Tools, Trust, and Talent:

How fund managers are putting Gen AI to work



Table of Contents

Executive Summary	3
Key Findings	4
Methodology	5
Part 1: Tools: Access and Use	7
• Claude, ChatGPT and Copilot dominate approved access	8
• Claude leads general tasks, but no model dominates investment assistance	9
• Value is widespread, but portfolio management splits opinion	10
• Gen AI helps build the investment case, but not the portfolio	11
• Smaller managers can find value without scale	12
Part II: Trust: Control and Confidence	13
• Sensitive-data restrictions dominate public-tool controls	14
• Accuracy and data leakage are the main constraints to wider use	15
• Data protection and accountability dominate regulatory concerns	16
Global AI regulation: The state of play for alternative asset managers	17
What managers should do now	19
Part III: Talent: Work and the Workforce	20
• Flat headcount may conceal a shift towards technical talent	21
• Analytical groundwork is considered more at risk than final-judgement roles	22
• Most firms have not linked AI use to staff appraisal	23
• Service provider disruption remains limited, but its direction is clear	24
Conclusion	25
Appendix: Survey Questions	26
AIMA Resources	27
Acknowledgements	28
About AIMA	29

Executive Summary

In AIMA's previous report, Charting the Course: Lessons from AI Leaders, we examined how the firms leading the first phase of Gen AI adoption were preparing for the technology's arrival. The central lesson was that progress depended not only on access to tools, but on leadership, governance and the organisational confidence to learn safely.

This year's report considers how those lessons are being applied in practice. Gen AI adoption is now widespread across the fund management industry, but its integration remains selective. What earlier AIMA studies identified as front-office potential is now beginning to appear in practice: firms are using Gen AI widely in the research and analysis supporting investment decisions, but far less in portfolio construction. Caution also remains where sensitive data and regulated responsibilities are involved.

The report examines this changed landscape through three connected themes: Tools, Trust and Talent.

1. The tools available to firms are becoming more capable and the environments in which they are used more controlled.
2. Trust continues to define the boundaries of adoption, particularly where accuracy, explainability and accountability matter most.
3. The early talent effects are appearing less through widespread job losses than through changes to tasks, skills and team composition.

Scale influences each of these developments, but does not determine them. Larger managers have more scope to invest in private infrastructure and integration, yet the research does not show that access to greater resources automatically produces a broader spread of value. Many of the foundations for progress – clear ownership, approved tools, defined data boundaries, staff education and human oversight – are organisational choices before they are major capital investments. Taken together, the findings point towards a more disciplined phase of adoption. The priority is to establish sufficient ownership, control and human oversight to test appropriate applications safely, then use evidence to determine where Gen AI should stop, adapt or scale. This gives firms of every size a practical route forward: readiness need not be perfect, but it must be sufficient for safe learning.

The Key Findings that follow show how this transition is reshaping the tools firms use, the trust they require and the talent they need.

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Key Findings

- **A multi-model market is emerging behind controlled access.** Claude is now the most widely permitted public LLM, at 67%, and the most commonly used model across six of seven task categories. Investment assistance remains fragmented, with 44% reporting no clear leader.
- **Firms police data boundaries more often than they prohibit functions.** Sensitive-data restrictions are the leading control, selected by 69% of respondents. 31% identify enterprise or private-model-only use as a principal restriction, while just 3% report no restrictions.
- **Reported value is widespread and strongest in investment research.** 89% identify at least one area in which explored Gen AI use cases have delivered the expected value. Investment research leads at 74%, followed by operations at 50%, technology at 48% and compliance at 46%.
- **Gen AI is helping firms build the investment case more often than the portfolio.** Only 31% use it at least occasionally in portfolio construction, including 7% who consider it a core part of the workflow. This compares with 77% for investment-memo preparation, 73% for company or asset analysis and 71% for idea generation.
- **Trust sets the pace of wider adoption**. 60% consider explainability important or essential for AI-assisted investment decisions. Accuracy and reliability, at 58%, and data leakage, at 51%, are the leading constraints on further use, well ahead of cost at 8% or internal culture at 7%.
- **Scale changes the operating model more than the breadth of value reported.** Private or mixed-model adoption rises from 45% among sub-$1bn managers to 78% among +$10 billion managers. Yet among firms reporting value, the breadth of value reported is similar across AUM bands.
- **Respondents expect disruption to reach analytical groundwork before final judgement.** Administrative roles and analysts are selected most often among the roles considered most at risk, at 43% and 41% respectively. No respondent selects portfolio managers.
- **Team composition is expected to change before total employment.** Only 7% expect headcount to fall over the next 12 months, while 14% expect it to rise. 19% anticipate greater technical hiring, compared with 16% expecting reduced junior hiring and just 1% expecting reduced senior hiring. The effects may also extend beyond firms, with 38% reducing or expecting to reduce their reliance on service providers, although most of that change remains prospective.

Methodology

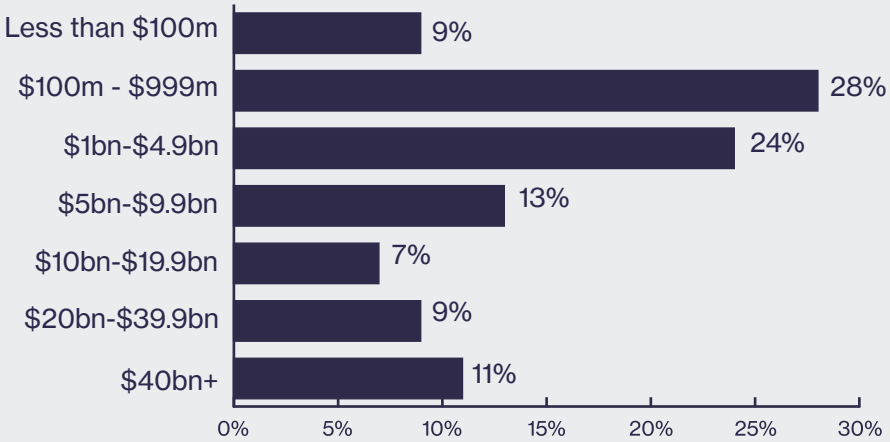
The findings in this report draw on quantitative and qualitative research conducted during the first half of 2026.

At the core of the study is a survey of 104 fund managers operating across a range of alternative investment strategies, geographies and AUM bands. Most findings are based on all 104 respondents. Two respondents did not disclose their firm's AUM but answered the remaining questions, meaning that AUM-based analysis uses a base of 102.

