into secondaries for liquidity (49% and 42%), while Asian GPs are pursuing fund recapitalizations at significantly higher rates (62%).

Distribution rates reached just 13% in 2025. This is less than half the levels seen during the more active distribution years of 2017–2018 and a tangible measure of the gap LPs are pressing GPs to close. Further, buyout exit multiples reached their highest level in over a decade in 2025, yet distribution rates remain stubbornly depressed. The economics are there for managers willing to transact; the challenge is that relatively few are in current fundraising and deployment conditions.[4]

GPs are actively pursuing liquidity solutions to meet growing LP demand, as demonstrated by the concentration toward a more refined set of strategies. But operations and technology are bottlenecks in execution, and closing that gap requires closer alignment between strategic urgency and execution capability.



> “Our single biggest operational challenge is demonstrating consistent, realized performance to LPs in an environment of prolonged holding periods and constrained exit markets.”
>
> — Embedded manager, Europe, < USD 30 billion

[3]MSCI, “Private Capital Benchmarks Summary Q4 2025.” (May 2026)
[4]MSCI, “Private Capital Benchmarks Summary Q4 2025.” (May 2026)

# Digital ambitions, lagging architecture

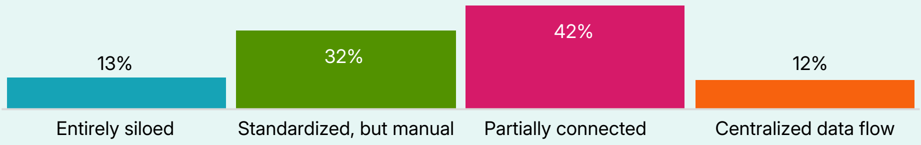
GPs report needing better data, technology and AI. Yet across firms of every size and strategy, building these advanced capabilities ranks as the largest capability gap in the industry (48%). The problem is architectural: Ambition toward fully integrated systems cannot close a gap that the underlying infrastructure was never built to support.

## AI ambition vs. reality

### Tech stack maturity

**74% of GPs are between a standardized, but manual stack and a partially connected stack**

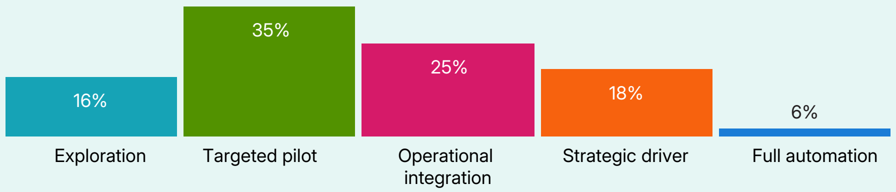
Share by tech-stack maturity




### Current approach to AI

**84% of GPs have moved out of Exploration**

Share by AI adoption stage




Total respondents (N=130). Figures may not sum to 100 due to rounding.

## A scaling problem hiding in plain sight

The gap between a firm's technology stack maturity (or sophistication of its tech infrastructure) and its approach to AI widens as firms scale. Technology represents the biggest gap for 38% of small firms but climbs to 63% at mid-size firms and 54% at large firms, suggesting that as firms grow in organizational scale, operational complexity and portfolio volume, the limitations of their current technology stack become harder to ignore and costlier to work around. Firms are outgrowing their systems but are now investing in replacing or enriching them in earnest.

The data reflects a market in transition: Most GPs (84%) have moved past the AI exploration phase, with 35% running targeted pilots and 18% already considering AI a "strategic driver" for investment decisions. Yet foundations have not kept pace: 42% still operate on partially connected tech stacks, and only 12% have achieved centralized data flow. Fewer than 20% have reported primarily or fully automated systems, and nearly half rely on a mix of manual and automated processes that risk creating friction across the workflow.

When asked to name their biggest operational challenge in their own words, more GPs pointed to AI integration than to anything else (26%), ahead of fundraising, exits and geopolitical uncertainty. The responses demonstrate that the difficulty lies less in whether to adopt AI, and more in how to make it work on infrastructure that was never designed for it.

GPs are responding by investing the capital needed to address their organizational needs: Operational infrastructure and data draw 49% of anticipated tech budget increases, the highest allocation across all functional areas. Architectural reform will be key to ensuring these new capabilities are layered onto solid foundations. In tandem, these can help keep ambition and execution in lockstep.

> "The biggest operational challenge is likely scaling data integration and automation across increasingly complex systems while maintaining accuracy and consistency in reporting. At the same time, balancing efficiency gains from new technologies like AI with robust governance, risk controls and internal adoption will remain a key focus."
>
> — Embedded manager, Asia, USD 101–200 billion

# Most concerned where least prepared

GPs are navigating a world of compounding risks, and on the ones they worry about most, their preparedness trails concern. In several areas, the gap is material.

