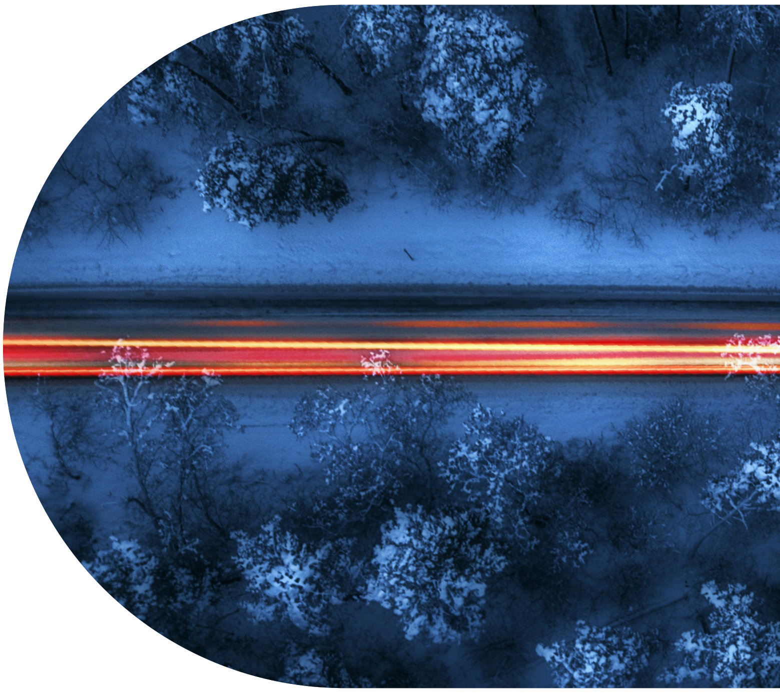
carne

Change 2026

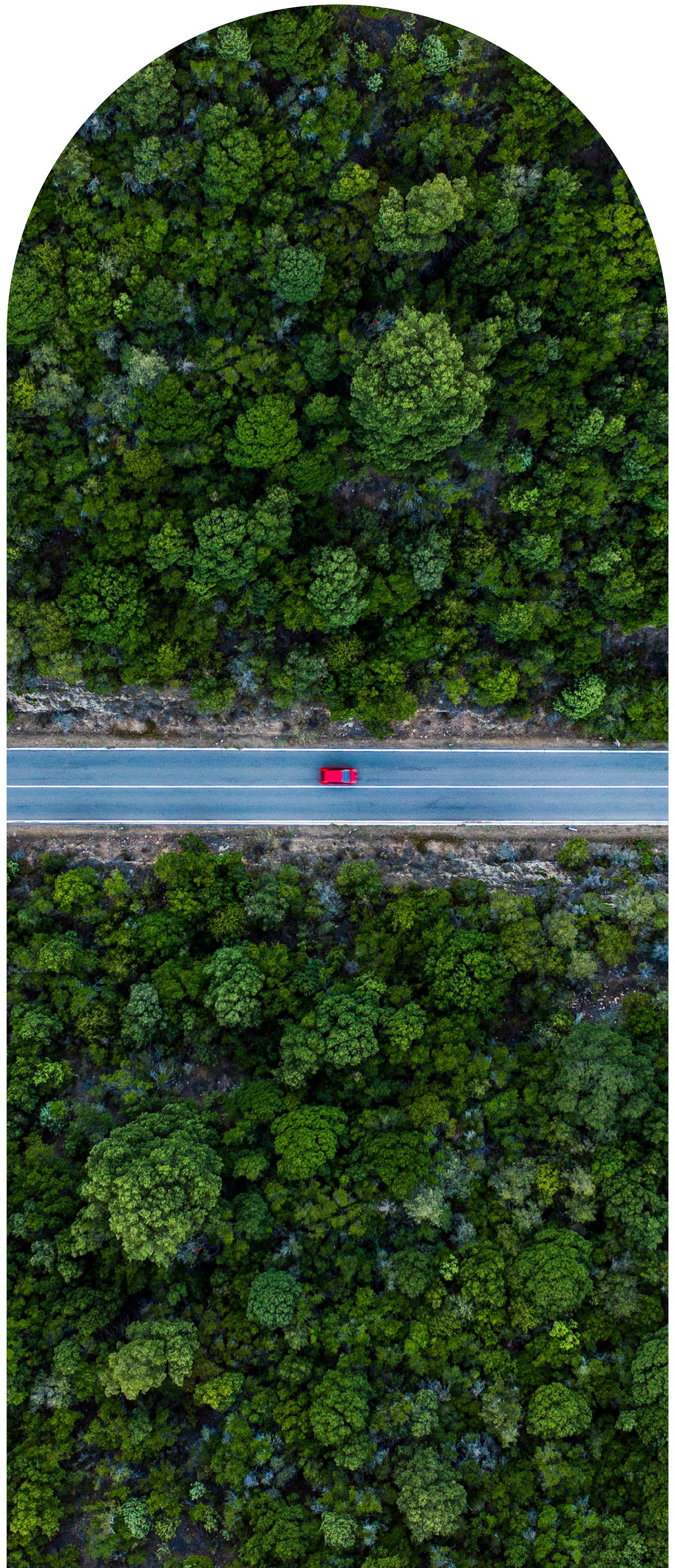
The measure of a moving industry

Stability by design

200 C-suite executives in fund management globally and 200 European institutional investors share insights on the year ahead



Unity through simplicity™



Contents

Foreword:
Business as unusual: Growth, discipline and decision-making in strange times

From rising tariffs and uneven global growth forecasts to stubborn inflation and geopolitical unpredictability, the macro environment has been in a state of constant flux. It's against all this noise – all this uncertainty – that we surveyed fund managers and institutional investors about their plans and predictions for the year ahead for our annual Change report.

Now in its third year, Change 2026 reveals that, although the road ahead may be bumpier, more fragmented and increasingly sensitive to policy shifts, the industry is confident. Committed to change. Full of resolve. And taking a proactive stance on the opportunities and risks ahead.

Their growth predictions make for compelling reading: 93% of managers anticipate increased inflows in 2026, up from 81% in the 2025 report and 83% in the 2024 edition, reflecting a clear upward trend. Additionally, 84% of institutional investors expect to take on more risk this year, marking the third consecutive year of growing risk appetite.

However, unlike earlier years where such optimism was accompanied by rapid expansion, this year's data shows a clear move towards controlled, well- governed growth. Managers are planning for new products, new asset classes and new jurisdictions not because the macro picture is perfect, but because they've strengthened how they operate. They've invested in better governance, sharper risk frameworks, clearer accountability and more flexible structures. And they're leaning into technology and outsourcing as strategic choices, not tactical afterthoughts.

At the same time, investors are becoming more forensic. They're looking closely at valuation practices, systemic risks and governance standards. They're making decisions with greater discipline – and they're rewarding managers who match that discipline with transparency and rigour.

This dynamic – growing ambition paired with rising expectations – is what will define 2026. In many ways, it's the maturity of a sector that has been through enough plot twists to know that stability is something you build, not something you wait for.

What this year's report shows clearly is that our industry is not only adapting to an uncertain geopolitical story – it's rising to meet it. With stronger foundations, clearer focus and a deeper understanding of what investors value most, managers are preparing for growth that is resilient, purposeful and thoughtfully constructed.

I hope you enjoy exploring Change 2026, packed with insights from fund managers and investors on their plans and predictions for the year ahead.

- John Donohoe, Chief Executive Officer and Founder, Carne Group

Executive summary
Disciplined growth in an era of unrelenting change

Change is now the only constant in asset management. Geopolitical tension, uneven macroeconomic signals and rising regulatory demands continue to define an operating environment where, at the start of 2026, the only real certainty is volatility.

At the same time, the pressures of doing business in a changing – and increasingly competitive – world are mounting. Valuations are under closer scrutiny. Governance expectations are rising. And systemic risk in private markets is increasingly front of mind.

But the defining feature of 2026 is not retreat – it's resolve.

Despite the headwinds, this year's Change research reveals an industry entering 2026 with a striking degree of confidence.

As the world around us changes, growth persists – but with greater discipline, stronger governance and a focus on resilience in operating models. The industry is preparing for a world where uncertainty is structural, not cyclical.

Headline findings
Growth
Confidence rises as the industry enters a new expansion cycle

Against a noisy and uncertain backdrop, the industry is entering a new era of expansion. Fund managers are more confident about fundraising than at any point since our Change reports began in 2024, supported by rising investor risk appetites and a broadening range of growth opportunities.

93%

of fund managers expect higher inflows in 2026, representing the strongest confidence recorded across all Change reports to date.

84%

of institutional investors expect to take on more risk this year, marking the third consecutive year of rising risk appetite.

90%

of managers plan to launch more products in 2026, as firms diversify capabilities and compete more actively for capital.

Globalisation of fundraising is accelerating, alongside widening participation in private markets.