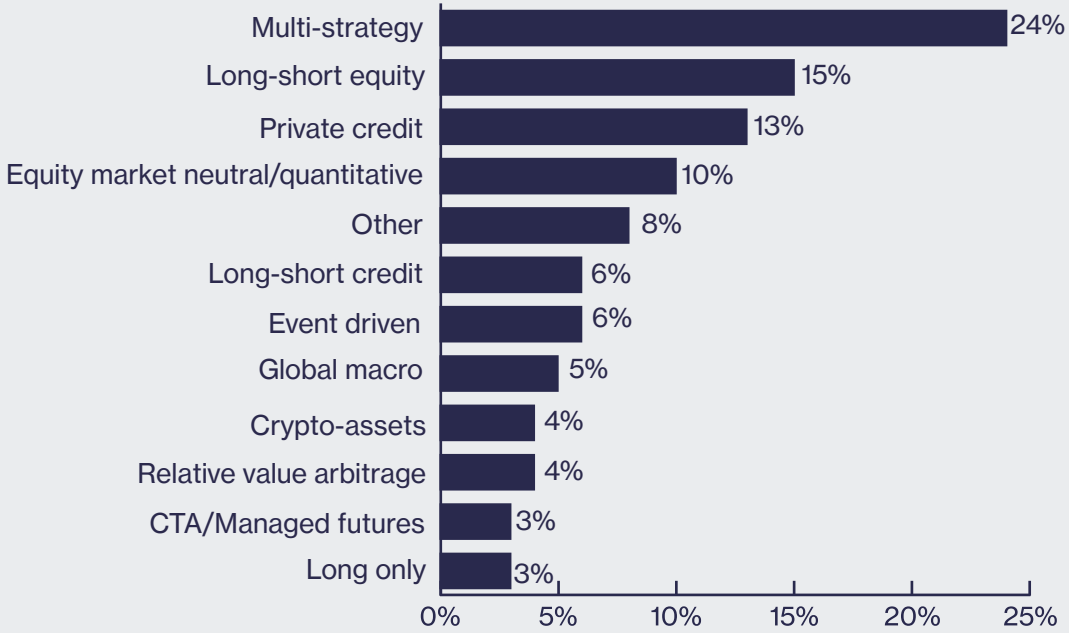
The survey findings are supplemented by qualitative interviews with fund managers and AI practitioners. These discussions provide context on how firms are approaching implementation, the practical challenges they encounter and the conditions they consider necessary for safe experimentation.

This is AIMA's third dedicated study of Gen AI adoption since 2023. Where question wording and respondent populations are sufficiently comparable, the report refers to earlier findings to show how adoption and sentiment have evolved.

AUM Breakdown



Strategy Breakdown



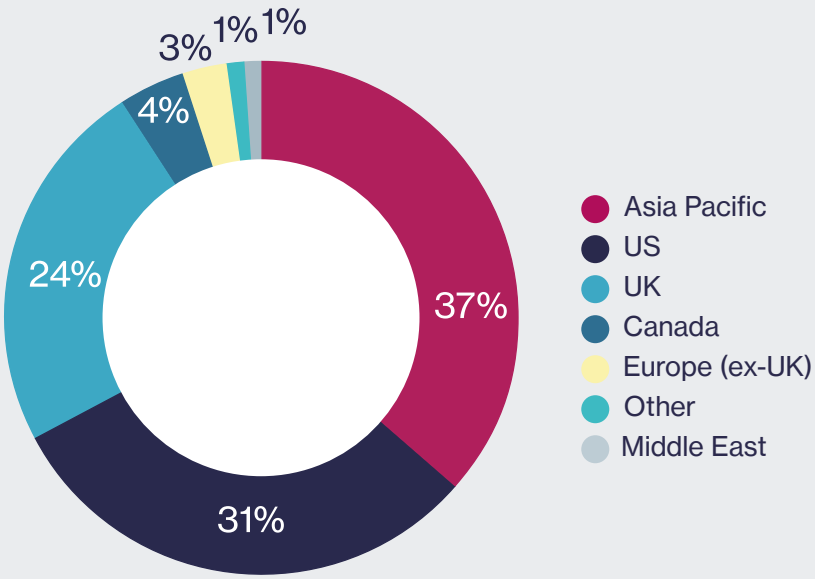
AUM breakdown

- The sample leans toward smaller and mid-sized fund managers: 61% manage less than $5bn and 37% less than $1bn.
- Larger institutional firms remain well represented: approximately 40% manage $5bn or more, including 20% above $20bn.

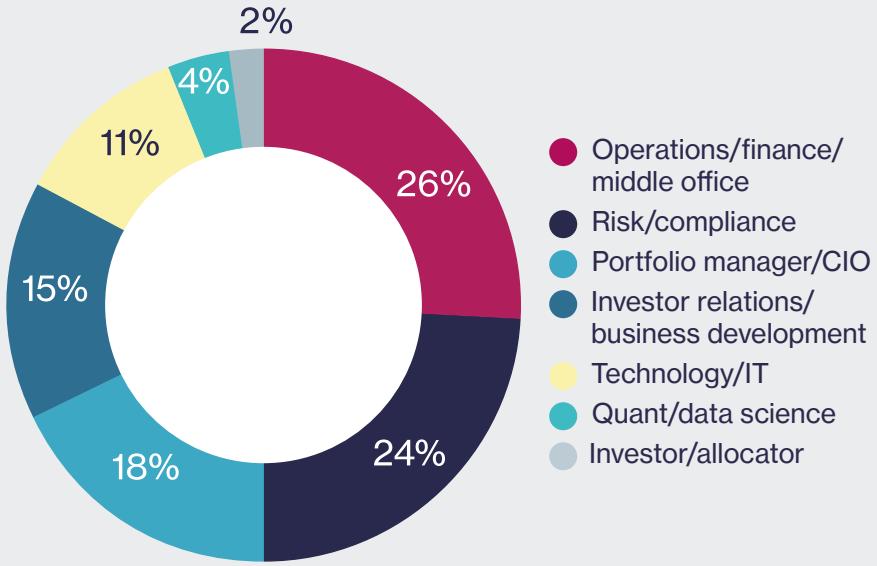
Strategy breakdown

- Multi-strategy is the largest group at 24%, followed by long-short equity at 15%, private credit at 13% and equity market neutral/quantitative at 10%.