## A readiness deficit at a critical moment

Macro & Financial (55%) and Geopolitics & Trade (54%) top the concern rankings, but AI & Technology shows the largest preparedness gap: 52% of GPs are concerned about rapid tech advances, yet only 36% feel prepared to address them, the largest deficit of any category. Geopolitics follows a similar pattern, with 54% concerned but just 39% prepared to adapt.

Regional differences add further nuance. Asian GPs report elevated concern for Macro & Financial and Regulatory & Legal risk, reflecting structural pressures around cross-border capital flows and regulatory volatility.

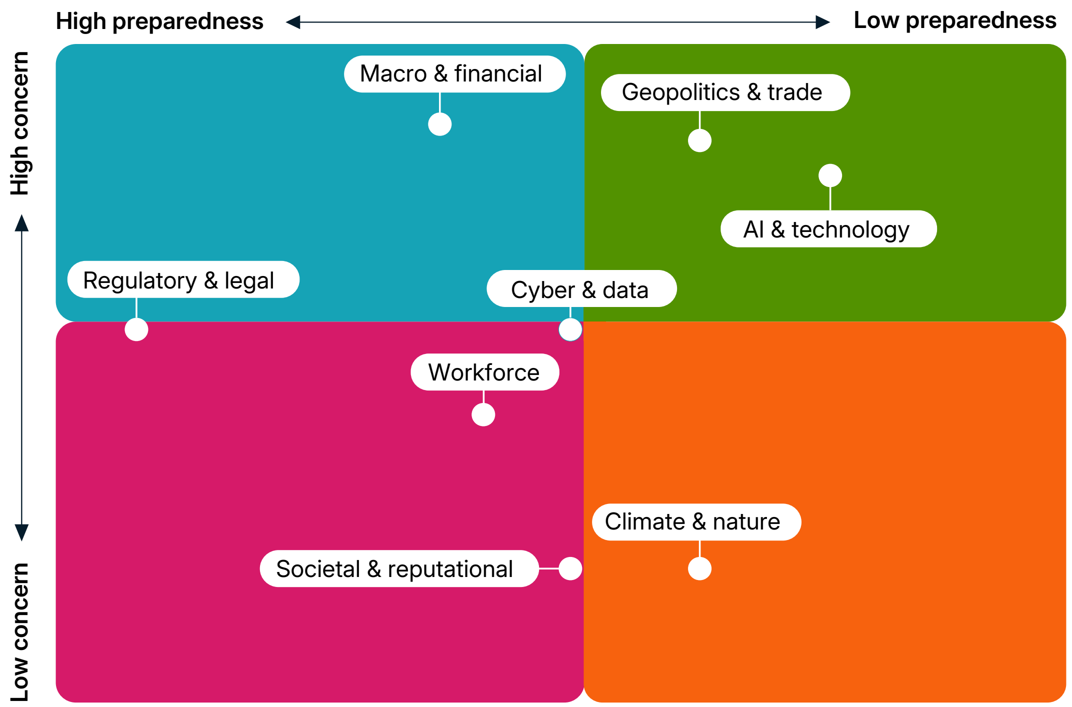
Europe presents one of the most pronounced gaps in the data: Just 18% feel prepared for AI & Technology risk, despite more moderate concern at 46%, well behind North America and Asia.

Embedded managers reported the highest levels of concern of any segment, across Geopolitics & Trade (70%), Macro & Financial (65%) and AI & Technology risk (50%).

Risk is evolving faster than governance. For many GPs, AI has moved from a back-office concern to a board-level strategic issue, but one that can quickly stall without the infrastructure to match.

## Concern vs. preparedness for emerging risks over the next two years

Top-two-box % among total respondents



# Due diligence in the crosshairs

Due diligence sits at the intersection of strategic importance and operational vulnerability. GPs recognize its importance, but investment and attention continue to flow toward more visible competitive priorities.