98%

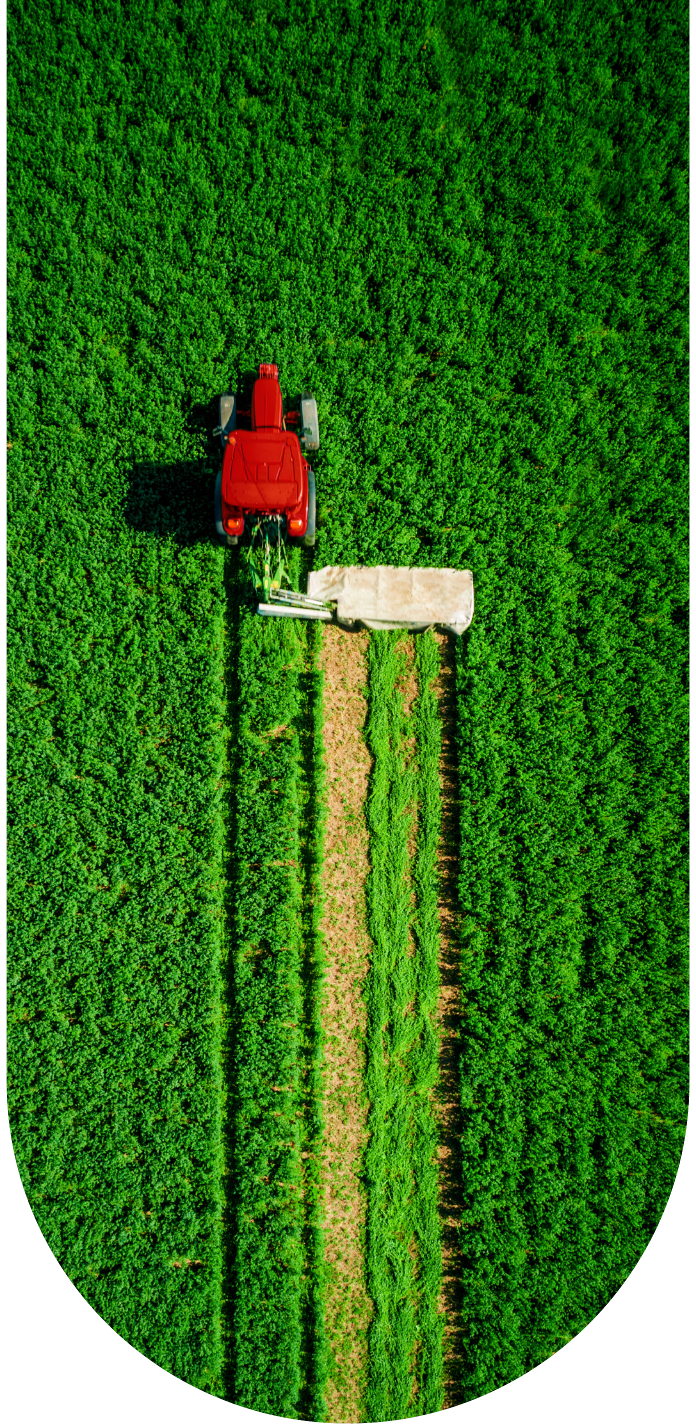
of managers plan to raise capital in new overseas markets, the highest proportion recorded since we started Change in 2024.

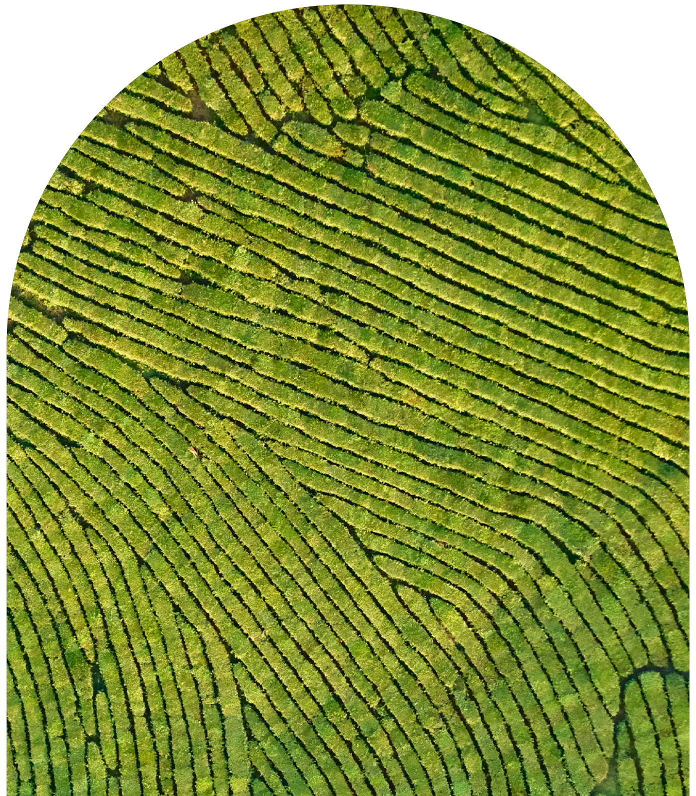
57%

of managers plan to launch semi-liquid funds within the next 18 months, signalling a major shift toward broader investor accessibility and new distribution channels, particularly within private wealth. A further 32% plan to offer semi-liquids within the next two years.

89%

of managers expect a rise in flows into active ETFs this year and 74% expect more into passive ETFs, building on the trend for democratisation and lower cost products.





Fund management CEOs, in particular, are buoyant and bullish about the near future.

32%

of CEOs predict dramatically higher inflows this year, compared to 14% of everyone else we surveyed.

97%

of CEOs plan to launch funds outside of their core competencies, i.e. in an asset class where they lack expertise.

Private markets performance continues to evolve in distinct ways across asset classes, with several segments showing stronger momentum for 2026.

Private equity is set to be the biggest beneficiary of new fundraising over the next 12 months – as in our 2025 report – reflecting a predicted increase in deal activity this year.

Real estate has bounced back, rising from ninth place in 2025 to third in 2026 for expected inflows, supported by falling financing costs and the continued trend for returning to the office. **97% of investors plan to increase allocations into real estate.**

Private debt maintains its growth curve, thanks to stable cash flow profiles and strong investor demand for yield-driven exposure.

Risk and regulation
Rising scrutiny and a more assertive approach to governance

Risk is exerting greater influence over decision-making than at any point in the past decade. Investor concerns over systemic vulnerabilities such as leverage, liquidity mismatches and valuation practices have made governance a decisive investment filter – with nearly all investors having rejected a fund on governance grounds.

72%

of institutional investors are 'very concerned' about systemic risk in 2026, with leverage, liquidity mismatches and valuation practices cited as material vulnerabilities.

92%

of fund managers predict systemic risk in private markets will rise in the next two years as expansion and retailisation continue.

96%

of institutional investors have rejected a fund due to governance concerns, up from 87% in our 2025 survey, reinforcing governance as a key focus.

The regulatory burden continues to rise, according to both managers and investors.

89%

of managers and 96% of investors expect regulatory complexity to rise over the next two years, cementing regulation as the most persistent challenge to successful fundraising.

43%

of managers say more than half of their KYA and AML compliance processes are manual, hampering their ability to meet regulatory requirements efficiently.

In 2026, expectations are higher, investor tolerance is lower, and scrutiny is more forensic than ever – all while market competition rises. The research shows that fund managers and investors are united in their concerns about systemic risk, and as private markets investment grows, they only expect that risk curve to rise – with the regulatory burden following the same trajectory.

Resolve
The industry crosses a threshold: from adaptation to reinvention

Asset managers are redesigning their operating models for a world where change is the new order. Against rising complexities, managers are proactively reshaping how they operate – strengthening governance, embracing technology and leaning on specialist partners to build resilience at scale. Outsourcing is now a strategic growth engine, not solely a cost saving decision.

70%

of fund managers and 71% of investors will increase their use of third-party providers in 2026, confirming outsourcing as an essential operating model rather than an optional add-on.

93%

of managers see the level of outsourcing to third parties rising in the next three years to support cross-border expansion, enhance governance and scale efficiently.

AI is becoming essential infrastructure, not a novelty – and intrinsic to investment, risk and client functions.

Two-thirds of institutional investors expect AI to improve allocation and communication within three years, signalling a new stage in the industry's evolution where digital capability is foundational.

98%

of fund managers believe that, in the next three years, AI will become significant to enabling them to deliver Alpha, with its impact already felt in valuation and scenario modelling, due diligence and document automation processes.

What emerges is a sector that has accepted change as permanent and is choosing to evolve boldly. Resilience has shifted from defensive posture to strategic advantage, defining the next era of global growth.

Growth
A more confident industry emerges

The industry stands atop a new wave of expansion. Global assets under management are projected to grow from US$139 trillion in 2024 to $200 trillion by 2030, a compound annual growth rate of 6.2%, while total investable wealth worldwide is expected to exceed $480 trillion by the end of the decade.[1]

It comes as no surprise, therefore, that asset managers are keen to capitalise on the opportunity by moving into new jurisdictions, investor bases and fundraising – and launching more funds than ever before.

