SS&C | Intralinks®

# 2026 LP Survey

## *Insights on alternative investments*

Presented with Reuters Events

# Contents




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# Editor's Note

Welcome to the tenth annual *SS&C Intralinks LP Survey*, produced in partnership with Reuters Events. This year, we gathered insights from a global cohort of more than 280 limited partners (LPs) to understand how they are navigating an increasingly complex and dynamic alternatives landscape.

The findings from the *2026 LP Survey* reflect a notable shift in sentiment. After a period of muted returns, LPs report a strong rebound in portfolio performance, with 60 percent indicating results exceeded expectations over the past 12 months. Private equity continues to lead the way in delivering risk-adjusted returns, while digital assets and private credit are gaining traction as emerging areas of interest.

This year's survey also reveals a significant geographic pivot. LPs now favor the U.K. and Europe over North America as their preferred investment region, a change which can be attributed to increased trade tensions and macroeconomic volatility, particularly in light of tariff threats and inflation.

Despite these headwinds, LPs remain optimistic. A remarkable 86 percent expect deal activity to increase in the coming year, and nearly all respondents anticipate growing their allocations to alternatives. At the same time, LPs are becoming more discerning in their general partner (GP) relationships, placing greater emphasis on investment strategy, sector expertise and technology capabilities.

"With the ongoing elevated geopolitical risk structurally, and the range of risks and scenarios and uncertainties, it just drives investors to look for various ways to spread their investments to reduce correlation."

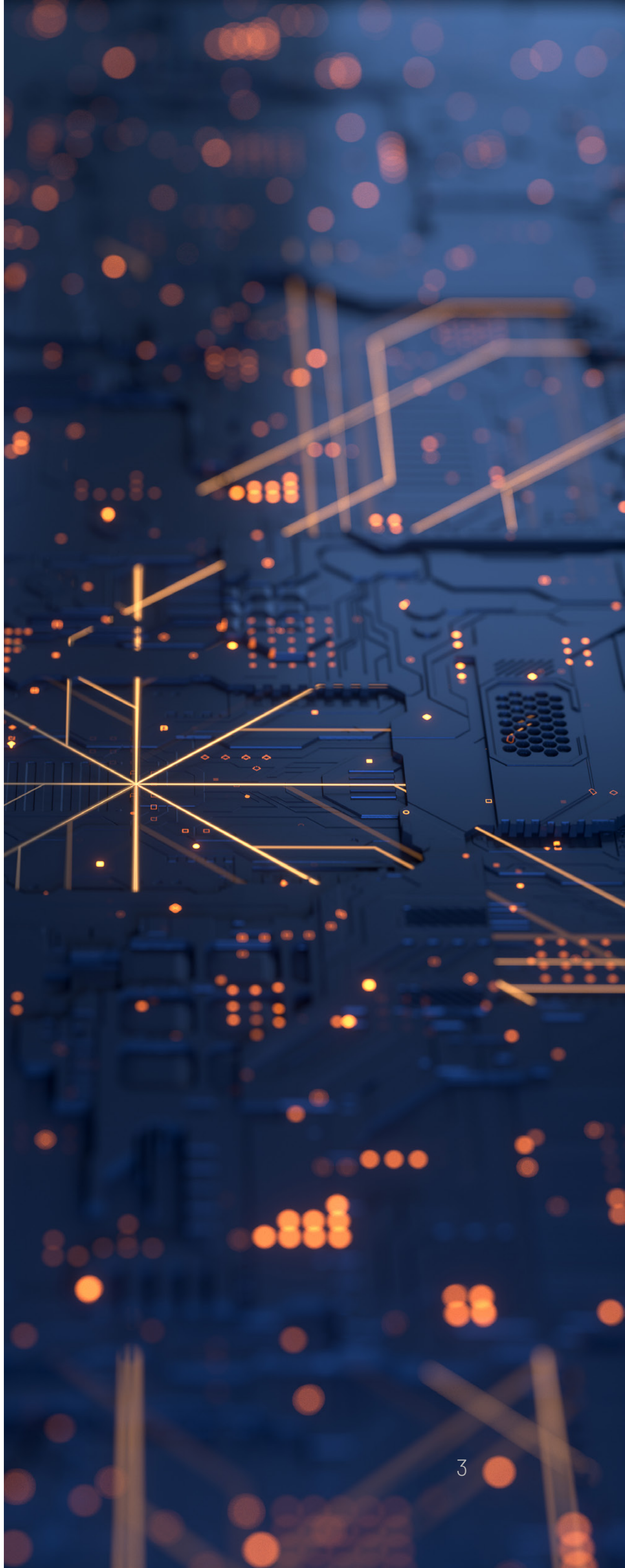
**Matt Gertken**
BCA Research

Generative AI (GenAI) has emerged as a transformative force in the industry. With 86 percent of LPs already using the technology to monitor investments, and 92 percent expecting it to be highly impactful, the integration of AI into investment workflows is no longer a future consideration, but a present imperative.

Transparency and communication between LPs and GPs have also reached new heights. Nearly four in ten LPs now describe transparency as "excellent," and the upcoming Institutional Limited Partners Association (ILPA) Performance Template is expected to further enhance reporting standards and consistency across the industry.

We are grateful to the LPs who contributed their time and insights to this year's survey. Their perspectives offer invaluable guidance for GPs seeking to understand investor priorities and expectations in a rapidly evolving market.

It's our hope that this year's report offers insights you can act on.



## Executive Summary

Here are the top eight takeaways from this year's LP survey.

### Alternatives portfolios beat expectations last year

After recent years of less-than-satisfactory performance, LPs reported a sizeable rebound, with 60 percent indicating portfolio performance outperformed expectations in the previous 12 months.

### Private equity's hot streak continues

In line with recent trends, LPs reported that private equity once again delivered the best risk-adjusted returns in the last 12 months. LPs seeking greater diversification have sought it in private markets and this trend shows little sign of abating.

### LPs now prefer the U.K. and Europe to North America

Prospective trade wars and escalating tariff threats have dented confidence in the North American markets, making the U.K. and Europe now the most preferred investment region. Fifty-four percent of LPs selected the U.K. and Europe as their region of preference, compared to 50 percent who back the U.S. and Canada.

### GenAI expected to be transformational for LPs

Nearly half (40 percent) of LPs said GenAI stood to be "highly transformative" for how they monitor their investments, with adoption of the technology spiking year on year. Some 86 percent of LPs said they are using GenAI to monitor their investments.

### Interest rates and inflation continue to concern LPs

President Trump's tariff stance, and subsequent expected impact on inflation, have triggered an acute reaction from LPs who now consider interest rates and inflation as the most concerning for their alternatives position, each selected by 36 percent of LPs. Nearly one-third (32 percent) expressed concern over possible equity market contraction.

### LPs remain bullish on deal activity

Despite economic headwinds, a significant majority (86 percent) expect deal activity to pick up over the next 12 months. A slower than anticipated start to 2025, impacted by April 2025's tariff threat and subsequent market slump, has postponed hopes of a rebound until H2 2025 and beyond.

### Digital assets and private credit are emerging

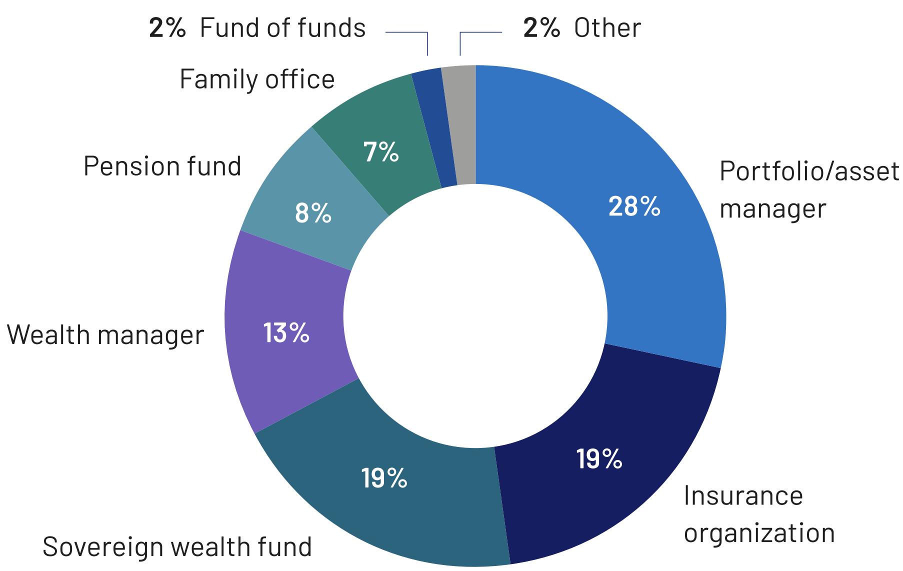
More than half of LPs investing in emerging alternatives said they are planning to invest in both digital assets (including cryptocurrencies) and private credit over the next 12 months, driven by the opportunity for further portfolio diversification and attractive returns. A more favorable regulatory environment pursued by the Trump administration would also appear to be supporting this stance.