Headquarters



Respondent role



Headquarters

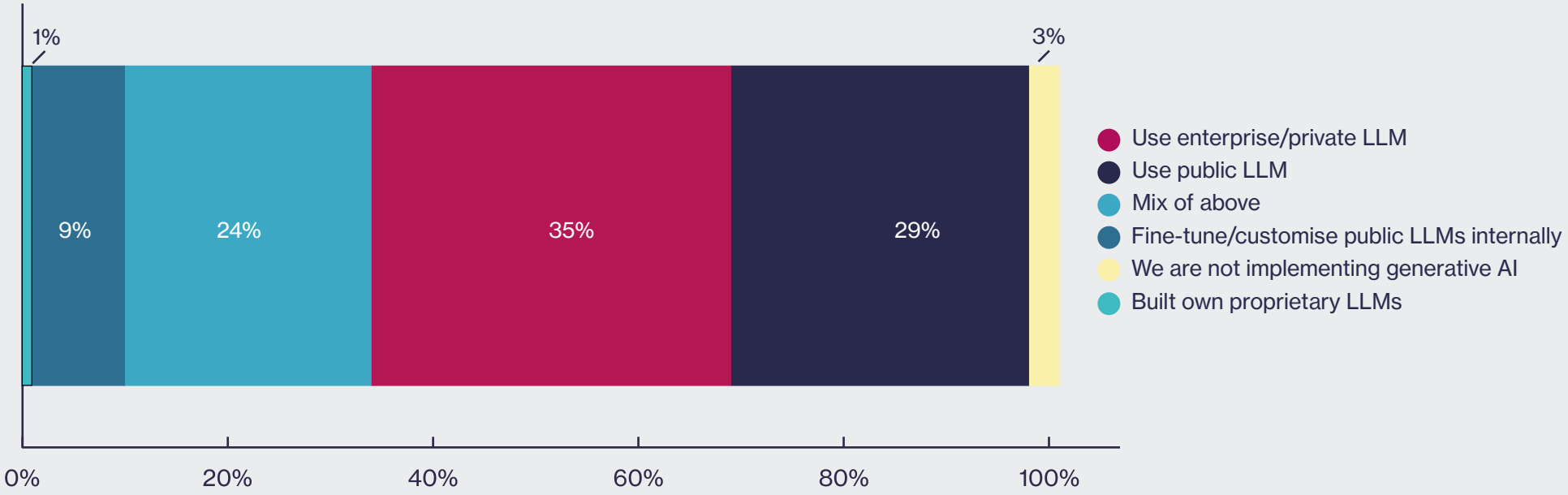
- The sample is well balanced geographically: APAC accounts for 37%, North America approximately 35%, and EMEA approximately 28%.
- APAC is the largest individual category, while the US at 31% and UK at 24% anchor the other two regions.

Respondent role

- Respondent roles are weighted towards implementation and oversight functions: 50% work in operations, finance, middle office, risk or compliance. The findings may therefore be particularly reflective of the governance, control and operational considerations surrounding Gen AI adoption.
- Portfolio managers and CIOs account for 18% of respondents, with quant and data-science professionals contributing a further 4%, ensuring that the sample also includes direct investment perspectives.

Almost all firms surveyed are implementing Gen AI

97% use Gen AI in some form, although implementation ranges from public tools to controlled private environments.



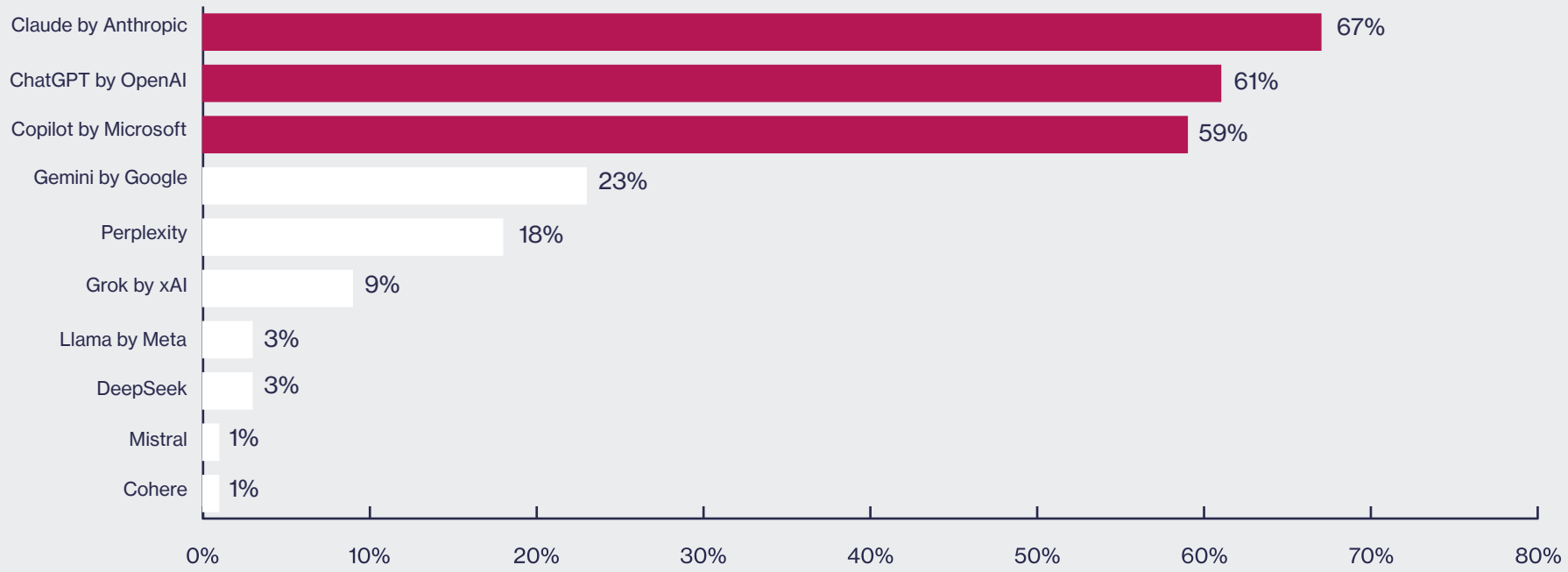
- Gen AI implementation is near-universal within the sample: only 3% say their firm is not implementing it.
- Enterprise/private models are the largest single approach at 35%, but 62% use public models in some capacity through direct use, a mixed approach or internal customisation.
- Only 10% are fine-tuning public models or building proprietary models. Most firms appear to be buying, configuring and governing existing technology rather than developing foundation models themselves.

What are enterprise and private models?

Enterprise models are commercial AI tools provided with enhanced security, administrative controls and data-use protections. Private models operate within an environment controlled by the firm, providing greater control over access, data and configuration. Both offer a more controlled alternative to public consumer tools, but still require appropriate governance and oversight.