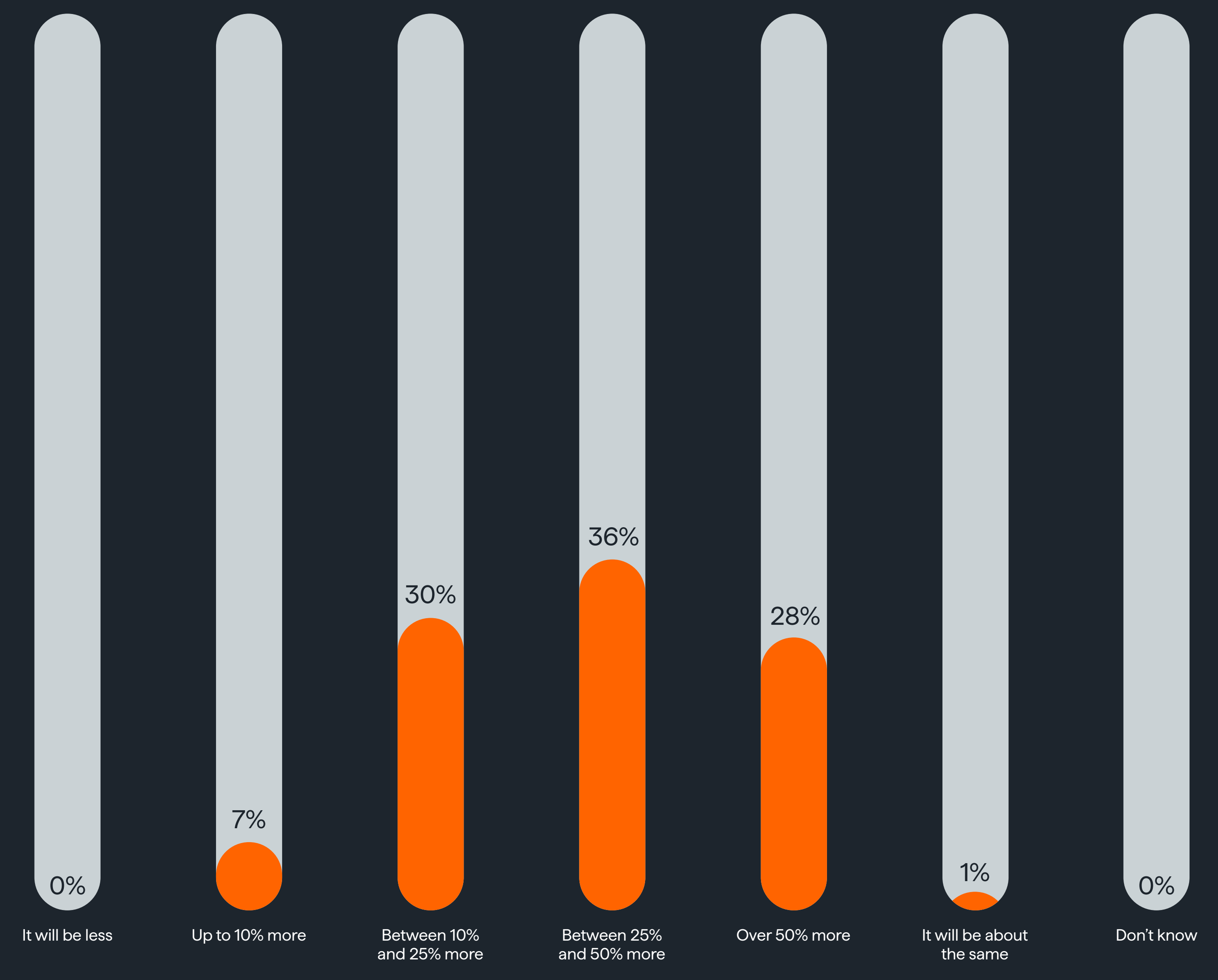
More than nine in ten (93%) fund managers expect the flow of new capital into their funds will be higher this year – 21% think dramatically so. And when asked about the level of increase compared to last year, the majority of managers say 'by more than 25%'.

The same confidence extends to institutional investors: 84% expect to take on more risk this year, marking the third consecutive year of growing risk appetite.

93%
of fund managers expect the flow will be higher this year

21%
of fund managers think dramatically so

In the sector you focus on, how do you see the amount of new money/capital raised changing in 2026 when compared to 2025?



[1] https://www.pwc.com/gx/en/issues/transformation/asset-and-wealth-management-revolution.html

Private markets pivots

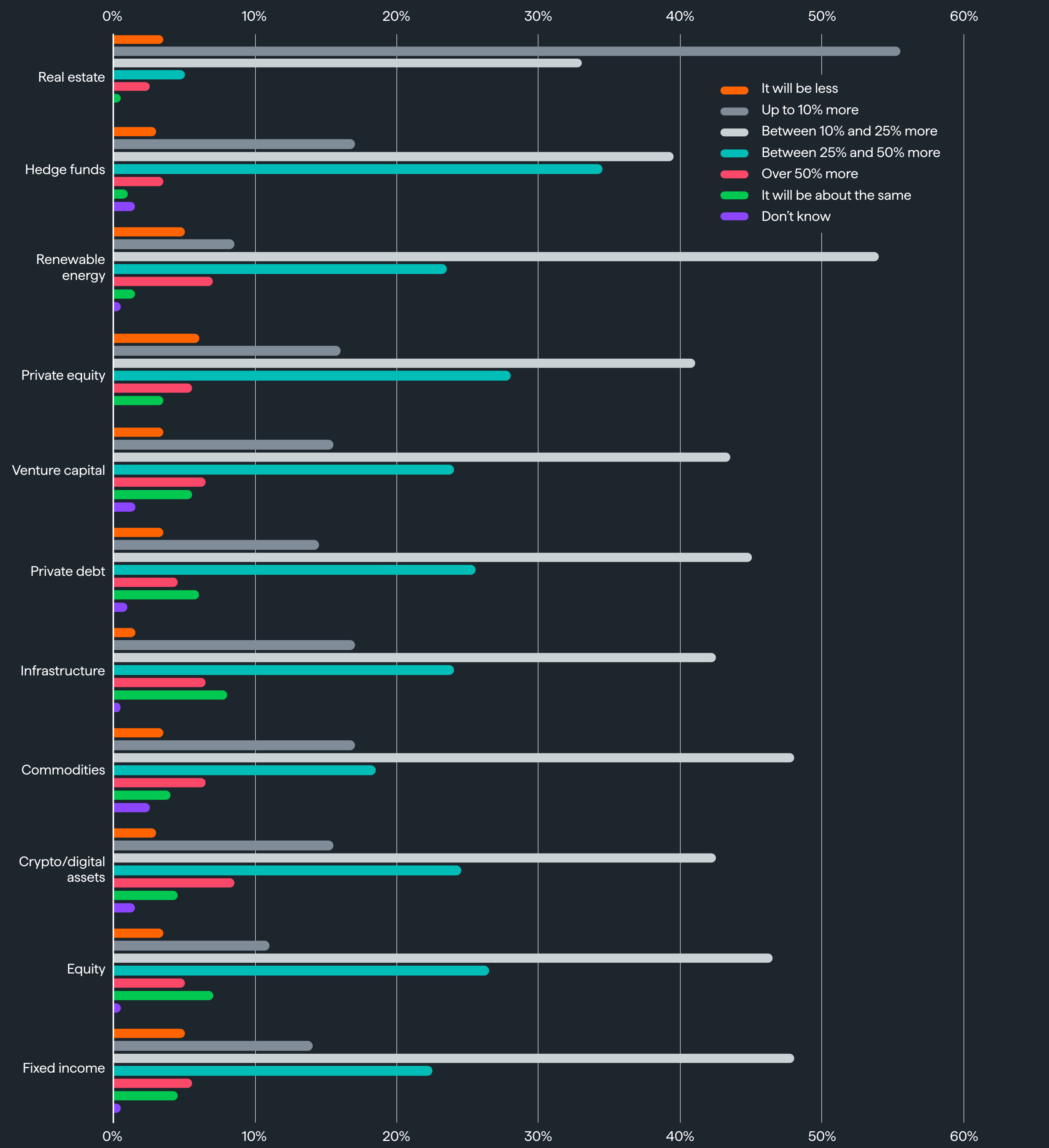
Different assets continue to evolve in distinct ways, with several classes showing renewed momentum in 2026.

As in Change 2025, private equity remains predicted to be the biggest beneficiary of new fundraising over the next 12 months, according to research respondents, reflecting expected increases in deal activity.

In contrast to last year's survey, real estate has climbed from ninth to third place in the list of asset classes fund managers believe are most likely to receive new capital inflows this year. That correlates neatly with how institutional investors we surveyed perceive real estate: 97% expect to increase allocations to the asset class this year.

Falling interest rates, which lower the cost of financing and boost transaction volumes, likely underpin a renewed appetite for real estate. The great return to the office and net zero targets are also creating significant demand for high quality real estate assets.

Thinking about the organisation you work for, in 2026 what do you think will happen to its flows into the following asset classes.



Seizing new ground

The race is on to launch new funds to diversify firms' capabilities and compete more actively for capital. Two-thirds of the fund managers surveyed say the number of launches will be slightly higher in 2026 than in 2025, while just under a quarter (24%) say it will be dramatically higher.

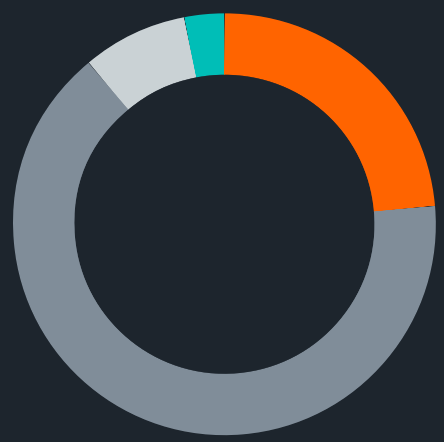
66%

of fund managers surveyed say the number of launches will be slightly higher in 2026 than in 2025

24%

of fund managers surveyed say the number of launches will be dramatically higher

What do you think will happen to the number of funds in your sector/asset class launching in 2026 when compared to 2025?