### The LP/GP relationship is healthier than ever

An incredibly healthy 93 percent of LPs described their GP relationships as "good" or "excellent," resulting in three-quarters of those surveyed intending to increase the number of GP relationships they hold over the coming year. In addition to stronger-than-expected performance, increased transparency and tech capabilities may also be contributing factors.

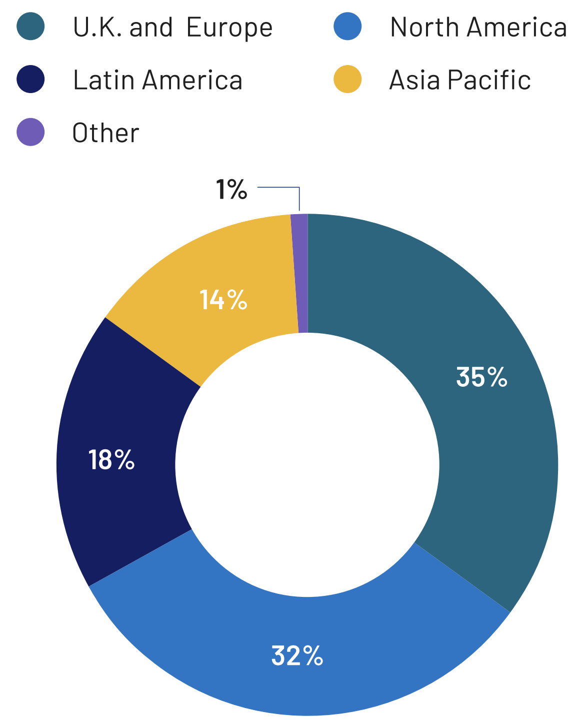
## Types of **Investors Surveyed**

The survey gained the sentiment of a range of 280 professionals who invest and work in the private markets.




The percentages do not add up to 100 percent due to rounding.

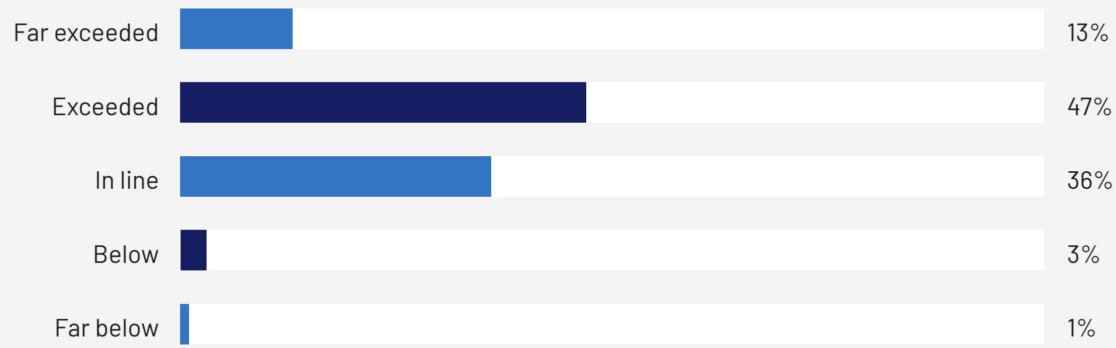
## Investors Surveyed **by Geography**



# Portfolio Performance Sentiment Insights

Overall, satisfaction has soared in the past year, with just four percent of LPs indicating that their alternatives portfolio underperformed last year. As Figure 1 shows, more than half (60 percent) said that their portfolio's performance had exceeded expectations, a sharp increase from the 16 percent who indicated as such in last year's survey.

Figure 1: **How would you describe the performance of your alternatives portfolio relative to expectations over the last 12 months?**




Sovereign wealth funds, asset managers and wealth managers were particularly impressed with portfolio performance in the past year. However, only 29 percent of family office respondents said portfolio performance exceeded expectations. With economic headwinds having eased, albeit not fully subsided, LPs have enjoyed a year of above-average returns and portfolio performance.

Private equity was once again the top-performing alternative asset class in 2025, selected by 36 percent of LPs surveyed, as illustrated by Figure 2.

Hedge funds enjoyed a notable uptick in performance compared to 2024, with 30 percent of LPs selecting the asset class as having delivered the best risk-adjusted returns last year, compared to just seven percent that said so for the year prior.

Of investors surveyed, sovereign wealth funds were most likely to have said private equity delivered the best returns.

These findings are further supported by how private equity was selected by 21 percent of LPs surveyed as the most overweight asset class on an absolute basis, with 27 percent of respondents describing private equity as overweight, as shown in Figure 3. LPs see opportunity in private markets — a trend that speaks to the volatile nature of markets today and the need for greater diversification.

"With the ongoing elevated geopolitical risk structurally, and the range of risks and scenarios and uncertainties, it drives investors to look for ways to spread their investments to reduce correlation," says Matt Gertken, chief geopolitical strategist at BCA Research.

# 63%

Share of LPs from sovereign wealth funds stating private equity delivered the best risk-adjusted returns over the last 12 months

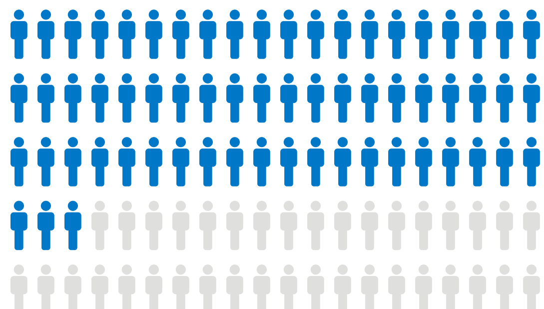
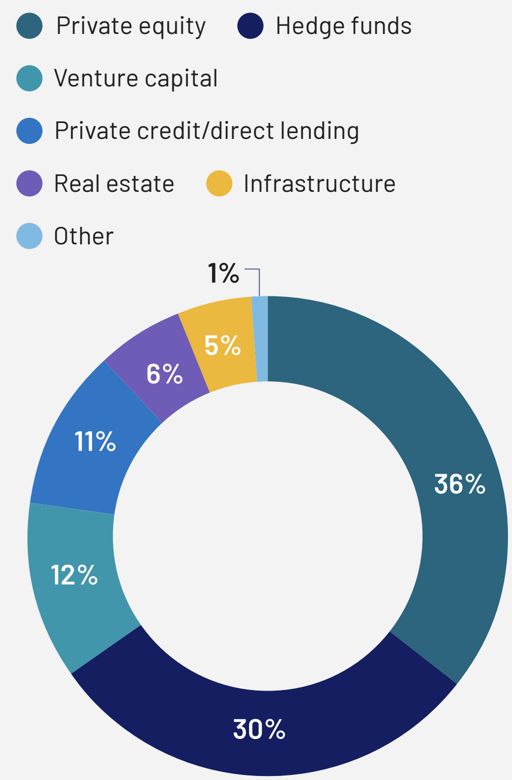


**Figure 2: Within alternatives, which of the following asset classes generated the best risk-adjusted returns over the last 12 months?**

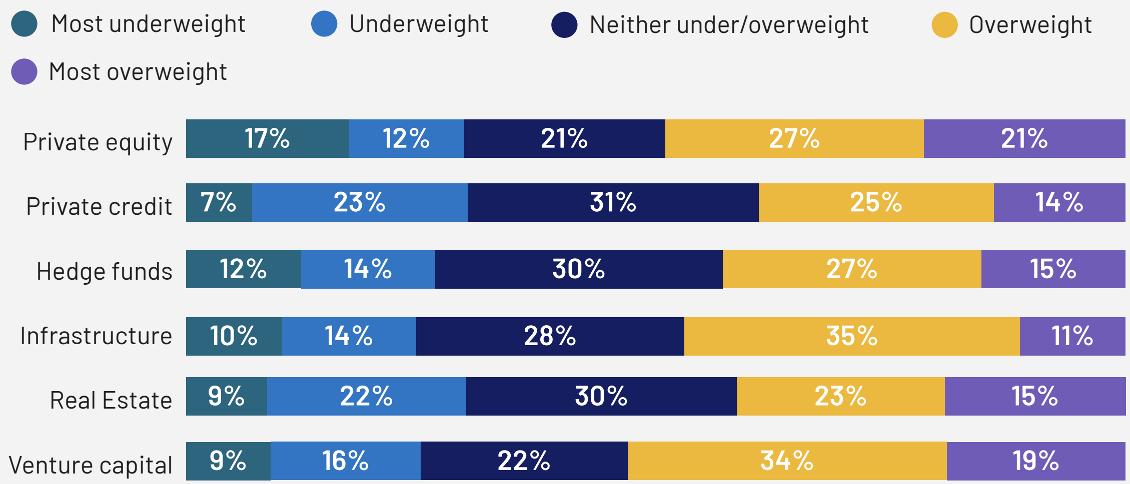



The percentages do not add up to 100 percent due to rounding.