Claude, ChatGPT and Copilot dominate approved access

The big three are each permitted by roughly six in 10 firms. No other public model is permitted by more than one in four.



13% of respondents to this question said their firm does not allow staff to access public LLMs at all.

- Claude is the most widely permitted model at 67%, followed closely by ChatGPT at 61% and Copilot at 59%.
- There is a sharp drop after the top three: Gemini reaches 23% and Perplexity 18%. Firms appear to be concentrating access around a small approved group.

Claude leads general tasks, but no model dominates investment assistance

Its lead narrows to two points in investment research.
For investment assistance, 44% see no clear leader.

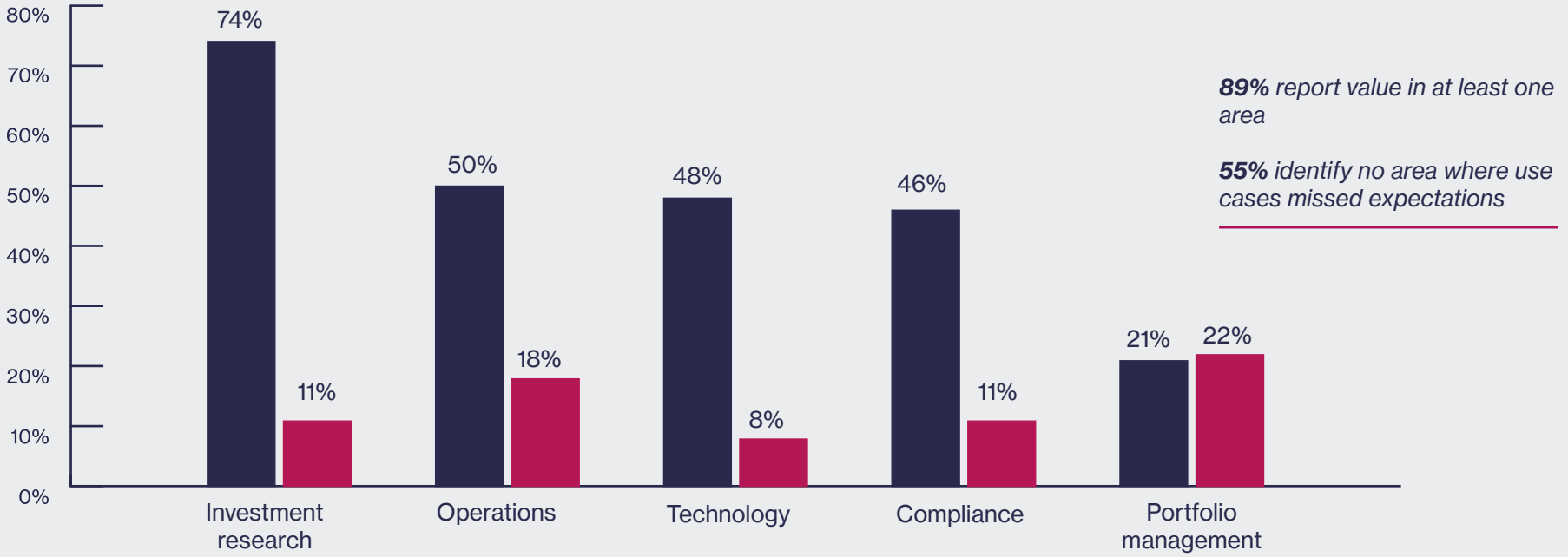
%	*Claude*	*ChatGPT*	*Gemini*	*Copilot*	*No clear leader*	*Other (please specify)*
Document summarisation and analysis	51%	18%	4%	16%	8%	3%
Writing assistance	41%	24%	3%	16%	13%	3%
General research	45%	18%	5%	11%	17%	4%
Data processing and analysis	49%	10%	3%	11%	22%	6%
Coding	52%	6%	1%	9%	26%	7%
Investment research	37%	10%	3%	6%	35%	11%
Investment assistance	31%	7%	2%	5%	44%	12%

● Most popular ● Second most popular

- Claude is the leading named model in six of seven task categories, reaching 52% for coding and 51% for document summarisation.
- Consensus weakens as tasks approach investment judgement: “no clear leader” rises to 35% for investment research and becomes the leading answer, at 44%, for investment assistance.
- These findings suggest AIMA’s 2025 prediction last year of task-based model selection is becoming reality.
- AIMA’s first study of fund managers’ adoption of Gen AI in 2023 found that ChatGPT had a dominant market share. The second report in 2025 introduced the idea that fund managers were allowing staff to choose LLMs best suited to different tasks and predicted that no one model would remain on top for long, given the fierce competition.
- This year’s survey finds that Claude has become the most popular for most tasks. However, the highly fluid marketplace for model supremacy means that lead may already be challenged by newer models.

Value is widespread, but portfolio management splits opinion

The vast majority report value in at least one area. Portfolio management is the only area where disappointment slightly exceeds reported value.



Note: Respondents could report both positive and disappointing experiences within the same business area.