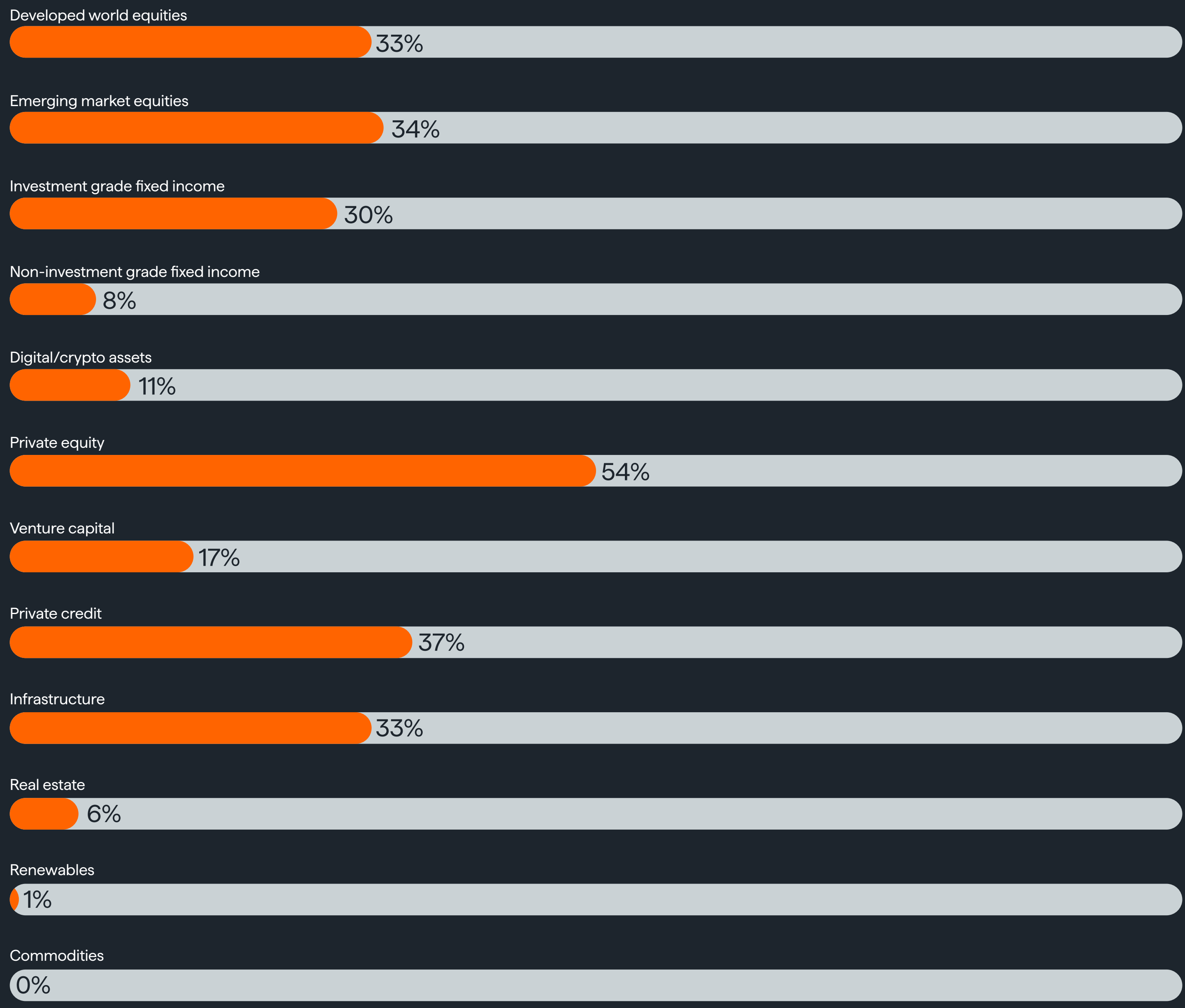


Total	%
It will be dramatically higher	24%
It will be slightly higher	66%
It will be about the same	8%
It will be a little lower	3%
It will be a lot lower	0%
Don't know	0%

Globalisation is also accelerating. Nearly all (98%) fund managers say they plan to raise capital in new overseas markets, compared to 88% in 2025. That's the highest predicted movement into new jurisdictions since Change reports began in 2024.

Managers are also branching out into new asset classes in search of diversification. Almost all (95%) say they expect to invest in areas outside their core expertise.

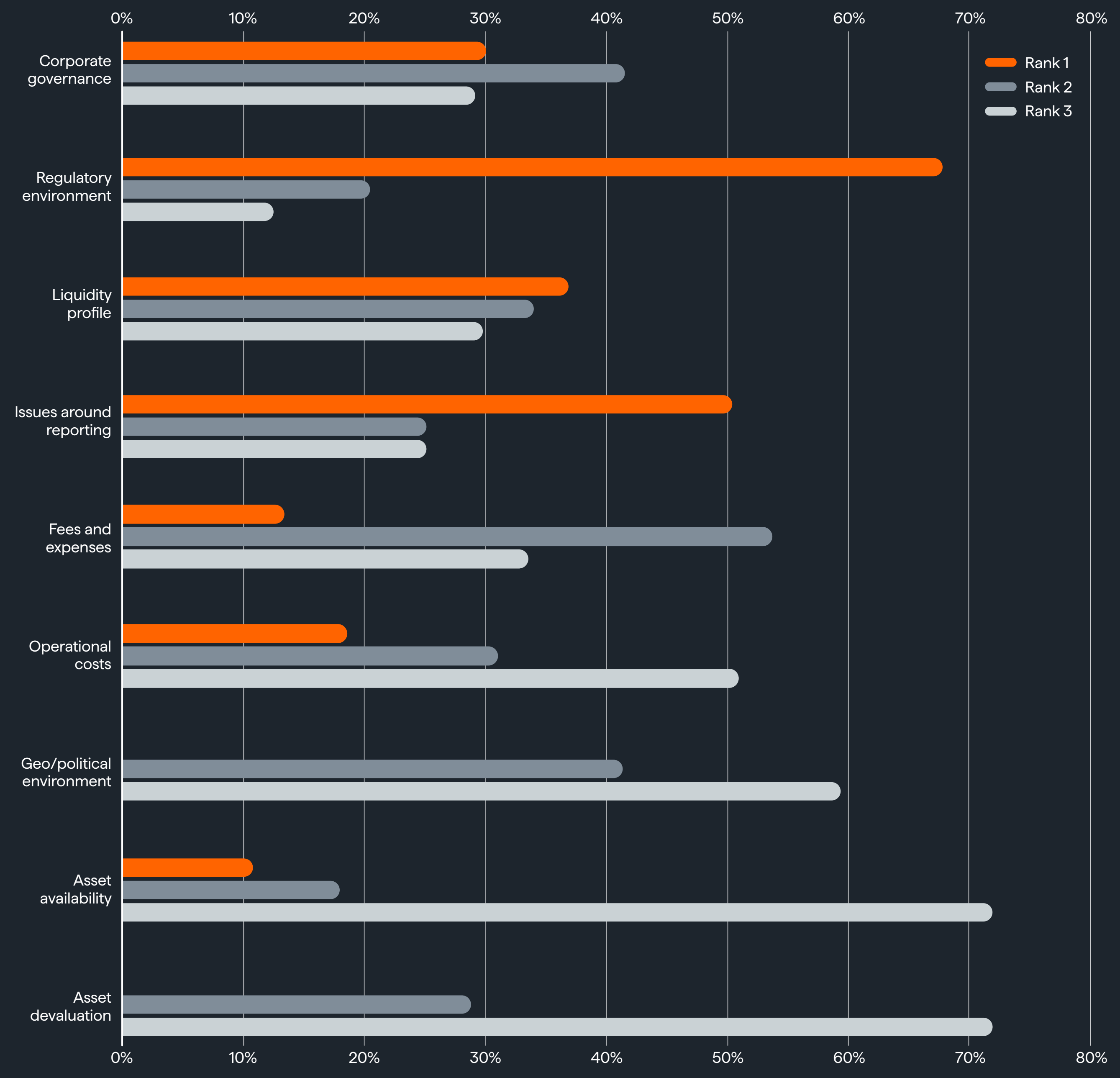
In which asset class do you expect to launch a fund or funds outside of your 'wheelhouse?'



Although respondents tell us their ambition for new fund launches in new domiciles and asset classes is high, they also pinpoint challenges in bringing products to market.

The top three obstacles to successful fund launches remain the same as last year. The regulatory environment is ranked first, corporate governance second, and issues with reporting third, reflecting persistent oversight and compliance pressures.

Below are a list of challenges to successful fund raising/fund launches for fund managers. Please rate them in order of those that you think are the biggest challenges (top three only)



Semi-liquids enter the mainstream

Supportive policy environments – most notably in the UK where the government is driving large institutions to allocate as much as 10% of portfolios in private markets – are fuelling new opportunities.[2]

Continuing from last year's Change report, regulatory reform is opening the door to retail investors' participation in private markets through approved semi-liquid structures. They include the reformed European Long-Term Investment Fund (ELTIF 2.0) and the UK's Long-Term Asset Fund (LTAF).

Semi-liquid assets under management are set to reach US$4.1 trillion in AUM by 2030 – a jump from US$249 billion in 2024 – with retail investors expected to account for 40% of market share.[3]

That explosion is borne out in what fund managers tell us: 57% expect to launch semi-liquid funds within the next 18 months. A further 32% plan to offer semi-liquids within the next two years.

But the path to offering these structures to investors presents challenges. Less than half (45%) of fund managers feel equipped to launch semi-liquid funds; the rest need support to bring such products to market.

45%

of fund managers feel equipped to launch semi-liquid funds

[2] https://www.gov.uk/government/news/pension-schemes-back-british-growth
[3] https://www.deloitte.com/us/en/insights/industry/financial-services/semi-liquid-funds.html

ETFs continue to gain traction

Building on the trend for democratisation in private markets and investor demand for low-cost, accessible products, ETFs continue to quietly rise in popularity. Some 89% of fund managers expect higher inflows into active ETFs this year, and 74% predict higher inflows into passive ETFs.

89%

of fund managers expect higher inflows into active ETFs this year

74%

predict higher inflows into passive ETFs

Institutional investors agree: 87% expect to allocate up to 25% more into active ETFs, and 50% of respondents are planning up to 25% more into passive ETFs.

This trend builds on last year's report findings – which marked 25 years since the launch of the first ETF in Europe – where the majority of equity and fixed income fund managers expected the proportion of their assets held in ETFs to grow over the next five years.