Mike Clifford, managing director, institutional sales at Loop Capital, says this year has also seen a return to more fundamental, supply-and-demand-based market activity. With market volatility having increased, and perhaps more petinently, showing little sign of abating, investors are going back to basics.

"I think that is a reaction to volatility in the market, that people have pushed to one side and said, 'I still have a job to do.' I can't guess what is going to come out of Washington or anywhere else, so I'm just going to get back to basics and try to remain fully invested. They may not necessarily like yields, and they may have an opinion on what the Fed's going to do, but they're purely trying to stay invested in what looks best today," Clifford says.

**Figure 3: How would you rank the following asset classes in terms of over/underweight on an absolute basis?**




The percentages do not add up to 100 percent due to rounding.

> "I think that is a reaction to volatility in the market, that people have pushed to one side and said, 'I still have a job to do.' I can't guess what is going to come out of Washington or anywhere else, so I'm just going to get back to basics and try to remain fully invested."
>
> **Mike Clifford**
> Loop Capital

# Future Investment Sentiment

Given the improving portfolio performance of the last 12 months, it is perhaps unsurprising to see that a significant majority (86 percent) of LPs expect deal activity to pick up in the next year, with 27 percent expecting it to increase significantly, as seen in Figure 4.

Furthermore, an overwhelming majority of LPs surveyed — some 96 percent — expect their allocations to alternatives to increase over the next 12 months. Increases in allocations are, however, expected to be smaller than last year.

As Figure 5 highlights, a majority of LPs expect allocations to increase by six percent at most, a finding that hints at some degree of market trepidation. A slower than expected

96%

The share of LPs who expect their allocations to alternatives to increase over the next 12 months

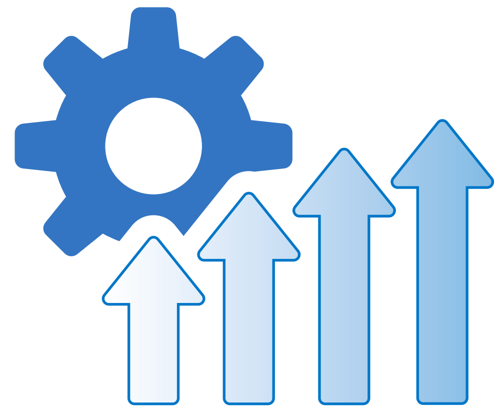
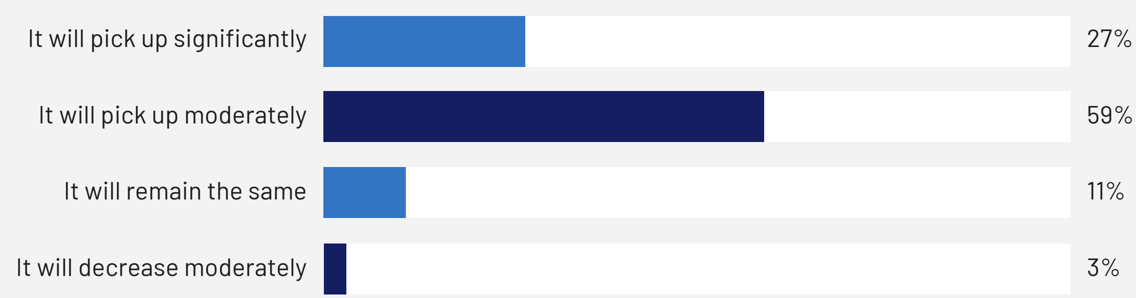


Figure 4: **What do you expect of deal activity over the next 12 months?**




"It will decrease significantly" received no affirmative responses, so it is not shown in the graph.

Figure 5: **By how much do you expect allocations to increase?**

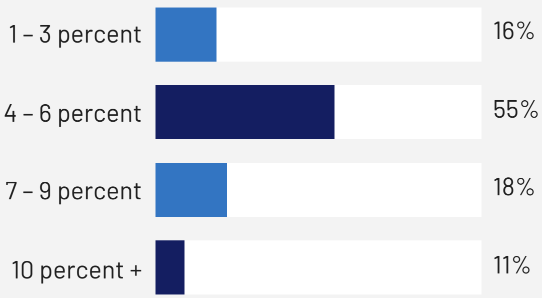
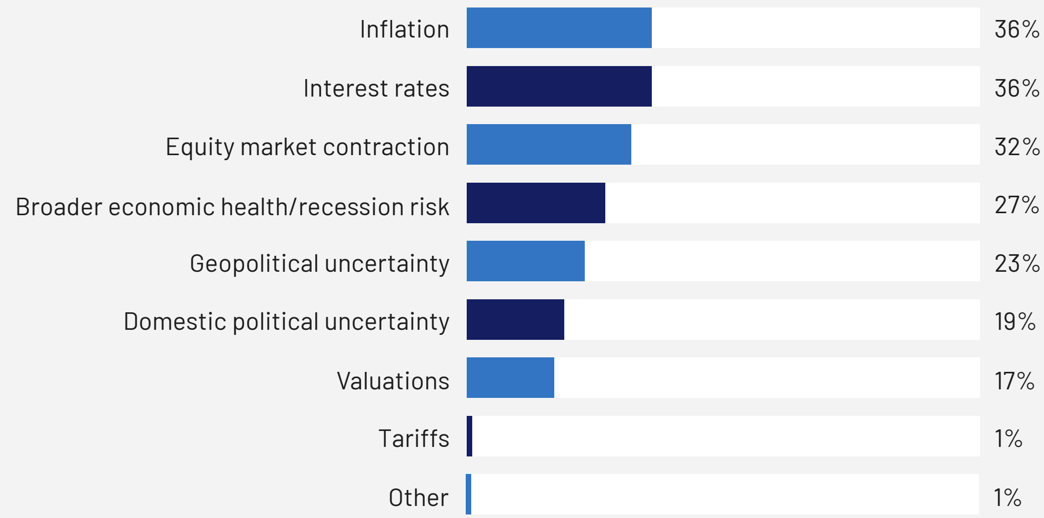



Figure 6: **Which factors currently concern you with regards to your alternatives position?**




start to 2025 has not been helped by extensive volatility in the markets, with several external factors posing risks to alternatives portfolios and positions.

The double-edged sword of inflation and interest rates are the two most concerning factors for LPs today, identified by 36 percent each, as seen in Figure 6.

While persistently high inflation has eased and interest rates remain on a downward trajectory, albeit slower than previously expected, investors are still concerned by the threat they pose. This has equally been exacerbated by the lingering prospect of trade wars and new tariffs proposed by the Trump administration, which, at the time of writing, hang over economies globally.

Speaking at the Reuters NEXT APAC event in July, Carol Fong, group CEO at CGS International Securities, said while interest rates remain challenging, markets had already anticipated that rates will remain higher for longer.

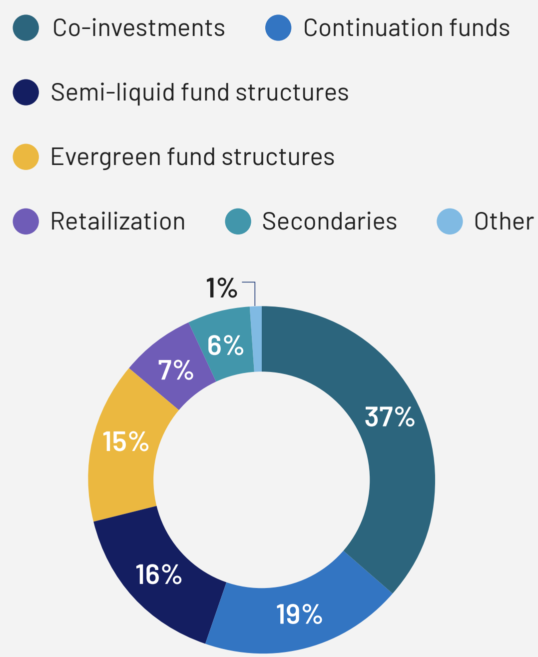
Matt Gertken says anxiety over a possible resumption in tariffs remains, however the situation remains fluid with negotiations ongoing. While Trump's previous U-turns on major policy decisions have created a sense of complacency and belief that he will “always refrain from implementing the most threatening actions,” Gertken says, the market nevertheless remains volatile.

This may also explain the prevalence of equity market contraction as a very real concern for investors, identified by nearly one-third (32 percent) of LPs. By comparison, just 19 percent of LPs identified equity market contraction as a concern in last year’s study, showcasing how acute investor fears have become.

While stocks have remained resilient to date — the S&P 500 is up by approximately 13 percent over the past 12 months — the steep decline experienced in early April, driven by President Trump’s global tariff threats, highlighted the potential for markets to slump drastically amidst such a volatile environment.