## The utility trap

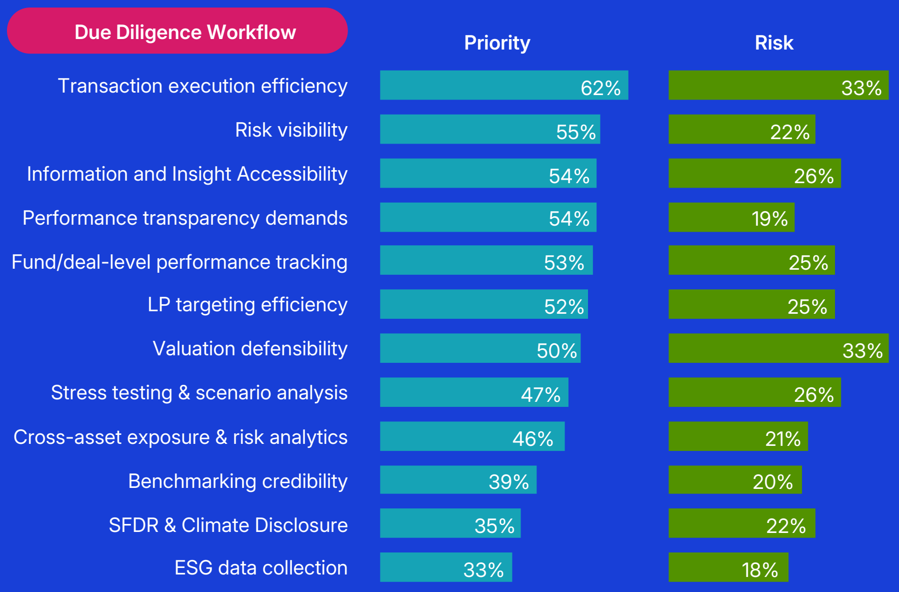
Transaction execution (62% priority, 33% error risk) and valuation defensibility (50% priority, 33% error risk) represent the sharpest misalignment in GP operations. Access to information and insight compounds the problem. It's a top priority for over half of GPs, yet operationally fragile for more than one in four.

The competitive pressure rankings explain why: GPs feel most pressure in fundraising (51%) and exits (44%), so diligence draws less attention and investment than its risk profile warrants, even as the exposure builds underneath.

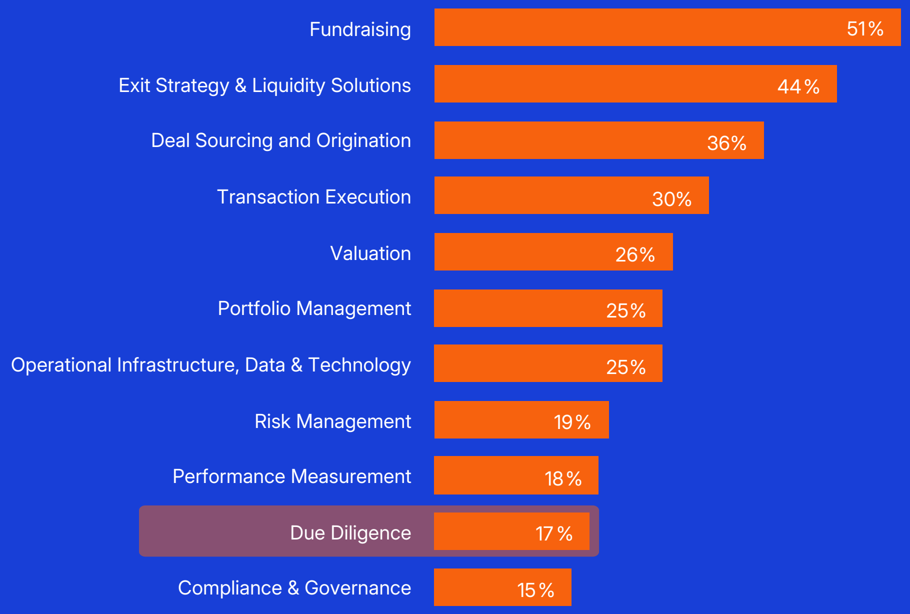
The survey's diligence concern is borne out at the portfolio level. Private-credit funds often carry meaningful equity exposure, and thematic bets like data centers span infrastructure, real estate, private equity and venture capital at once[5] For private market vehicles, fund labels alone may no longer fully describe the underlying exposures a portfolio actually holds. This is the blurring that fragmented, manual diligence can be ill-equipped to catch.

## The workflows GPs prioritize most carry the highest risk

**The workflows GPs prioritize most carry the highest risk**
Top-two-box % among total respondents




**Competitive pressure of functional areas**T2B % Among Total
Top-two-box % among total respondents




[5] MSCI, The State of Private Markets 2026.

The result is a potential utility trap. Because due diligence isn't perceived as a differentiator, it doesn't attract the investment it needs, even as manual and partially connected processes beneath it accumulate real risk of error, potential missed opportunities and damaged credibility with LPs.

Risk monitoring methods employed by GPs illustrate a similar pattern of fragmentation. Responses were split almost evenly across portfolio management software (25%), third-party vendors (22%), manual spreadsheets (22%) and custom internal systems (19%), with no dominant standard emerging.

Together, these findings suggest that some of the most critical workflows may depend on systems that remain fragmented, manual or inconsistently governed. This is more than a technology gap. It points to a strategic misalignment between where operational risk is concentrated and where firms appear to be directing attention, investment and control.

# Risk across regions, firm sizes and structures

The aggregate concern and preparedness figures mask significant variation beneath the surface. Regional context, firm size and institutional structure each shape how risk is experienced, and how ready firms are to address it.