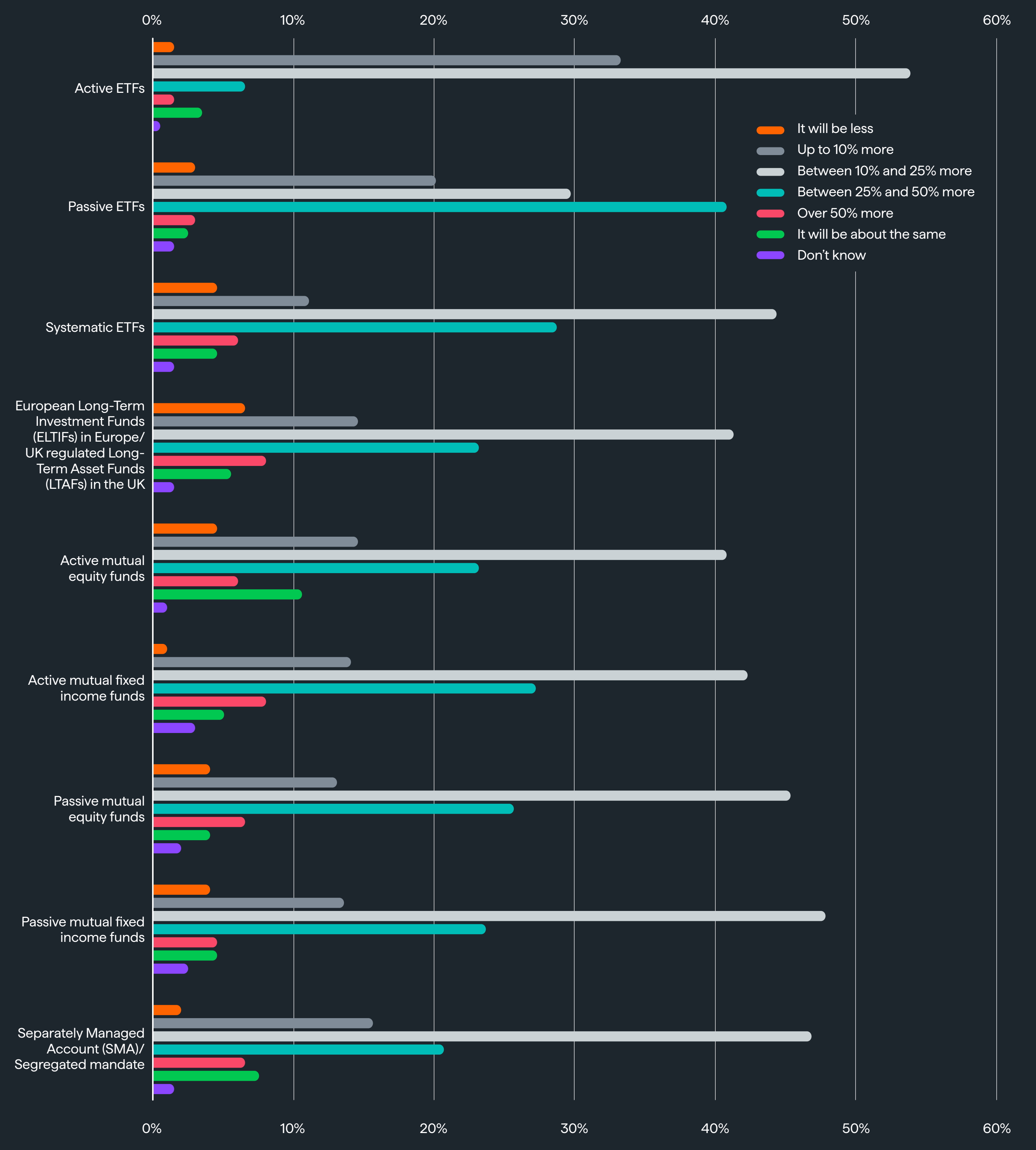
87%

expect to allocate up to 25% more into active ETFs

50%

of respondents are planning up to 25% more into passive ETFs

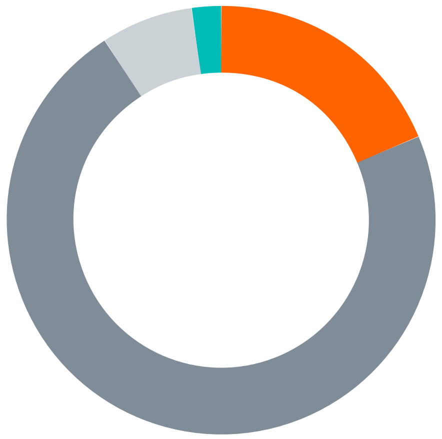
Thinking about the organisation you work for, in 2026 what do you think will happen to its flows into the following fund types/wrappers?



Risk
Systemic vulnerabilities, but the industry is clear-eyed

The rapid growth of private markets is instrumental in driving economic growth and ensuring governments can meet their levelling up and net zero targets. Yet the use of leverage by private markets funds and their portfolio companies introduces what the Bank of England calls 'vulnerabilities' to the system 'with the potential to amplify economic and financial shocks'.[4]

As private markets grow, how do you see the potential systemic risk they pose changing over the next two years?



Total	%
Increase dramatically	19%
Increase slightly	73%
Stay the same	7%
Decrease dramatically	2%
Decrease slightly	0%

Global regulators are intensifying their scrutiny of private markets due to concerns over potential systemic risks, driven by the sector's rapid growth, high leverage, and interconnectedness with traditional banking. How concerned are you about the potential systemic risks posed by private markets?

72%
Very concerned

28%
Quite concerned

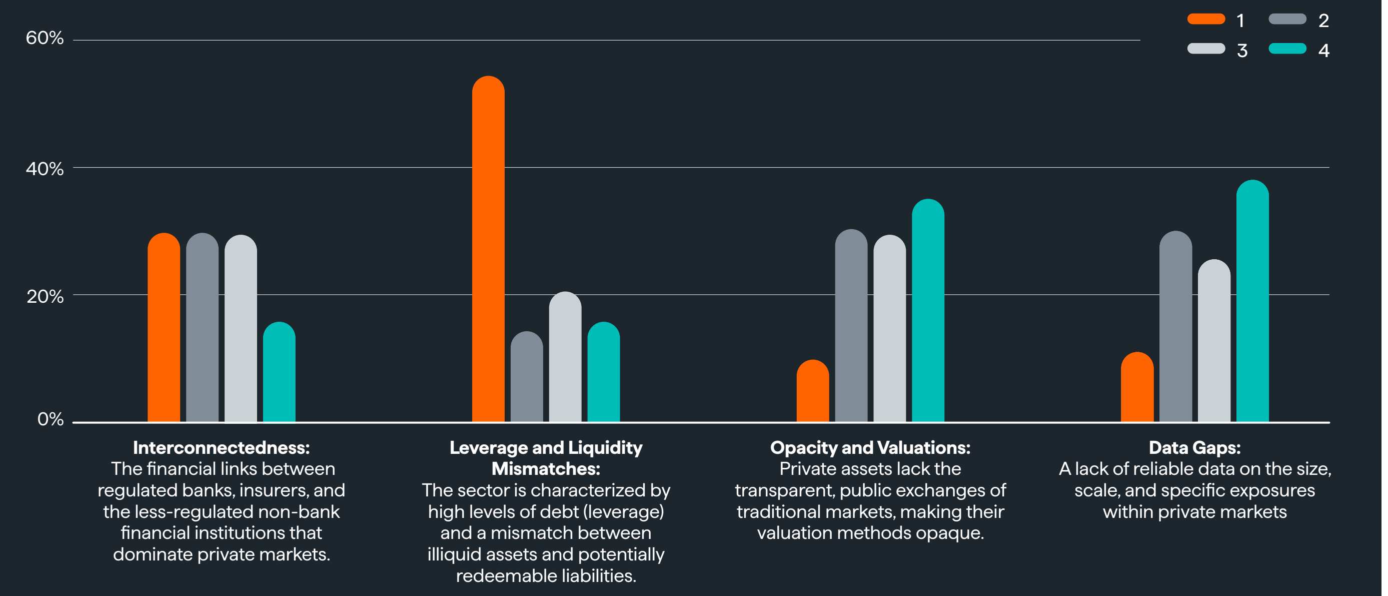
1%
Not concerned

Percentages may not sum to 100% due to rounding.

The survey findings show that fund managers and investors alike share concerns about systemic risks and, as private market investment grows, they expect that risk to increase.

When asked to rank regulatory focus areas in private markets, both fund managers and investors chose to highlight leverage and liquidity mismatches as their biggest concern.

Below are some of the key areas of regulatory concern for fund managers regarding private markets. Please rate them in order of which ones you are most concerned about.



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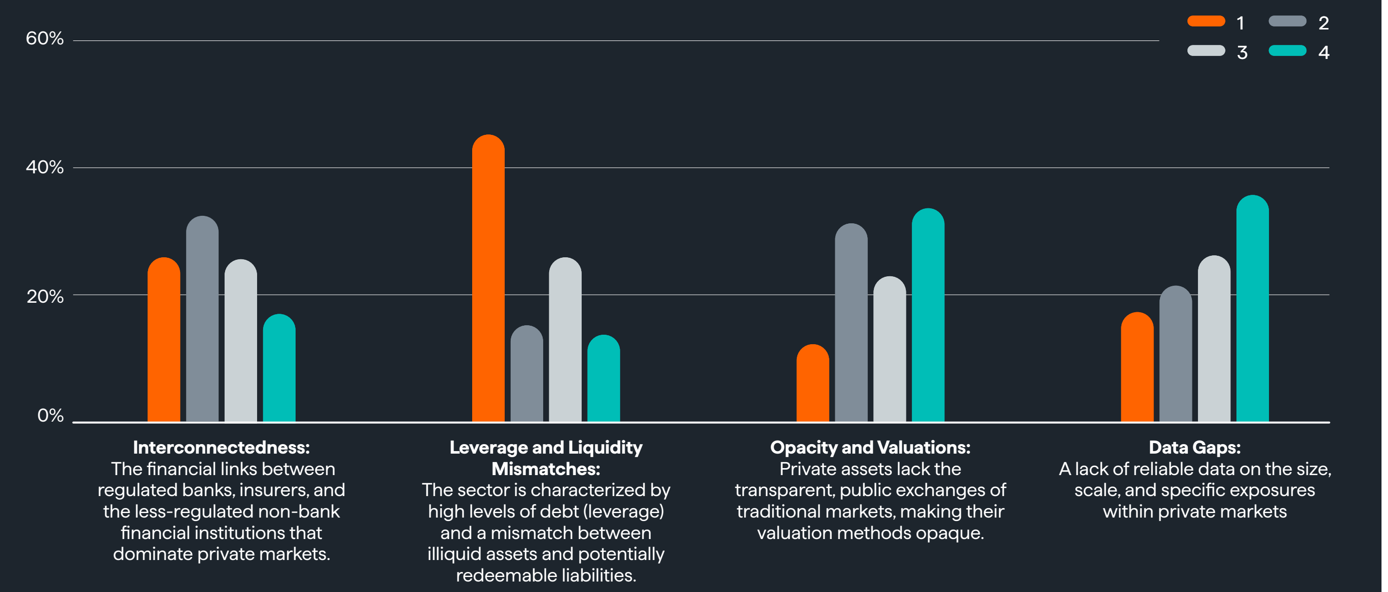


[5] https://www.bankofengland.co.uk/financial-stability/boe-system-wide-exploratory-scenario-exercise/boe-private-markets-swes

Valuations in the spotlight

Valuations are a growing pressure point in private markets. Remuneration models that link performance to asset values risk encouraging optimistic valuations, potentially misaligning manager and investor interests and increasing liquidity and systemic risks if adopted at scale.