"The market is very aware of Trump’s negotiation tactics, but the issue is he has to get this all wrapped up before next year

Figure 7: **Which of the following trends in private equity do you find most interesting for your investment strategy?**




when he really doesn’t want to be damaging the economy before the midterm elections. Now is the last chance to crank up the pressure and get some concessions, which would involve implementing, to some extent, the tariffs that will then produce some hard economic data that will shake up the market,” Gertken says.

Speaking at Reuters NEXT APAC, CGS International Securities’ Carol Fong gave an alternative view, stressing that markets are becoming “desensitized to the output from Trump.”

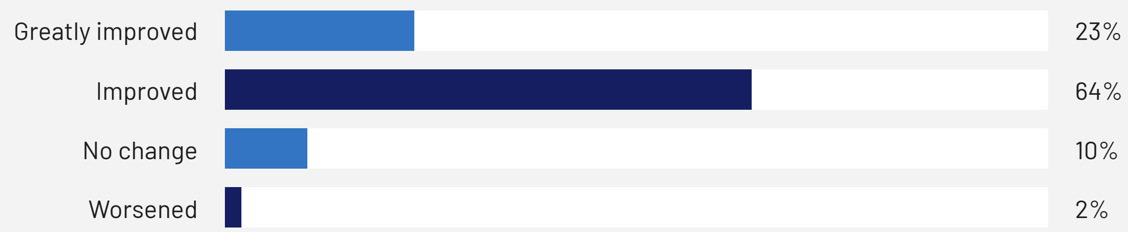
Such concerns do, however, appear to be having a knock-on effect, with co-investments continuing to be the most interesting trend for investors, selected by 37 percent of LPs, shown in Figure 7. This corresponds with Goldman Sachs’ 2025 Mid-Year Outlook, which notes that reduced activity in private equity is, in turn, driving demand for liquidity solutions including hybrid capital.
As Figure 6 shows, valuations were highlighted as a concern by just 17 percent of LPs, compared to 45 percent of respondents

who said as such in last year's survey. While this would certainly suggest an increase in valuation stability over the past 12 months, Figure 8 confirms that.

A significant majority (87 percent) of LPs said valuation stability has improved in the past 12 months, with nearly one-quarter (23 percent) assessing that stability had greatly improved.

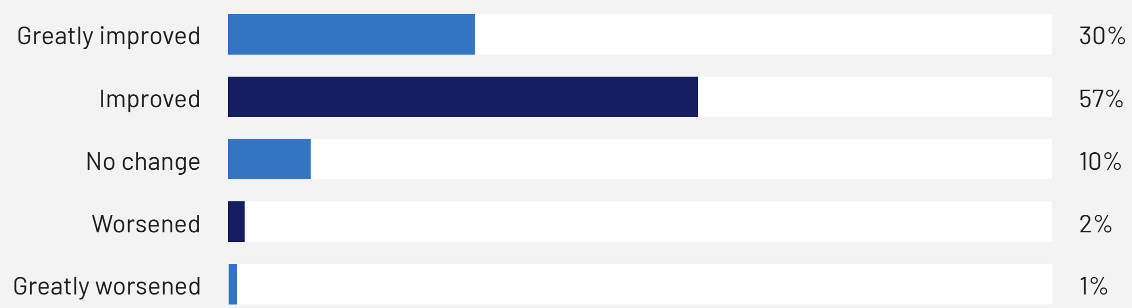
This is also a trend that is widely expected to continue, as shown by Figure 9. The same share of LPs (87 percent) expect valuation stability to continue to improve over the forthcoming year, while just three percent foresee reduced valuation stability. Nevertheless, valuations and potential movements remain of significant importance to investors, and LPs see the actions of GPs as instrumental to helping them understand and respond to such changes.

Figure 8: **How would you assess valuation stability in the last 12 months?**




"Greatly worsened" received no affirmative responses, so it is not shown in the graph.

Figure 9: **What are your expectations for valuation stability over the next 12 months?**




Thirty-nine percent of LPs said GPs should be clearly explaining any valuation methods, models and/or assumptions used, allowing LPs to develop a better understanding of exactly how specific prices are reached.

Other common considerations include regular communication (22 percent) and providing data to support valuations (18 percent).

# Investment Preferences for 2026

Amidst a marked improvement in portfolio performance and valuation stability — and in spite of continuing concerns over the macroeconomic climate — investment appetite remains resilient. Entering 2026, the investment landscape faces a redrawing of certain boundaries, and perhaps the most consequential finding within this section of the report is how the U.K. and Europe have now surpassed North America as the investment destination of choice.

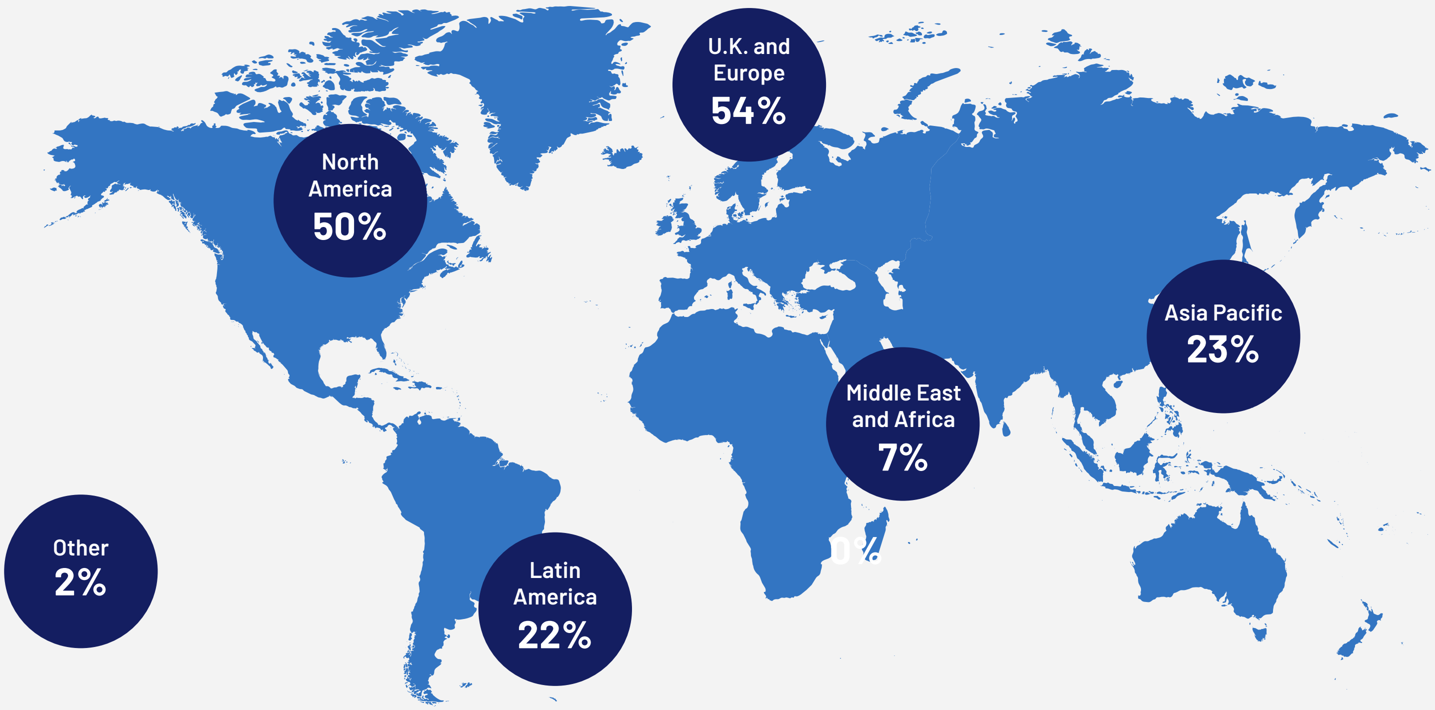
In last year's study, North America reigned supreme as the region most investors wanted their managers to invest in, selected by three-quarters of LPs surveyed. However, investment appetite for North America has fallen sharply, with just half of LPs regarding North America as a market of choice, as illustrated in Figure 10.

While the U.K. and Europe's increase has not been as sharp as North America's decline — the share of investors wanting their managers to invest in the market over the next 12 months has risen by five percentage points year on year to 54 percent — the shift speaks to a broader consideration of volatility in the U.S. currently. While investment conditions in the U.K. and Europe may not exactly be much better than in North America, they are at least relatively stable.

This is supported by a survey of CFOs published by Deloitte in July 2025, which found that the U.K. was now the joint-top location for investment. Listed businesses were also found to be moving away from defensive investment strategies for the first time in a year, with risk appetite among finance leaders also increasing.

Whether or not this is a long-term trend remains to be seen. BCA Research's Matt Gertken says this could be a long-term rotation, especially if global market expansions are to continue. Weak economic performance in China, as evidenced in poor market demand for private loans, could further dampen spirits globally.