Have delivered value

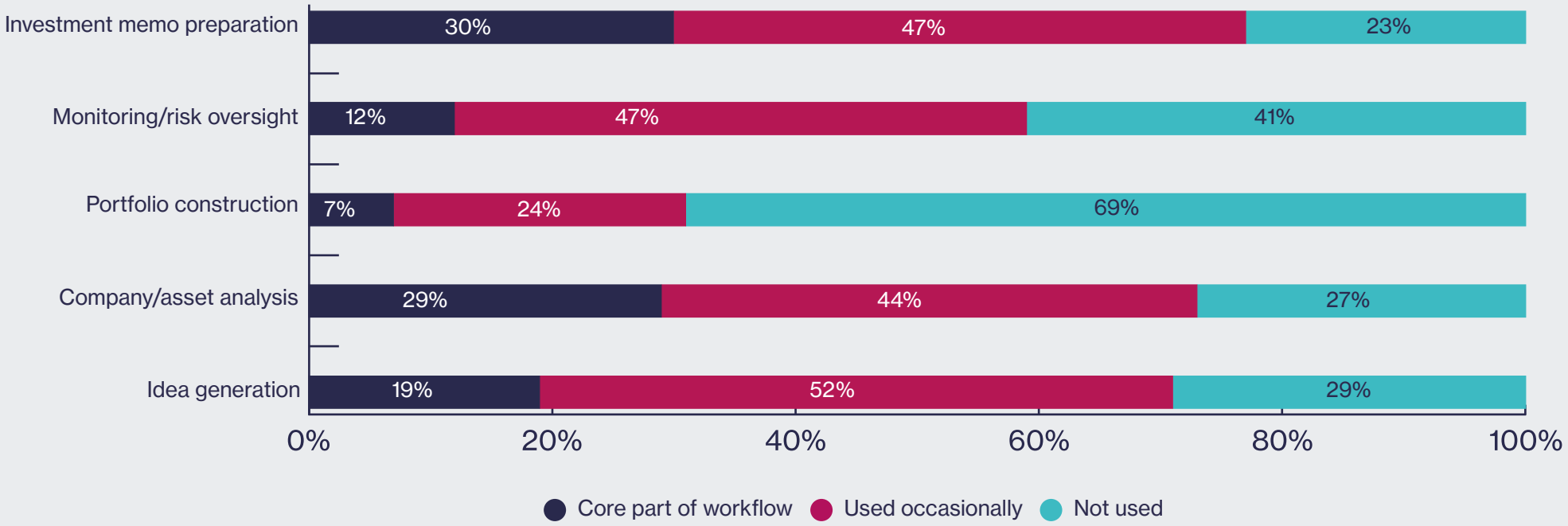
- Investment research is the clear breakthrough application, cited by 74% – well ahead of operations at 50%, technology at 48% and compliance at 46%.
- AIMA's 2025 study found that 58% expected greater front-office integration. This year, 74% report value from explored use cases in investment research, suggesting that those expectations are beginning to translate into practice.
- Portfolio management is the conspicuous exception at 21%. Gen AI is proving useful for processing information, but firms remain reluctant to let it influence capital allocation directly.
- Only 11% report no area delivering expected value, meaning 89% have found value somewhere in the business.

Reported disappointment

- A slight majority (55%) identify no unsuccessful area.
- Portfolio management is the leading problem area at 22%, almost identical to the 21% reporting value. It is the only area where negative and positive mentions are approximately balanced.
- Operations combines substantial success with relatively high disappointment – 50% versus 18% – suggesting extensive experimentation and uneven execution.

Gen AI helps build the investment case, but not the portfolio

Use reaches 77% in investment-memo preparation and 73% in company or asset analysis, but falls to 31% in portfolio construction.



- Investment memo preparation has the greatest overall adoption at 77% and the highest core-workflow use at 30%.
- Company/asset analysis follows closely at 73% overall and 29% as a core workflow; idea generation reaches 71% overall.
- Portfolio construction is the clear boundary: 69% do not use Gen AI there and only 7% consider it core.
- The pattern suggests AI is helping firms build and communicate an investment case, while stopping short of determining portfolio allocations.

Smaller managers can find value without scale

Page 10 shows the business areas in which respondents report that explored Gen AI use cases delivered – or failed to deliver – the expected value. Breaking those same responses down by AUM suggests that scale is not essential for finding value. Among managers reporting value in at least one area, its breadth is almost identical: an average of 2.7 business areas for sub-$1 billion managers, 2.9 for $1 billion–$9.9 billion managers and 2.8 for +$10 billion managers. Smaller firms therefore appear able to make meaningful progress without replicating the technology stack of the largest managers.

Larger managers use private or mixed models more often and report fewer unsuccessful use cases, yet firms reporting value identify it across a similar number of business areas in every AUM band.

The clearest difference lies on the downside. 70% of $10bn+ managers report no area in which explored use cases failed to meet expectations, compared with 58% of sub-$1bn managers and 38% of $1bn–$9.9bn managers. This is consistent with more controlled or selective deployment, although it could also reflect differences in the number of experiments undertaken or firms' expectations of them.

Portfolio construction remains limited across all AUM bands: it is used at least occasionally by 24% of sub-$1 billion managers, 32% of $1 billion–$9.9 billion managers and 33% of +$10 billion managers.

AUM band and AI approach	*Under $1bn*	*$1bn-$9.9bn*	*$10bn+*
Private or mixed-model approach	45%	60%	78%
Average value areas among firms reporting value	2.7	2.9	2.8
Reported no area in which use cases missed expectations	58%	38%	70%

What smaller managers can take from the findings

The findings do not suggest that infrastructure is irrelevant. Private systems may be necessary for sensitive, deeply integrated or firm-specific applications. They do suggest that smaller managers do not need to reproduce the technology stack of the largest firms before they can begin learning safely.

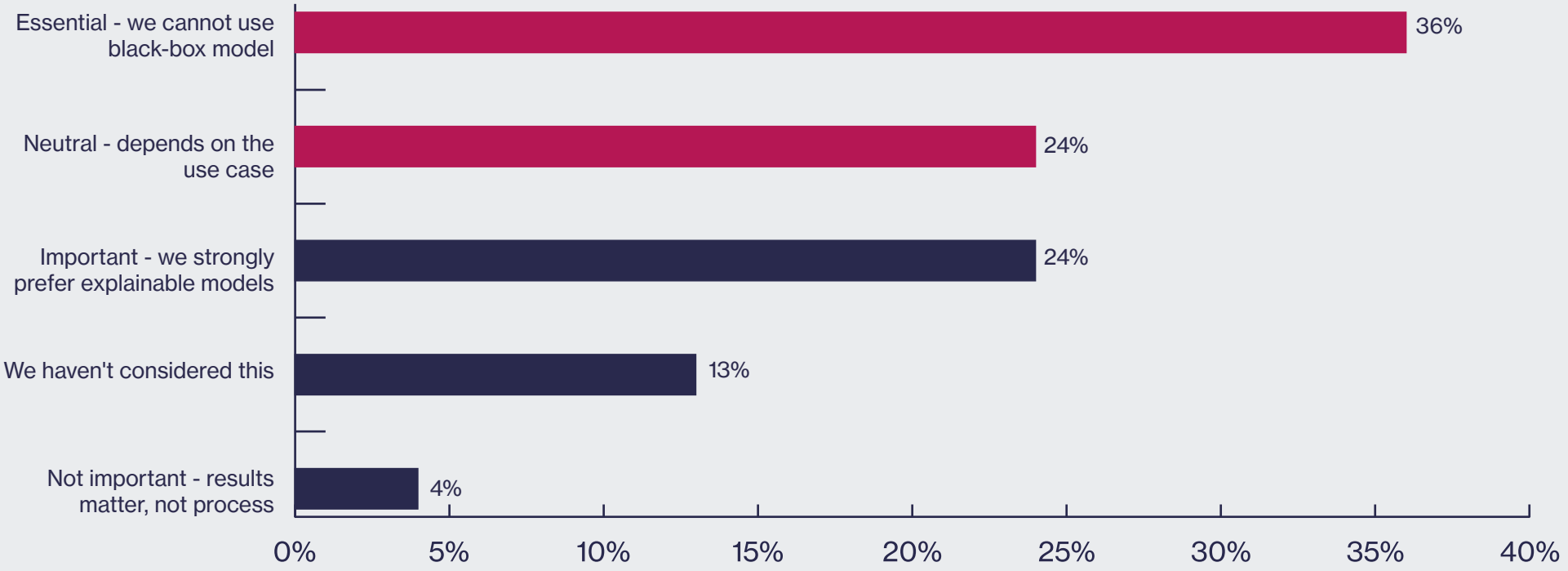
Drawing on the survey findings and interviews with AI leaders, a credible starting point includes:

- A named accountable owner
- Approved tools
- Defined data boundaries
- Staff education
- Proportionate human verification
- Low-consequence, reversible experiments

Together, these measures create a minimum level of readiness for safe learning. They cannot replace more sophisticated infrastructure where it is genuinely required. They can, however, enable firms to test appropriate use cases, build an evidence base and determine whether further investment is justified.

Explainability matters when Gen AI supports investment decisions

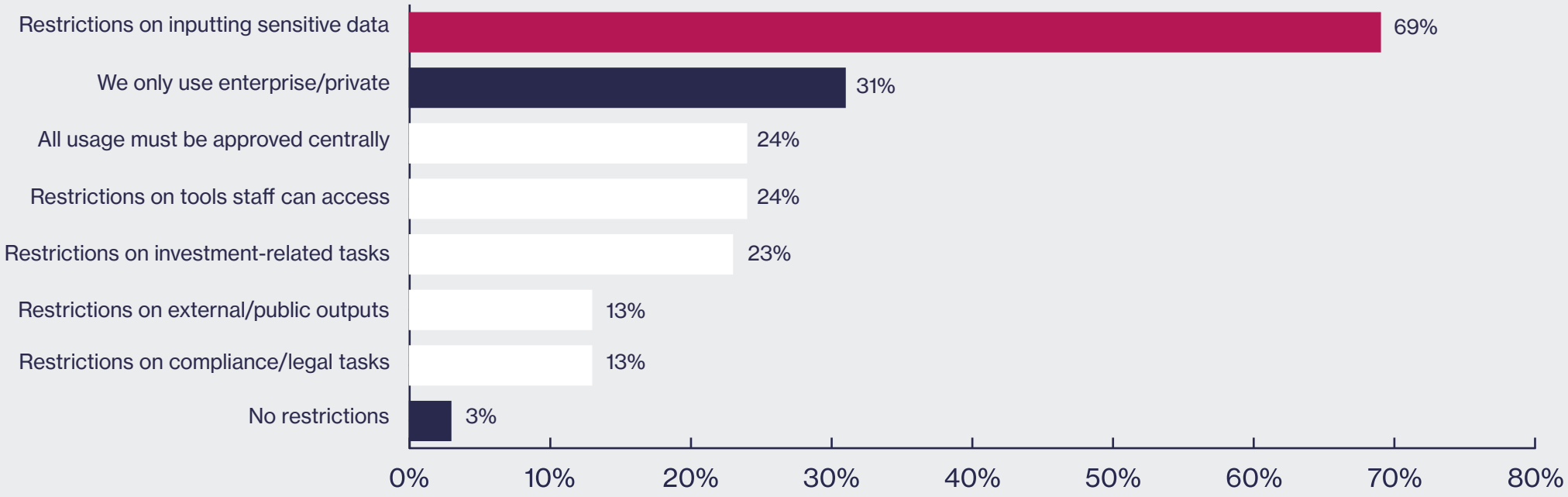
Asked how important it is to explain why a model generated a particular output, 60% say important or essential; only 4% say the result matters more than the process.



- Six in ten consider explainability important or essential, including 36% who say black-box models cannot be used.
- A further 24% say the requirement depends on the use case, highlighting the difference between low-risk productivity tasks and investment decisions.
- Only 4% say results matter more than process, while 13% have not yet considered the issue.

Sensitive-data restrictions dominate AI public-tool controls

69% restrict sensitive inputs, more than twice the share limiting staff to enterprise or private tools. Almost all firms have some form of usage restriction for public LLMs.

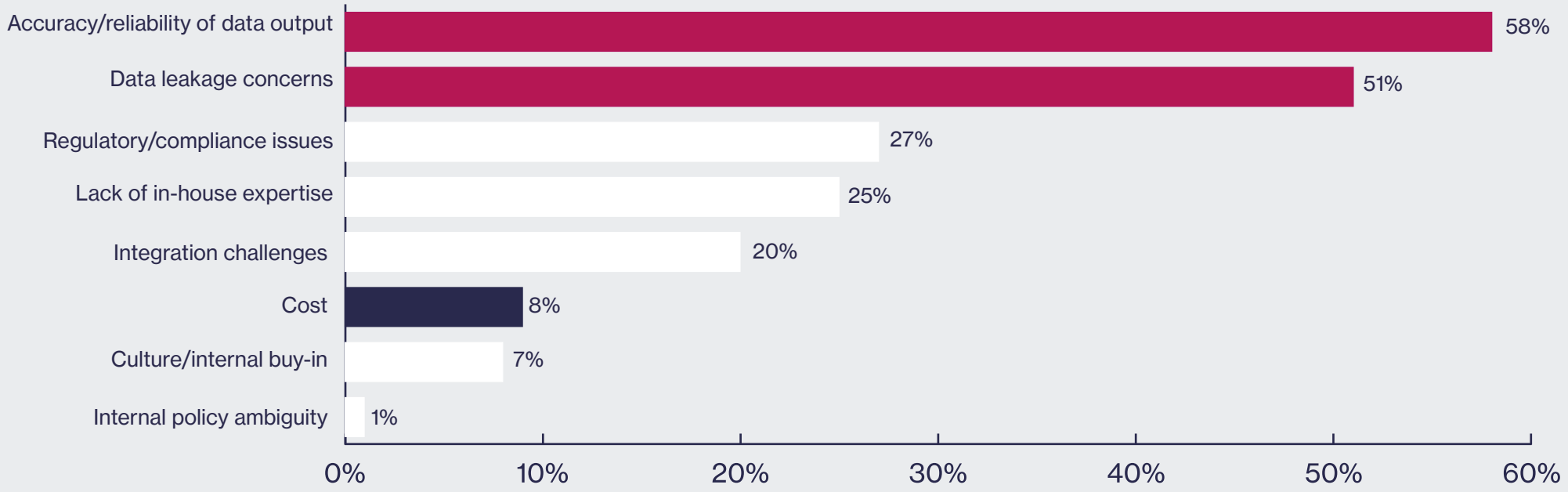


Note: Respondents were asked to select the two primary restrictions their firm imposes on their use of public Gen AI tools. The results show which controls are most prominent, rather than the complete framework operating at each firm.