Investor concern is widespread. Almost all (99%) investors say they are concerned about valuation-related conflicts of interest, with 55% 'very concerned'. Managers are responding by strengthening governance: 69% have increased resources for valuations, 56% have clarified accountability, and 39% have reinforced their independent valuation committees.

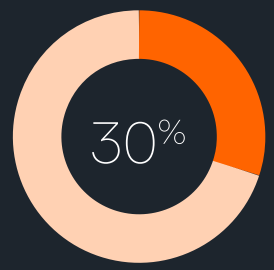
However, independent oversight remains limited. Just 2% of managers currently use third-party valuation specialists, although 92% of investors expect their use to increase over the next two years, pointing to a significant shift ahead as private markets participation continues to grow.

92%

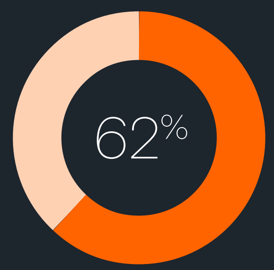
of investors expect the use of third-party valuation specialists to increase over the next two years

How do you see the use of independent valuation agents by private markets fund managers and their investment into their own valuation committees changing over the next two years to reduce this valuation risk?

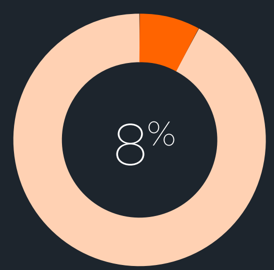
Increase dramatically



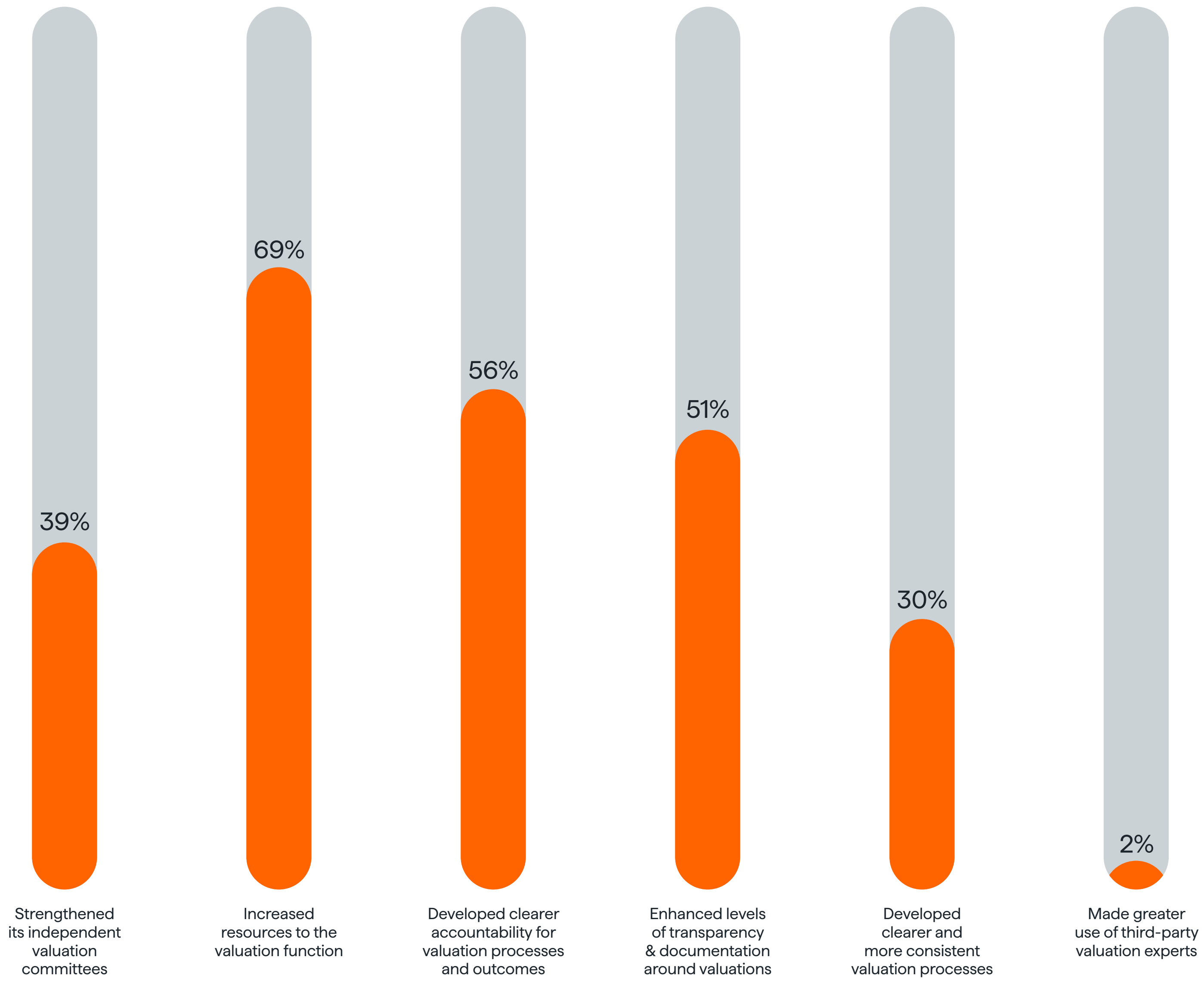
Increase slightly



Stay the same as today



Has the fund management firm you work for taken any of the following steps to address this concern?



Corporate governance under the microscope

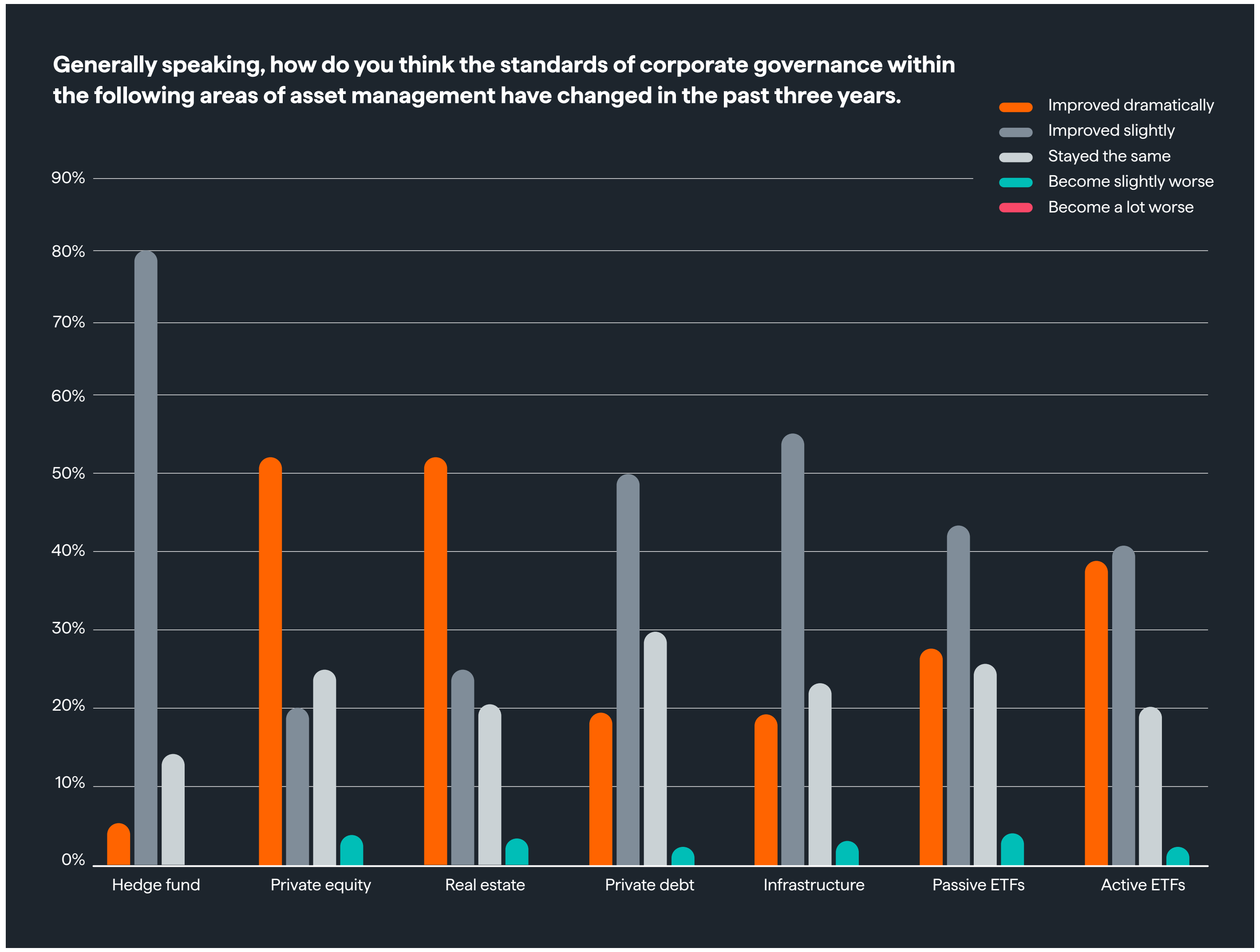
Corporate governance remains a top priority for institutional investors, and scrutiny is only set to intensify over the next three years. Nearly all (98%) fund managers report an increased investor focus on independence and conflict management, up from 87% last year, while 92% expect fiduciary oversight to grow, with 32% predicting dramatic increases.