Figure 10: **Which of the following regions do you most want to see managers invest in over the next 12 months?**



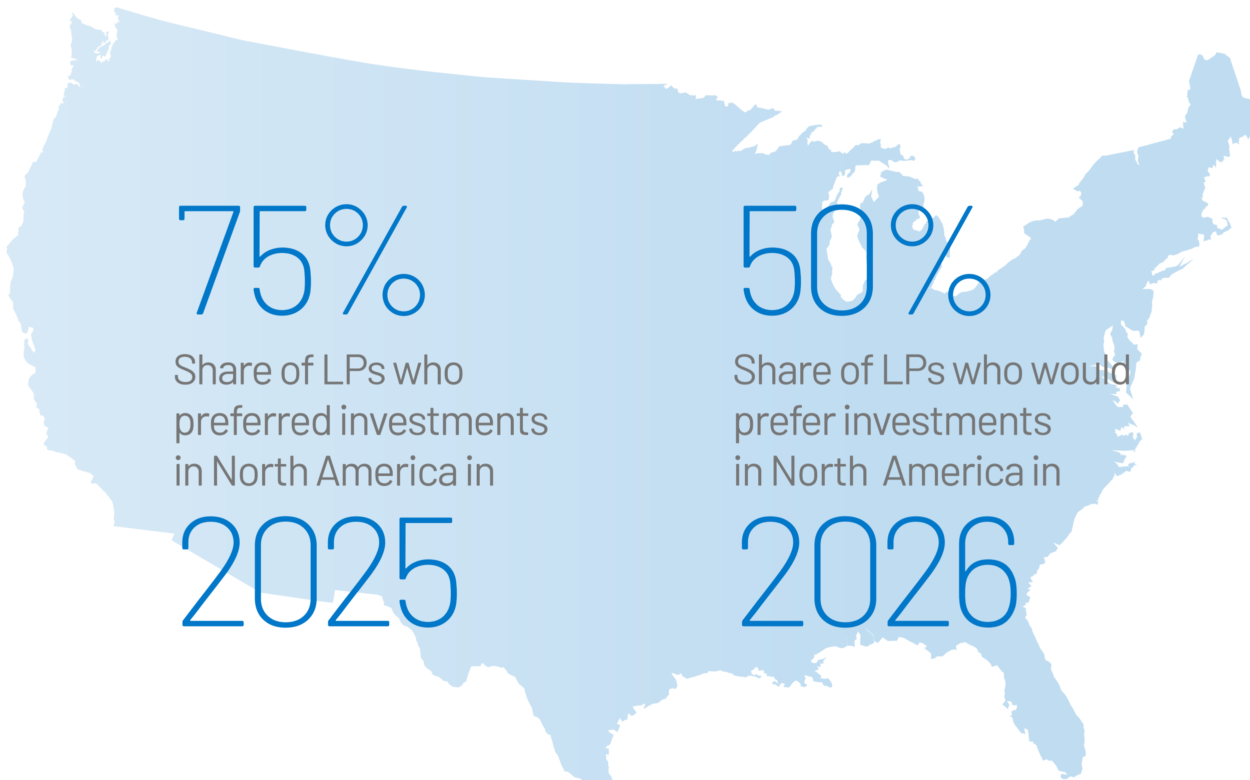

Speaking at Reuters NEXT APAC, Vis Nayar, chief investment officer at Eastspring Investments, said he was increasingly confident that there is a "move away from U.S. exceptionalism" underway. "The conditions in place last year — the AI narrative, exceptional productivity and the link of the two ... is being challenged by the lack of immigration, growth challenges, the Big Beautiful Bill and less interest in U.S. debt," Nayar said, adding that foreign assets have outperformed U.S. assets of late.

Sectorally, the preferred investment destinations for LPs for the year ahead are

Financials (47 percent), Technology (36 percent) and Renewables (30 percent), as seen in Figure 11. AI capabilities continue to be a boon for tech stocks, as best exemplified by the performance of the Magnificent Seven over the past year.

There are some subtle differences in approach within specific investor types. While Financials are broadly popular, some investors — specifically family offices and wealth managers — expressed a greater pull towards the technology and renewables sectors. The financials sector is also more acutely popular with LPs from sovereign wealth funds and portfolio/asset managers than elsewhere.

Renewables make for more of an interesting selection within our top three. While polling was conducted prior to President Trump's One Big Beautiful Bill Act, which repeals much of the clean energy supports and tax incentives included within the Biden-era Inflation Reduction Act, the outlook for clean energies within North America is still far from certain.

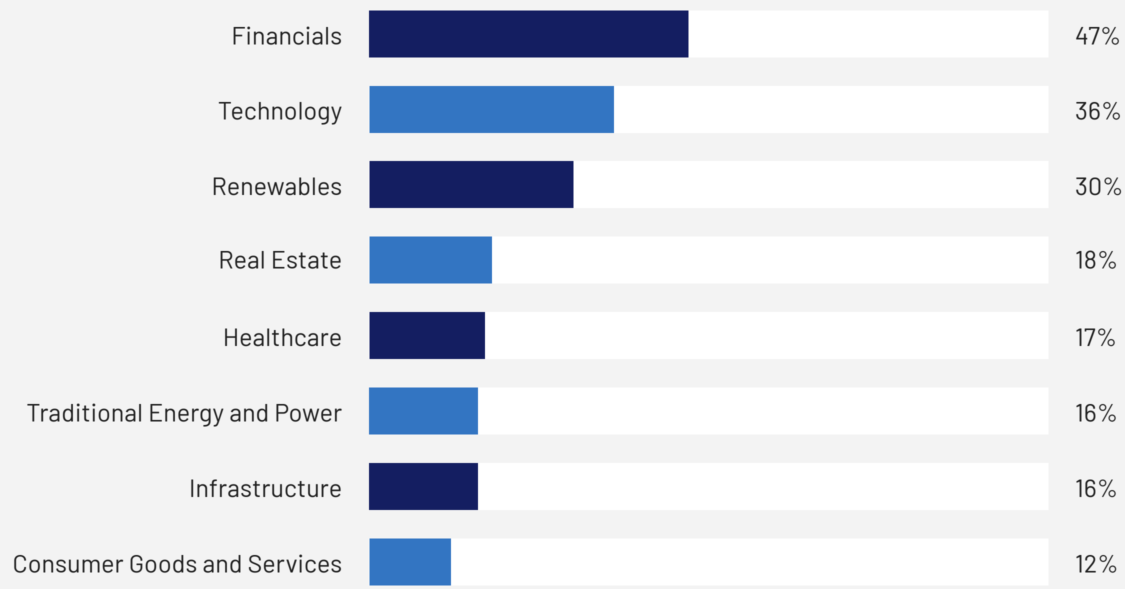


Faltering economies globally and an indication that at least some degree of tariff implementation will occur in the second half of 2025 lead Gertken to consider that defensive sectors, particularly Consumer Staples, Utilities and Healthcare will be prioritized.

Outside of more traditional alternatives, we see a marked appetite for investments in emerging alternatives (alts), such as digital assets, impact investments and private credit. A significant majority (86 percent) of LPs said they either currently invest or plan to invest in such markets/assets.

The leading two such markets are digital assets (including cryptocurrencies) and private credit, selected by 54 percent and 51 percent of those investing in emerging alts, respectively (Figure 12). Alternative research conducted by J.P. Morgan has also found that capital continues to flow toward digital assets and private credit.

Figure 11: **Which sectors, if any, do you most want to see managers invest in over the next 12 months?**



Cryptocurrencies have experienced a boon under the Trump administration, which has shifted the narrative around crypto toward a considerably more favorable regulatory tone. The presence of private credit meanwhile speaks to the ongoing shift from public to private markets.

Investments in emerging alts are being driven by a mix of factors, as shown by Figure 13, with LPs evidently seeing not just long-term growth potential in these assets and markets, but also viewing their respective returns as attractive and as an additional means of portfolio diversification.