- Preventing sensitive information from entering public tools is by far the dominant restriction, cited by 69%.
- Firms favour broad data and access controls over narrowly prohibiting individual activities: enterprise/private-only use reaches 31%, while investment-task restrictions are cited by 23%.
- The resulting picture is one of controlled adoption, rather than either prohibition or unrestricted experimentation.
- These prominent concerns have persisted from AIMA's prior market research, underscoring the need for trust across several dimensions of any AI integration strategy.

Accuracy and data leakage are the main constraints to wider AI use

58% cite output accuracy and 51% data leakage. Cost and internal culture concern fewer than one in ten firms.

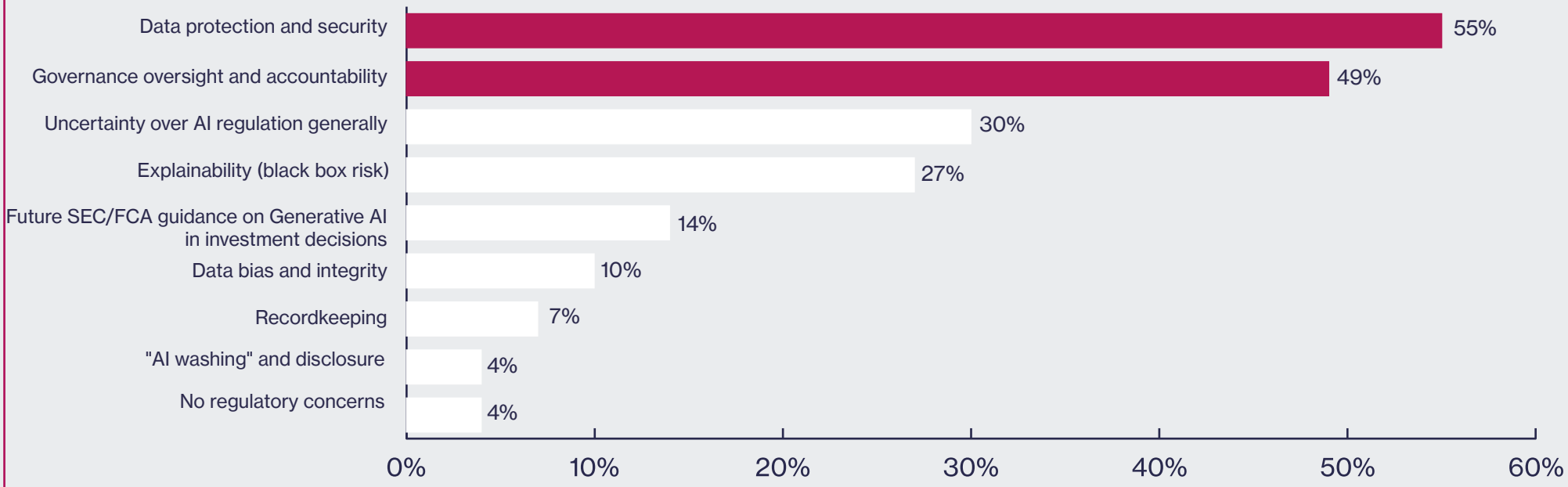


Note: Respondents were asked to select their top two constraints limiting further Generative AI usage at their firm.

- Accuracy and reliability are the leading constraint at 58%, followed by data leakage at 51%, meaning trust and security, not access to the technology, are the principal bottlenecks.
- Regulatory/compliance concerns at 27%, lack of in-house expertise at 25% and integration challenges at 20% form a second tier.
- Cost ranks near the bottom today. However, interviewees suggested that it could become more important as firms gain clearer visibility over the total cost of integrating and operating Gen AI.

Data protection and accountability dominate regulatory concerns about AI

Data protection concerns at 55% and governance 49% rank well ahead of future SEC or FCA guidance at 14%.



Note: Respondents were asked to select their top two regulatory concerns.

- Data protection/security at 55% and governance/accountability at 49% dominate the results.
- General regulatory uncertainty reaches 30%, but only 14% identify future SEC/FCA guidance specifically. Immediate internal responsibilities therefore appear to matter more than predicting future rules.
- Explainability is a substantial concern at 27%, connecting the regulatory results directly to the previous chart's demand for understandable outputs.
- Almost all respondents select at least one regulatory or compliance concern.

Global AI regulation: The state of play for alternative asset managers

Major jurisdictions continue to take markedly different approaches to regulating AI. Beneath those differences, however, supervisory expectations are converging. For alternative investment managers, the task is to build governance that supports responsible adoption, meets existing obligations and adapts as both the technology and the rules evolve.

The European Union

The EU still has the most comprehensive legislative framework, the EU AI Act, although implementation has slipped. The subsequent AI Omnibus, which entered into force in July 2026, postponed requirements for high-risk systems listed in Annex III until 2 December 2027 and for high-risk systems embedded in regulated products under Annex I until 2 August 2028. Other obligations are already live or imminent: transparency requirements have applied since 2 August 2026, with a limited transition until 2 December 2026 for the marking and detection obligations applying to generative AI systems already on the market. The extended deadlines buy preparation time. They do not remove the need for firms to work out which obligations apply to them.

The United States

The US relies on existing federal law and a growing body of state legislation, which the administration is seeking to curb. Executive Order 14365, signed in December 2025, directed the Attorney General to establish an AI Litigation Task Force to challenge state AI laws. The order does not, however, invalidate those laws, which remain in force unless a court rules otherwise. Investment advisers also face scrutiny under existing securities rules. The SEC's 2026 examination priorities cover automated investment tools, data sources, oversight of AI use and the accuracy of firms' claims about their AI capabilities.

The United Kingdom

The UK has kept its principles-based, outcomes-focused approach. The FCA's Mills Review, published in July 2026, examined AI's implications for retail financial services, including increasingly autonomous systems. It did not recommend AI-specific rules. Its wider relevance lies in its emphasis on accountability, effective oversight and firms' ability to show that their controls deliver appropriate outcomes.

Singapore

Singapore has gone further with sector-specific expectations. The Monetary Authority of Singapore's AI risk management guidelines cover all financial institutions and all forms of AI, apply in proportion to risk, and take effect on 7 October 2027.