Governance concerns are already a deciding factor: 96% of investors have declined a fund due to corporate governance issues, with 21% doing so frequently, and 84% report that rejections based on governance are on the rise.

While investors acknowledge ongoing improvements across all private market asset classes – as they did in previous Change reports – gaps remain. Areas for further progress include the frequency of full board meetings and the experience and expertise of directors, underscoring that governance remains a critical differentiator in a competitive market.

96%

of investors have declined a fund due to corporate governance issues

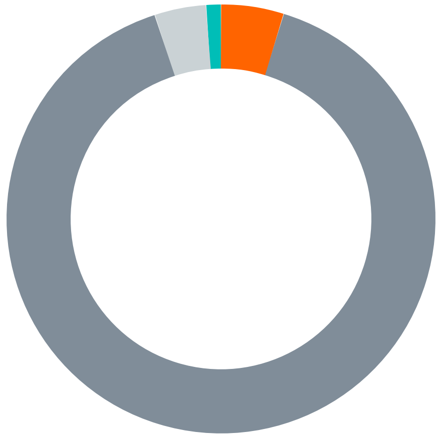


Regulatory pressures intensify

The growing regulatory burden remains a persistent theme across the Change reports. Some 96% of institutional investors say illiquidity and opacity will be harder to navigate over the next two years, reflecting the growing complexity of private assets and the higher standards demanded as retail capital enters the market.

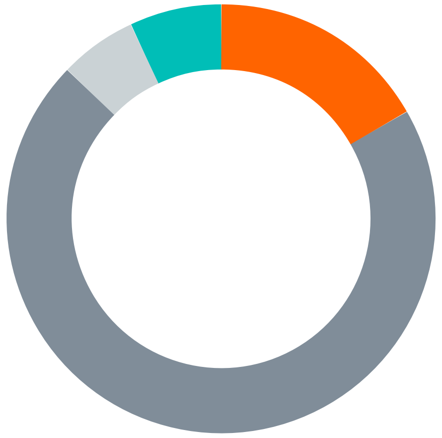
Fund managers see regulation as their biggest challenge: ranked above corporate governance and reporting requirements, 89% expect compliance pressures to increase, of which 17% strongly agree. The scale and complexity of private markets mean that managing these obligations is now central to successful fundraising.

Over the next two years, the ability of institutional investors to navigate regulatory complexities will become much harder. How strongly do you agree or disagree with this view?



Total	%
Strongly agree	5%
Slightly agree	91%
Strongly disagree	4%
Slightly disagree	1%
Don't know	0%

Over the next two years, the ability of fund managers to navigate regulatory complexities will become much harder. How strongly do you agree or disagree with this view?



Total	%
Strongly agree	17%
Slightly agree	72%
Strongly disagree	6%
Slightly disagree	7%
Don't know	0%

In terms of compliance, 43% of fund managers report that more than half of their Know Your Asset (KYA) and Anti-Money Laundering (AML) processes remain manual, limiting their ability to meet requirements efficiently and consistently.

Resolve
Meeting the moment

Predictions of greater expansion as well as rising regulation and governance scrutiny add up to one thing: increasing complexity. As in Change 2024 and 2025, this year's survey continues a trend of increasing reliance on third-party specialists to meet the challenge.

Nearly three-quarters (70%) of fund managers say they will use more third-party providers to support their back and middle office functions over the next 12 months, with 41% making dramatic increases.

A similar number (71%) of institutional investors say they will outsource their administrative functions over the next 12 months, with 44% making dramatic increases.

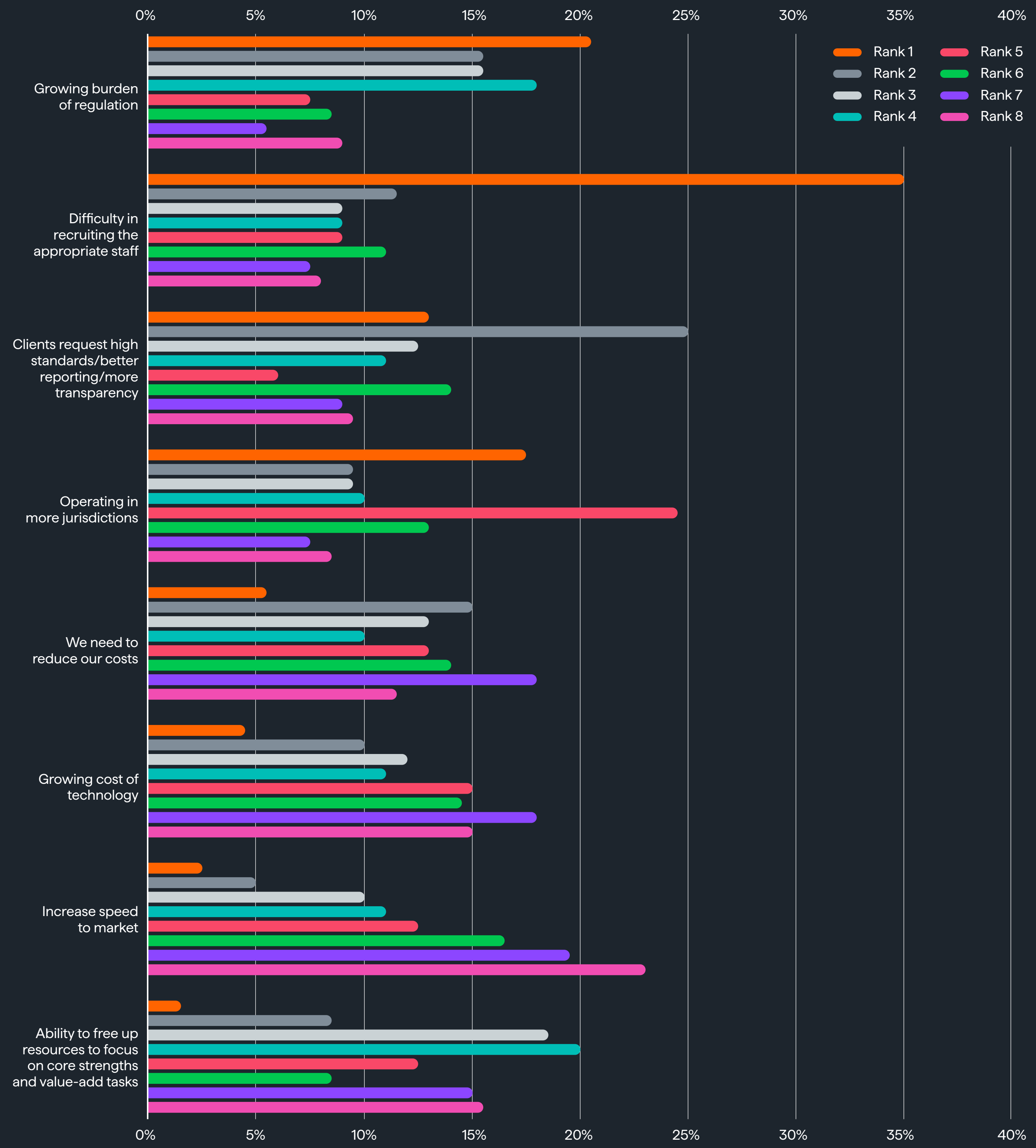
More than half (51%) of fund managers expect outsourcing to increase slightly over the next three years while 42% say it will rise dramatically (93% expecting an increase in total). That's a rise from Change 2025, where 34% of managers said the use of third parties would rise slightly and 46% said dramatically (80% in total).

How do you see the level of outsourcing of the management of fund management companies to third parties changing over the next three years?

	Responses in 2024/2025	Responses in 2026
Increase dramatically	46%	42%
Increase slightly	34%	51%
Stay the same as today	19%	7%
Decrease dramatically	1%	0%

While regulatory complexity and rising reporting demands continue to push managers toward external support, this year's survey reveals a more immediate challenge: recruitment. Finding qualified back and middle office talent is increasingly difficult, reflecting both the technical complexity of administering private markets and the rapid pace of sector growth.

Below are some of the key reasons why fund managers are increasing their use of third-party service providers. Please rate them in order of importance, starting with the most important first.



Rise of the ManCo

Third-party management companies (ManCos – or Authorised Corporate Directors (ACDs) for open-ended investment companies (OIECs) in the UK) are separate entities set up and run by an external provider, appointed by an asset management firm to oversee the operations and governance requirements of its investment funds.

The survey data shows that they continue to gain ground in the industry, becoming a key differentiator and strategic enabler in supporting fund launches and entering new markets, as well as providing crucial technical and regulatory expertise.

Almost one in five (17%) of respondents now use a ManCo or third-party provider, while 3% use a white-label platform.

Outsourcing is now about strategic growth – a source of competitive advantage, rather than a matter of cost. Nearly all (93%) managers will rely more heavily on third-party ManCos to support expansion into new domiciles, stand up to governance scrutiny and scale efficiently.

17%

of respondents now use a ManCo or third-party provider

How likely is your organisation to change or expand its ManCo/AIFM/ACD arrangements in the next 12-24 months?