Figure 12: **Which of the following are you planning to invest in over the next 12 months?**

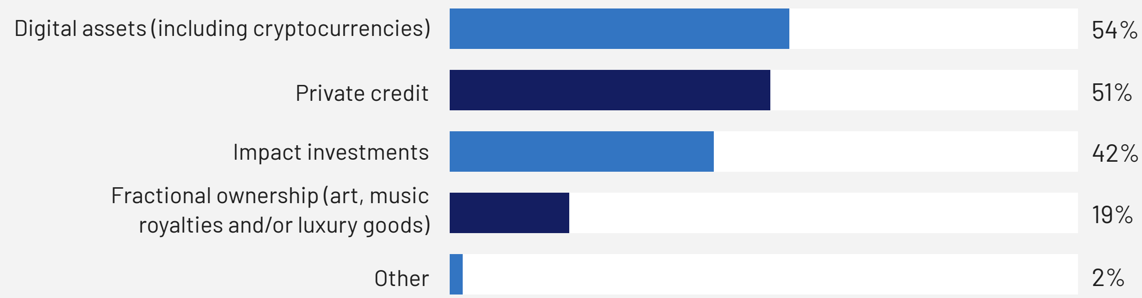
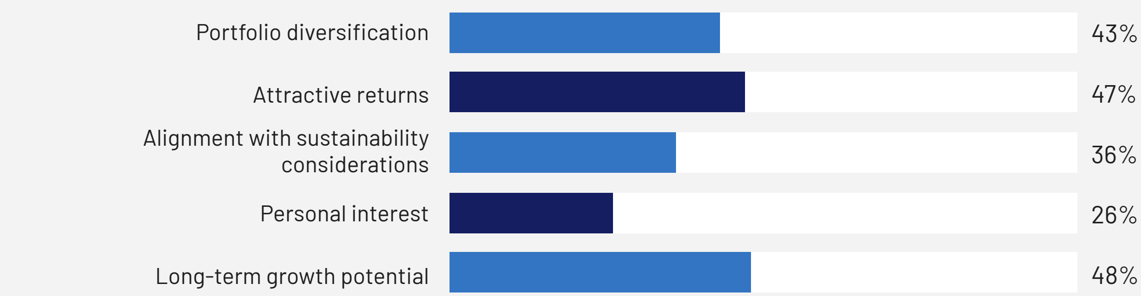



Figure 13: **What factors are driving your interest in these markets/assets?**

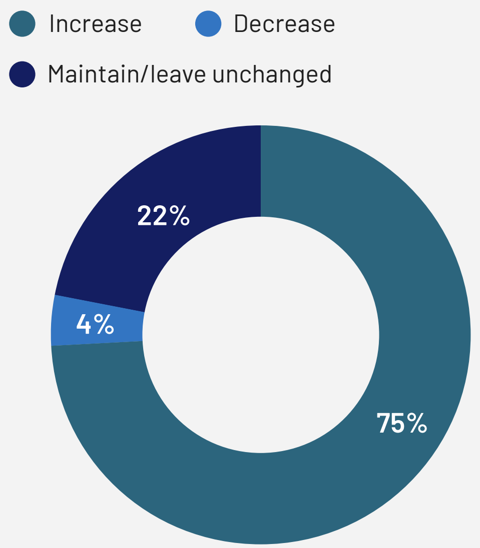


# Inside GP Selection

On the back of a strong year in 2024, it is unsurprising to see three-quarters of LPs looking to increase the number of GP relationships they hold, as illustrated by Figure 14. This represents an increase of 13 percentage points from last year's study.

LPs are, however, becoming increasingly selective over the GPs they invest with and are particularly considerate of their investment strategy, as Figure 15 indicates. Just over half (51 percent) of LPs said investment strategy was among their key selection criteria when deciding which GPs to invest with, while sector-specific knowledge or experience was also popular (30 percent).

Figure 14: **Are you planning to increase, decrease or maintain the number of GP relationships you hold over the next 12 months?**




The percentages do not add up to 100 percent due to rounding.

When taken together, the most prominent selection criteria today would confirm the importance of more general appreciation of GPs being able to adapt investment strategies quickly and efficiently, using sector-specific knowledge to respond in kind.

The need to maintain flexibility and agility in the market is also affecting the size of fund managers, specified by assets under management (AUM), that LPs are favoring. As Figure 16 shows, the most favored fund size is the USD 501 million to USD one billion bracket, identified by 38 percent of respondents, which one LP described as the "golden middle" for sustainable fund development — one that is "neither too small nor too bloated." Another specified their preference for middle market funds as down to them being "more likely to stick to their primary plan," as opposed to larger funds that "tend to stray in order to make room for more capital."

Figure 15: **When selecting the GPs with whom you invest, which key selection criteria do you consider?**

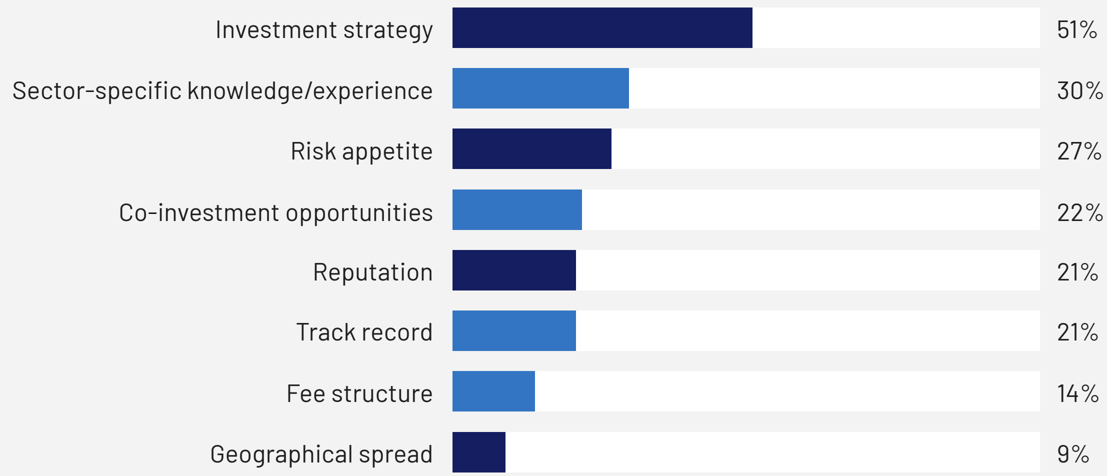



Figure 16: **Overall, what fund manager AUM size are you likely to favor over the next 12 months?**

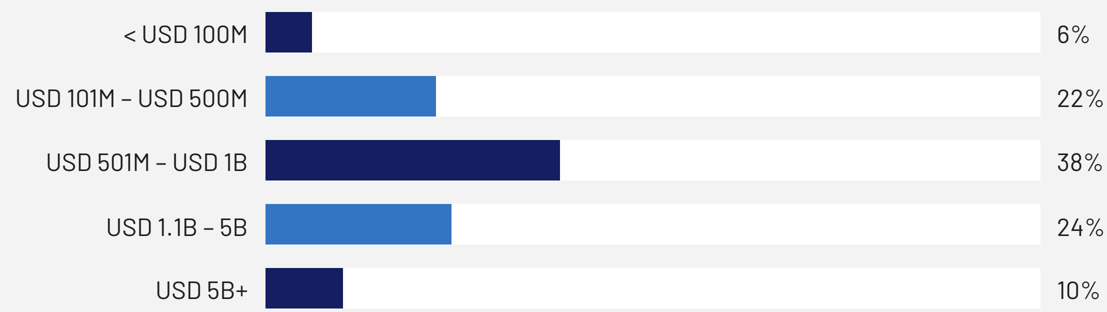


Figure 17: **Thinking of the due diligence you conduct on GPs, how important a consideration is their organization's ESG credentials or strategy?**

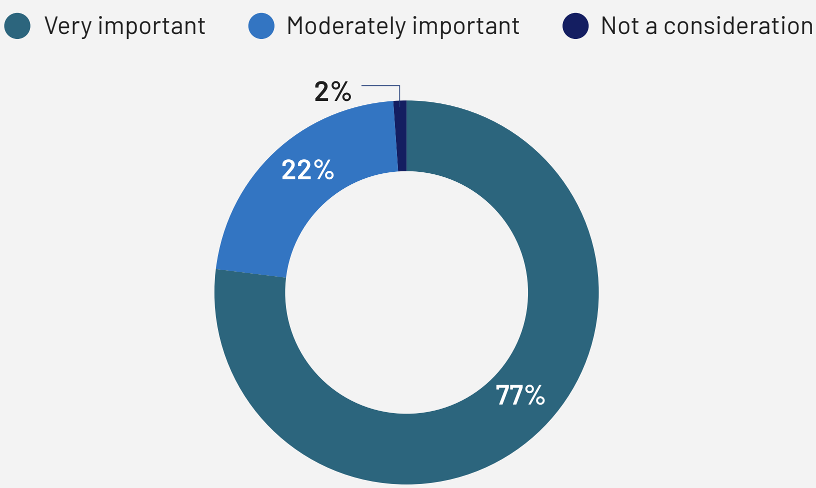
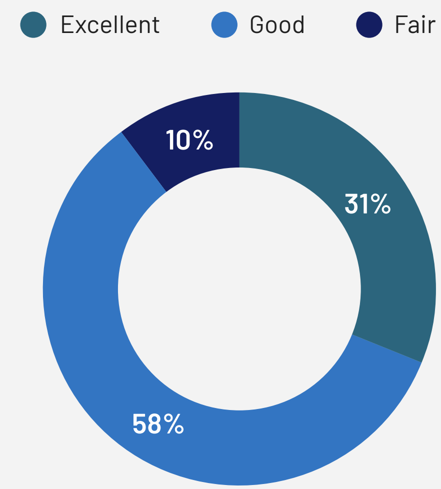



Figure 18: **How would you best describe the relationship you have with the GPs you currently work with?**



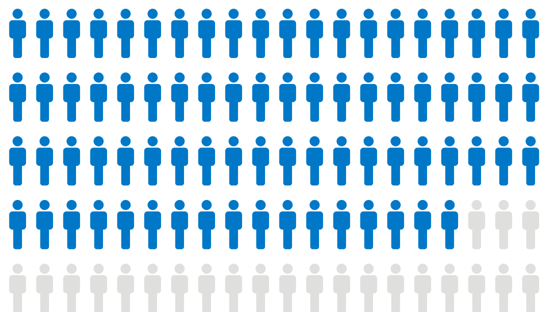

"Poor" and "non-existent" received no affirmative responses, so they are not shown in the graph.