**Level of preparedness to manage emerging risks over the next two years**

Top-two-box % among total respondents

| | | Structure | | Aum segment | | | Region segment | | | Primary asset class | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (N=130) | Independent (n=90) | Embedded (n=40) | Small (n=63) | Medium (n=32) | Large (n=35) | North America (n=51) | Europe (n=50) | Asia (n=29)* | Private Equity (n=79) | Private Credit (n=23) | Real Assets (n=28) |
| **Macro & financial** | 45% | 46% | 45% | 41% | 50% | 49% | 45% | 38% | 59% | 46% | 57% | 36% |
| **Geopolitics & trade** | 39% | 39% | 40% | 33% | 38% | 51% | 39% | 40% | 38% | 41% | 48% | 29% |
| **AI & technology** | 36% | 37% | 35% | 32% | 38% | 43% | 47% | 18% | 48% | 37% | 35% | 36% |
| **Cyber & data** | 42% | 38% | 50% | 33% | 56% | 43% | 39% | 36% | 55% | 38% | 52% | 43% |
| **Regulatory & legal** | 52% | 50% | 55% | 52% | 56% | 46% | 53% | 52% | 48% | 51% | 65% | 43% |
| **Workforce** | 44% | 41% | 50% | 44% | 38% | 49% | 49% | 40% | 41% | 48% | 43% | 32% |
| **Climate & nature** | 39% | 41% | 35% | 41% | 31% | 43% | 43% | 40% | 31% | 35% | 61% | 32% |
| **Societal & reputational** | 42% | 36% | 58% | 37% | 41% | 54% | 47% | 38% | 41% | 47% | 39% | 32% |

18% (Less Prepared) 65% (More Prepared)

## Asian GPs:

The most acutely exposed segment globally. Macro & Financial concern reaches 72% (vs. 61% in North America and 40% in Europe), and Regulatory & Legal risk follows closely at 66%, reflecting real structural pressures around cross-border capital, regulatory volatility and geopolitical proximity. Compared to their level of preparedness in these areas, this leaves –14% and –17% gaps, respectively.

## European GPs:

The sharpest AI preparedness gap of any region. Despite moderate concern (46%), only 18% feel adequately prepared for AI & Technology risk, well behind North America (47%) and Asia (48%). The gap between awareness and readiness here is the widest in the dataset at –28%.

## Embedded managers:

The highest overall exposure across the board, with the largest preparedness deficits in Geopolitics (-30%), AI & Technology (-25%) and Macro risk (-20%).

## Mid-size firms:

A pronounced AI readiness gap (-25%), reinforcing the broader scaling challenge as operational complexity rises faster than infrastructure and governance.

## Where concern outruns readiness, segment by segment

Percentage points (preparedness minus concern)

More concern — More prepared

| | Region | | | Company size | | | Firm type | |
|---|---|---|---|---|---|---|---|---|
| RISK THEME | North America | EMEA | APAC | Small | Mid-Size | Large | Embedded | Independent |
| Geopolitics & trade | –20% | –6% | –21% | –11% | –19% | –17% | –30% | –8% |
| AI & technology | –8% | –28% | –7% | –10% | –25% | –17% | –25% | –11% |
| Macro & financial | –16% | –2% | –14% | –8% | 0% | –23% | –20% | –6% |
| Cyber & data | 0% | +2% | –10% | –3% | +16% | –14% | –3% | –1% |
| Climate & nature | +20% | +8% | –3% | +21% | 0% | 0% | +3% | +13% |
| Regulatory & legal | +14% | +18% | –17% | +14% | +9% | –3% | +3% | +11% |
| Workforce | +20% | –2% | –7% | +11% | –19% | +17% | +3% | +7% |
| Societal & reputational | +20% | +14% | 0% | +13% | +6% | +20% | +20% | +10% |

Negative values indicate a concern level that exceeds the corresponding level of preparedness.

Taken together, the data suggests that risk posture is not uniform. Region, structure and scale each demand a differentiated response.

# The scaling imperative

The challenge facing GPs in 2026 is unlikely to be defined by any single pressure point. Rather, it is the compounding effect of several interconnected gaps converging at once. LP expectations for realized performance are intensifying. AI integration lags ambition, and operational risk is outpacing governance. At the same time, some of the workflows carrying the highest strategic stakes are running on fragmented foundations.

Firms that navigate this period most effectively may be those investing not in point solutions, but in connected infrastructure built upon a foundation of integrated and reliable data systems that supports fundraising, diligence, portfolio management and LP reporting as an integrated whole.  Firms that defer these investments may find that the gap becomes harder to close as LP expectations, data demands and AI-enabled workflows continue to evolve.

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