60%
very likely

41%
quite likely

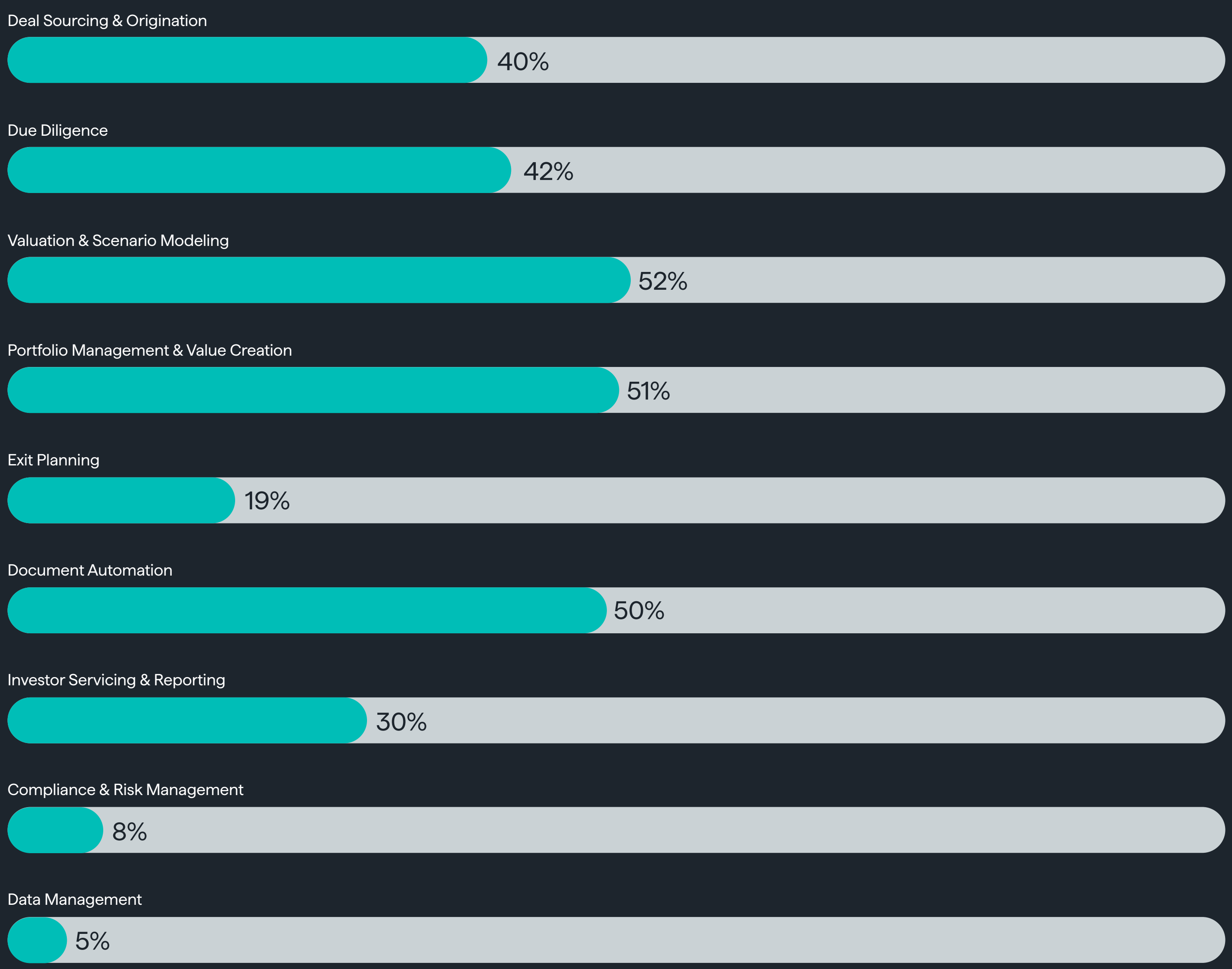
AI is finally embedded

Alongside growing reliance on third-party providers, fund managers are increasingly turning to technology to drive growth and meet heightened governance and regulatory expectations. Artificial intelligence (AI) is now widely deployed across core functions, from deal sourcing and origination to investor servicing and data management.

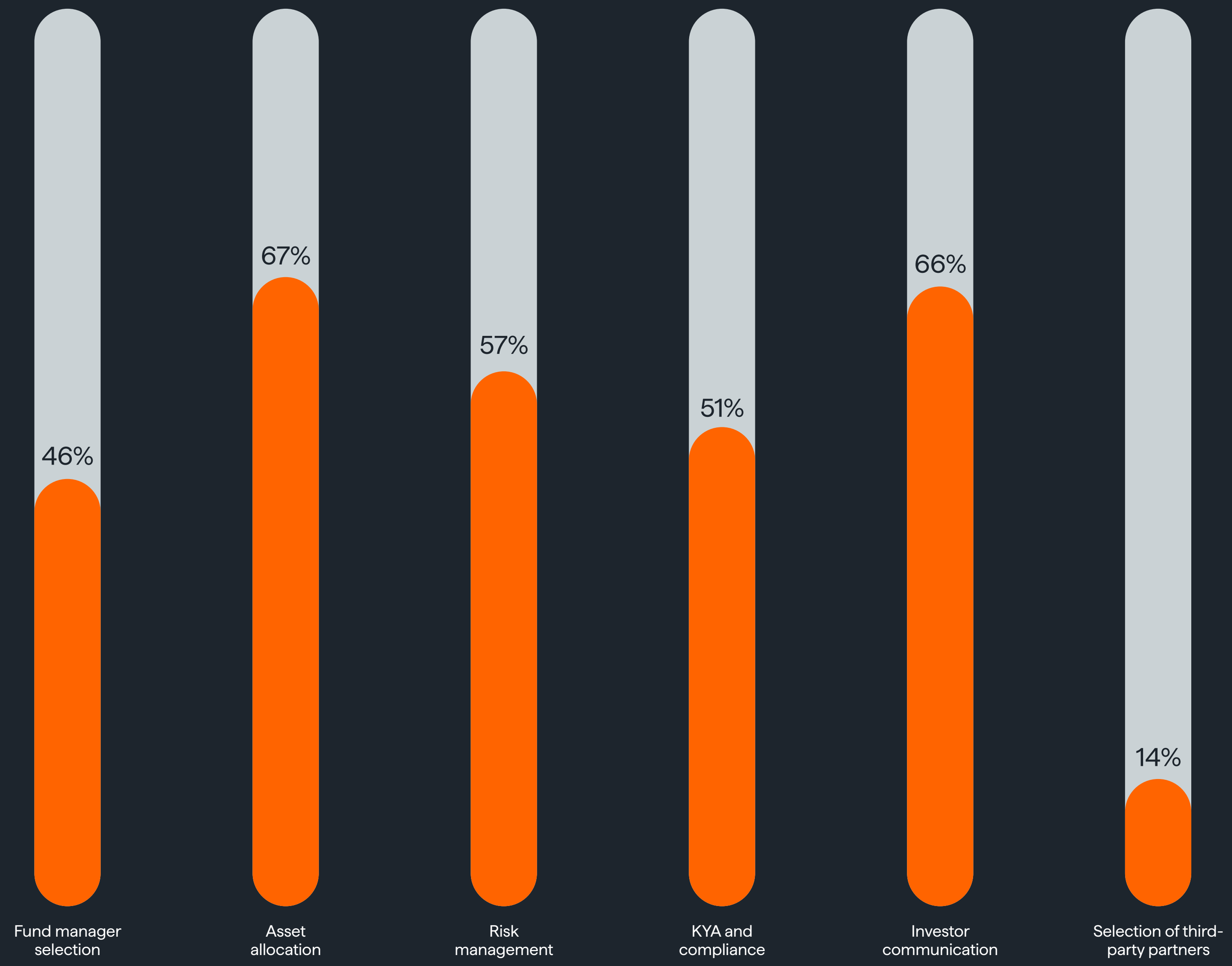
When asked specifically about enabling the delivery of Alpha, 98% of fund managers say that AI will become significant in the next three years. Its impact is already being felt in valuation and scenario modelling, portfolio management and value creation, and document automation processes.

Investors are taking note. Two-thirds see AI as particularly valuable for asset allocation and investor communications over the next three years, highlighting its growing role in both operational efficiency and strategic decision-making.

How is the fund manager you work for using AI?



Which areas below do you think AI offers the most benefit to your organisation over the short term (next three years)?



Conclusion
Sustained optimism, disciplined execution

Confidence remains the order of the day – despite significant headwinds from trade tariffs and macroeconomic uncertainty.

This year's Change survey confirms sustained optimism among fund managers, underpinned by strong institutional demand and expanding retail participation in private markets.

Yet growth predictions should be read next to their observations on risk. Investors are insisting on higher standards of independence, transparency and fiduciary oversight, while regulators are imposing increasingly complex frameworks.

As private markets expand in size, scope, and systemic importance, scrutiny is intensifying. Our 2026 report highlights that valuation conflicts and governance lapses are emerging as central concerns, capable of amplifying systemic risk if left unchecked.

Consequently, effective corporate governance remains critical for delivering long-term success.

Continuing the trends we identified in our 2024 and 2025 reports, fund managers are responding decisively by using third-party specialists to support their operations across the board. Outsourcing is proving essential for managing regulatory complexity, mitigating systemic risk and delivering investor confidence at scale.

The message from this year's research is clear: the opportunity in private markets remains substantial, but realising it will require continued investment in governance, infrastructure and expertise. Those managers who successfully combine growth ambitions with robust independent oversight and operational resilience will be best positioned to capitalise in an increasingly competitive and regulated environment.

About the research

This is Carne Group's third annual study into fund managers' and institutional investors' plans and expectations for the year ahead.

Conducted in January 2026, Carne commissioned market researchers Pureprofile to survey 200 C-suite executives in fund management in the US and Europe with US$7.725 trillion in assets under management and 200 European institutional investors responsible for a combined $4.19 trillion in assets under management.

About Carne Group

Carne Group takes care of the people who take care of money.

Founded in 2004, today Carne is Europe's largest – and only independent – third-party management company.

We support asset managers through every element of the fund lifecycle, including risk, compliance, due diligence, oversight, distribution and governance. Backed by digital capabilities and infrastructure built over two decades, our dedicated and expert team provides peace of mind for our clients and their investors, simplifying and strengthening the ways their funds operate.

We partner with around 700 clients, from boutique firms to the majority of the world's 20 largest fund managers – supporting funds distributed in over 160 countries and overseeing more than US$1 trillion assets under management. Carne employs more than 650 employees across eight locations globally.

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