This year's study also shows that while environmental, social and corporate governance (ESG) attitudes may have shifted significantly in the recent political climate, they remain an important consideration for LPs, as demonstrated by Figure 17. A significant majority (77 percent) of respondents said an organization's ESG credentials or strategy were very important during the due diligence phase.

In line with how portfolio performance has largely exceeded expectations in the past year, so have the relationships LPs have with GPs they work with. As Figure 18 highlights, nearly one-third (31 percent) described this relationship as "excellent," while a further 58 percent said the relationships they have with GPs they work with are "good." LPs have little cause for complaint after a year that has seen favorable returns.

# 77%

Share of LPs who described ESG credentials as very important when conducting due diligence on GPs

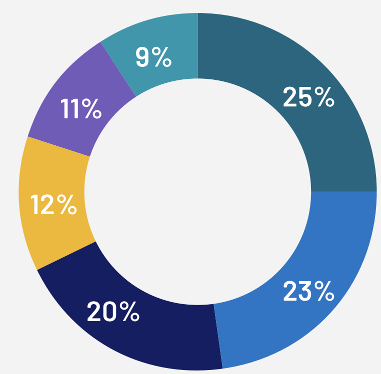


That is not to say that existing relationships are perfect. Indeed, while portfolio performance would appear to have improved sharply on last year's study, 21 percent of LPs still described portfolio performance concerns as the biggest frustration they have with GPs they work with today. Amidst a raft of other relatively mild concerns, 14 percent suggested they are frustrated by a lack of access to co-investment opportunities. This speaks to the emergence and increasing interest in co-investment opportunities as a way to move away from more traditional investment structures, and de-risk and diversify.

Additionally, LPs said they would value access to better quality digital communication interfaces and improved reporting analytics, selected by 25 percent and 23 percent of LPs surveyed, respectively, as a way to improve their relationships with GPs (Figure 19). The fact that both of these selections fall within GPs' technology capabilities suggests that there is still work to be done in this area.

Figure 19: **What would help improve your relationship with GPs the most?**

- Access to better quality digital communication interfaces
- Better reporting analytics
- More frequent conversations with portfolio managers
- Relevant thought leadership and industry-related content
- Standardizing reporting (including ILPA templates)
- More in-person meetings



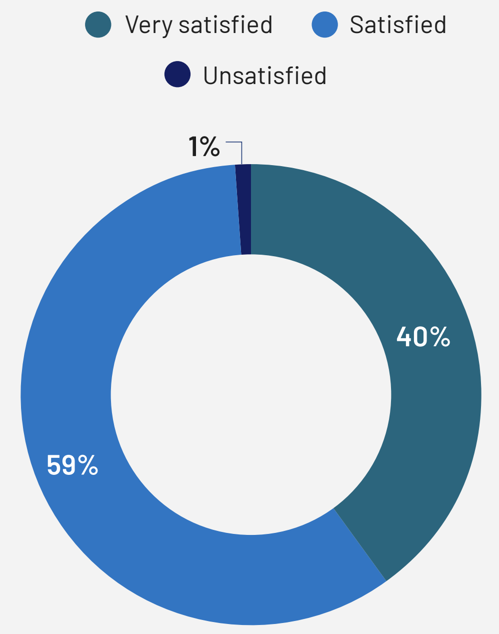
# Tech, AI and Digital Transformation

In terms of technology, GPs are largely meeting expectations. Just one percent of respondents said they are dissatisfied with the technology capabilities of the GPs they invest with, while 40 percent described themselves as very satisfied, as Figure 20 shows.

While satisfaction levels are indeed high, there are ways to improve. The use of disparate dashboards requiring multiple logins and a lack of access to analytics were the most common frustrations aired specific to GPs' existing technology infrastructure (Figure 21), indicating a preference for single — or limited — platforms that offer more consistent analytics.

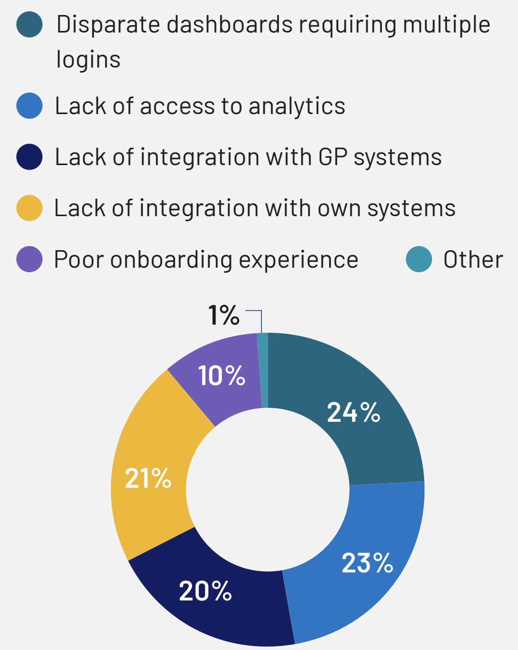
Regarding improvements to monitoring investments by GPs, investors are typically

Figure 20: **How satisfied are you with the technology capabilities of the GPs you currently invest with?**




"Very unsatisfied" received no affirmative responses, so it is not shown in the graph.

Figure 21: **What is your biggest frustration, if any, with your GPs' existing technology infrastructure?**




The percentages do not add up to 100 percent due to rounding.

> "I know the buy-side guys are very, very nervous. You're already seeing some downsizing and consolidation."
>
> **Mike Clifford**
> Loop Capital

looking at two areas in particular: an improved ability to forecast cash flows and improved portfolio monitoring. These were selected by 29 percent and 28 percent of respondents, respectively, as Figure 22 shows.

One driving factor behind how expectant LPs are of GP tech capabilities is how savvy LPs consider themselves to be, specifically those who use technology to monitor investments and performance themselves. More than one-third (37 percent) of respondents described their use of such technology as extensive, while just four percent said they are either trialing or not using technology at all. With such sophistication on the LP side, it's imperative that GPs stay abreast of the latest tech advancements and incorporate them into their own capabilities, or risk being perceived as behind the curve.

GenAI continues to be the hottest topic in technology — and it is no different within the finance community. A significant majority of LPs (86 percent) said they have used GenAI or similar functionality to monitor their investments and/or performance.

Figure 22: **Which improved areas of technology would improve your ability to monitor GP investments the most?**

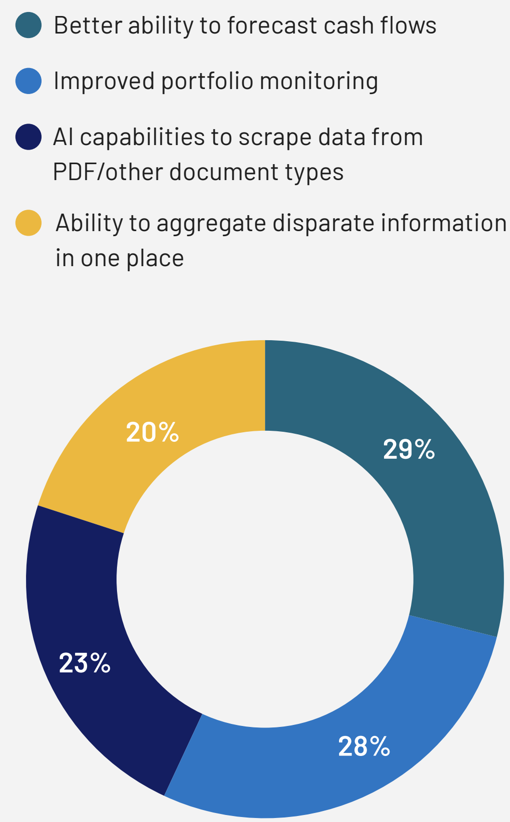
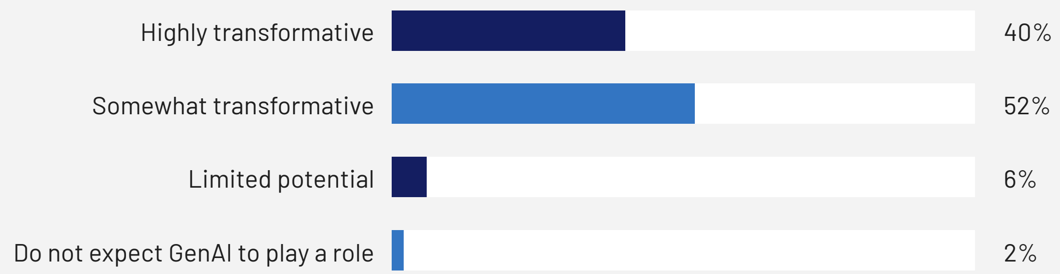


Figure 23: **How would you describe the potential for GenAI to transform how you monitor your investments and/or performance?**



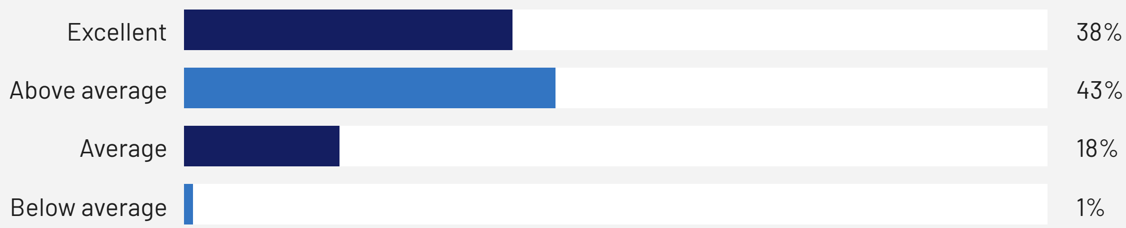

Furthermore, an even larger majority (92 percent) consider the technology to be potentially transformative for how they monitor investments and/or performance, as shown in Figure 23. Mike Clifford of Loop Capital says this is particularly prominent in how AI platforms are capable of entering the marketplace on electronic trading platforms, executing trades and building portfolios without involving many people.

Delivering that kind of performance efficiency stands to be particularly transformative but could have significant impacts on the actual structure of investment vehicles moving forward as AI platforms replace trading positions. "I know the buy-side guys are very, very nervous. You're already seeing some downsizing and consolidation," Clifford says.

# ILPA and Increasing Transparency

If last year's headline relating to transparency was positive, then this year's is superlative. Our 2024 study found that while just seven percent of respondents described the level of transparency provided by their GPs as below average or poor, an equal share described it as excellent, with the remaining 86 percent falling in between the two.

Figure 24: **How would you rate the current level of transparency provided by managers you work with?**




"Poor" received no affirmative responses, so it is not shown in the graph.

Figure 25: **Is there anything in particular that would increase that transparency?**

This year's study reveals a marked increase in the level of transparency afforded by investment managers, as seen in Figure 24. In addition to the 43 percent of respondents who described today's transparency as above average, 38 percent described it as excellent. Just one percent suggested transparency was below average.

Those LPs seeking further improvements to transparency are ranking more regular reports and/or reporting as key (Figure 25). This supersedes any distinct need for information regarding fees, the opportunity to ask questions of investment managers or the inclusion of third-party auditors.

Such favorable ratings for transparency may owe something to the increasing regularity of engagement with GPs on overall portfolio performance.

Figure 26: **On average, how frequently do you engage with GPs on overall portfolio performance and/or compliance reporting?**

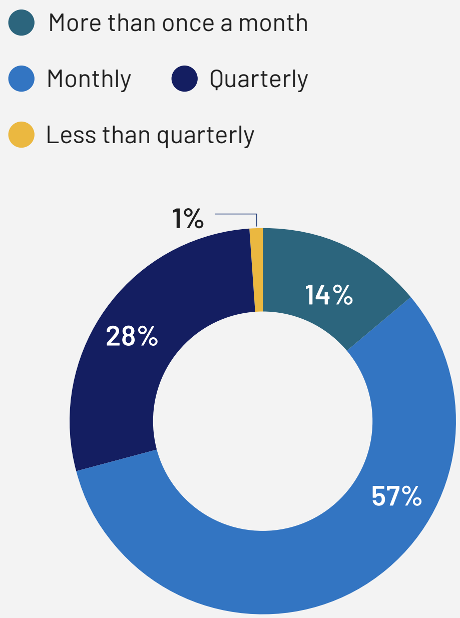
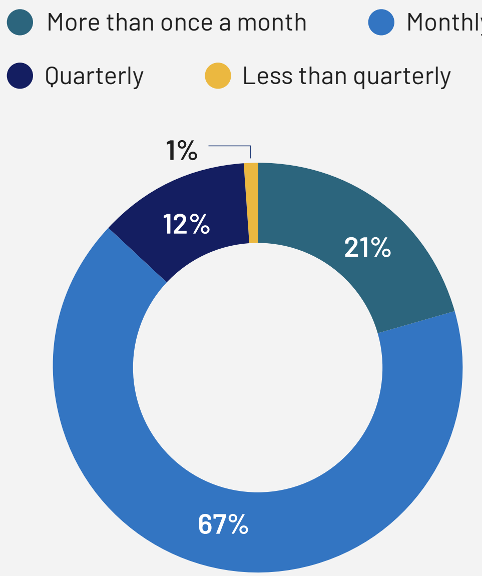



Figure 27: **What do you consider to be the ideal frequency of engagement with GPs on overall portfolio performance and/or compliance reporting?**

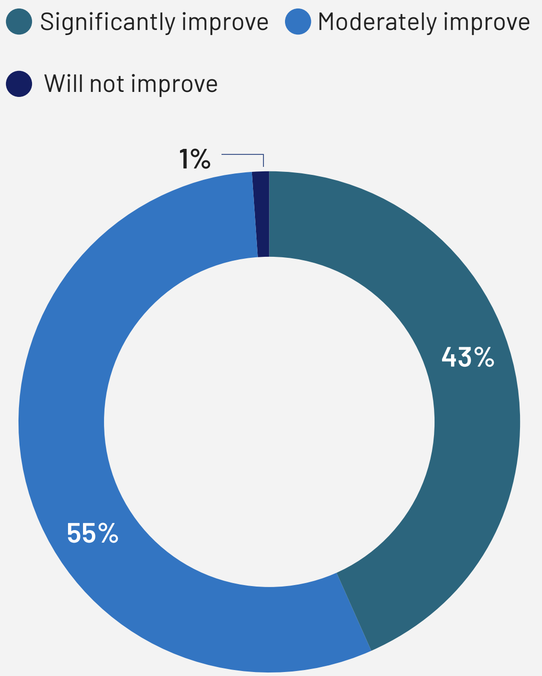


Nearly three-quarters (67 percent) of respondents engage with GPs at least monthly, as illustrated in Figure 27. This largely tracks with the ideal frequency of engagement, with 88 percent of LPs suggesting that engaging at least monthly with GPs is the ideal level.

Transparency may also improve further following the introduction of the new ILPA performance template, which comes into effect on January 1, 2026. The new template, which will replace the template last updated in 2016, introduces greater standardization of return calculations and performance metrics, alongside requiring detailed breakdowns of net asset value (NAV) movements, fees and expenses and realized/unrealized gains, among other improvements.

LPs largely expect changes to the ILPA template to improve transparency in the field, with 43 percent expecting that transparency to improve significantly, as Figure 28 shows.

Figure 28: **To what extent do you think changes to the ILPA Reporting Template will improve transparency?**




# Looking Forward

After a year of expectation-beating performance and a marked improvement in their relationships with GPs, LPs enter 2026 with cautious optimism. A majority expect their allocations to alternatives to increase in the next 12 months, while deal activity is also strongly expected to pick up.

> “Keep disciplined and keep that fundamental view around why you’re invested in a particular asset, and that leads you to being able to navigate volatility in a more structured way.”
>
> **Vis Nayar**
> Eastspring Investments

The caution comes from a decidedly mixed trading environment. Inflation and interest rates continue to concern LPs, while the prospect of trade wars and tariffs linger over markets. The market shock of April 2025 gave investors a glimpse at what may lie ahead, with nearly one-third of LPs surveyed having expressed concern over possible equity market contraction in the year ahead.

While President Trump will be keen to avoid any significant economic impact dragging into 2026 and colliding with the midterms campaign, tariffs have now been implemented across a number of key markets.

As a result, investors could change their approach and have very different demands heading into the next 12 months. North America has already lost its crown to the U.K. and Europe as the leading geographic preference for investors, while co-investment strategies continue to increase in prominence. This strategic recalibration speaks to a more present trend for portfolio diversification, which is also driving interest in more emerging alts, such as digital assets, cryptocurrencies and private credit.

In such a volatile market, LPs are not just seeking returns. They require transparency, agility and alignment, and GPs must deliver on all three fronts. The forthcoming introduction of the new ILPA performance template promises to raise the bar for transparency even further, while LPs may see sleeker funds that are better positioned to respond to market shifts.

Vis Nayar of Eastspring Investments says it's imperative for investors to stay disciplined amidst heightened volatility. "Keep disciplined and keep that fundamental view around why you're invested in a particular asset, and that leads you to being able to navigate volatility in a more structured way," he says.

More universally, the potential for GenAI to be transformative for the alts space is apparent. Adoption is high, with those not using GenAI models or similar functionalities to monitor performance in the distinct minority. This may have more long-standing ramifications in the not-so-distant future, with those in the market already reporting concern that GenAI is causing downsizing and consolidation in the market.

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