Greater autonomy makes each of these more pressing. Firms need to understand what their systems are authorised to do, monitor how they behave after deployment, and intervene when they stray outside expected boundaries. Human oversight must remain meaningful as systems become more capable. International standard-setters are reinforcing this convergence.

Where supervisory expectations are converging

Across these regimes, the same concerns recur:

- *Senior management accountability*
- *Accurate disclosure*
- *Effective controls throughout the AI lifecycle*
- *Oversight of third-party dependencies*

FSB

In October 2026, the Financial Stability Board (FSB) finalised 12 sound practices for responsible AI adoption. Four address organisation-wide governance and eight cover risk management across the AI lifecycle. Together they emphasise strategic oversight, documented responsibilities, risk assessment, data governance, performance monitoring, human oversight, cybersecurity and third-party risk.

The final version also adds considerations for agentic AI and multi-agent systems. Although non-binding, the practices give boards and senior management a clear reference point when developing or refining their frameworks.

IOSCO

The International Organization of Securities Commissions (IOSCO) complements this work through its Supervisory Toolkit for AI Use in Capital Markets, published in May 2026.

The toolkit is aimed at securities supervisors rather than firms. It offers practical, non-binding tools that work across regulatory models and cover traditional machine learning, generative AI and agentic AI. Its example supervisory questions offer managers a useful preview of the evidence authorities are likely to request on governance, monitoring and reliance on third-party providers. Together, these developments point to action now rather than later.

What managers should do now

Many research and portfolio management applications are unlikely to fall within the EU AI Act's high-risk categories, but classification depends on the specific use. In any case, existing conduct, fiduciary, data protection and operational requirements apply whether or not a dedicated AI regime does. A practical starting point is a firm-wide inventory of AI applications, supported by proportionate risk assessments, clear ownership and documented approval processes. Compliance policies, staff training and marketing review should reflect how AI is actually used. Controls should extend beyond initial testing to cover ongoing monitoring, material changes, incident management and eventual retirement. Investor communications should describe capabilities accurately and avoid overstating AI's role in investment decisions or performance. Third-party oversight deserves particular attention as AI becomes embedded in external research, software and operational services.

Managers should review their due diligence, contractual protections and ongoing monitoring so that they understand providers' data practices, model changes, security controls and dependencies.

Outsourcing a technology does not outsource its risks. The strategic priority is a single, coherent global control framework, adjusted locally where required. Anchoring that framework in common supervisory expectations should help firms absorb national differences and give boards, investors and regulators confidence that AI adoption is controlled, accountable and consistent with the firm's risk appetite.

It also gives managers a stable basis for assessing new applications, scaling successful ones and answering supervisory enquiries, without rebuilding governance each time the regulatory landscape shifts.

Fund manager's AI compliance checklist

1. **Map AI use across the firm**
   Maintain an inventory of applications and classify them according to their use and potential risk.

2. **Establish ownership and approval**
   Assign clear responsibilities, conduct proportionate risk assessments and document approval processes.

3. **Align policies and staff practices**
   Ensure compliance policies, staff training and marketing reviews reflect how AI is actually used.

4. **Monitor the full lifecycle**
   Cover testing, ongoing performance, material changes, incidents and eventual retirement.

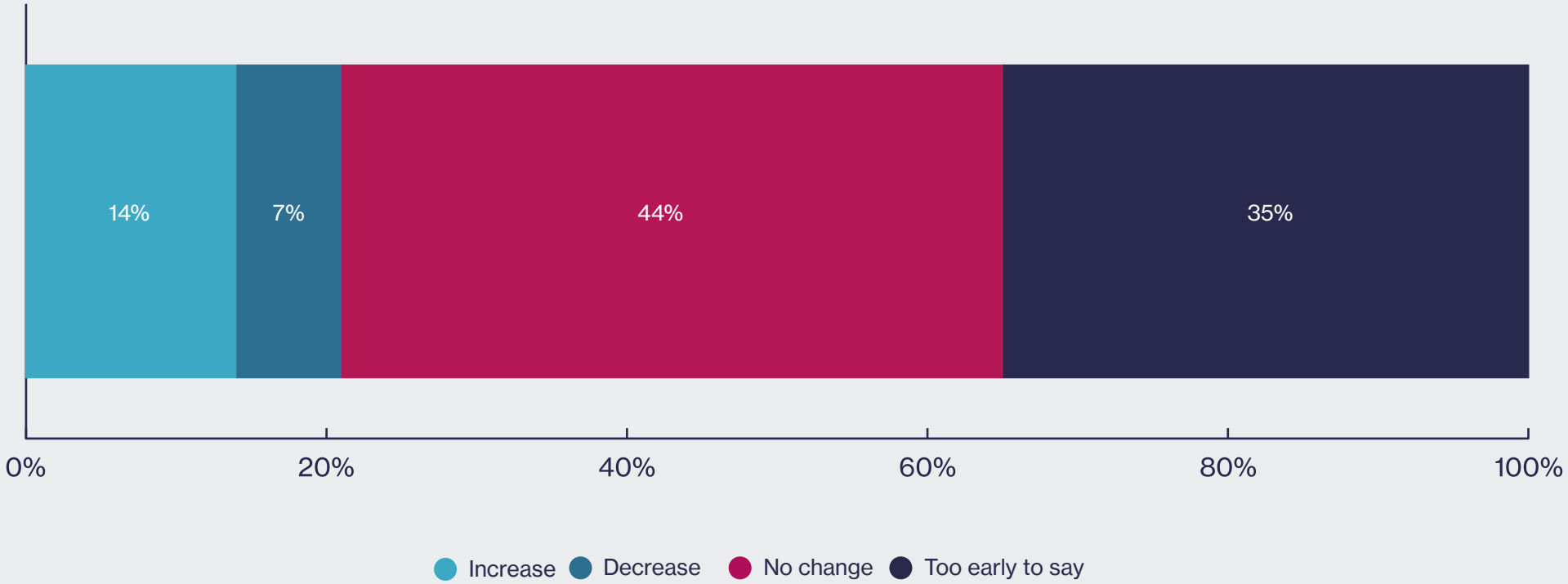
5. **Describe capabilities accurately**
   Avoid overstating AI's role in investment decisions, business processes or performance.

6. **Strengthen third-party oversight**
   Review providers' data practices, model changes, security controls, dependencies and contractual protections.

AIMA members can access the full suite of AI-related resources via the resources page at the end of this report.

Few firms expect near-term job losses, but uncertainty remains

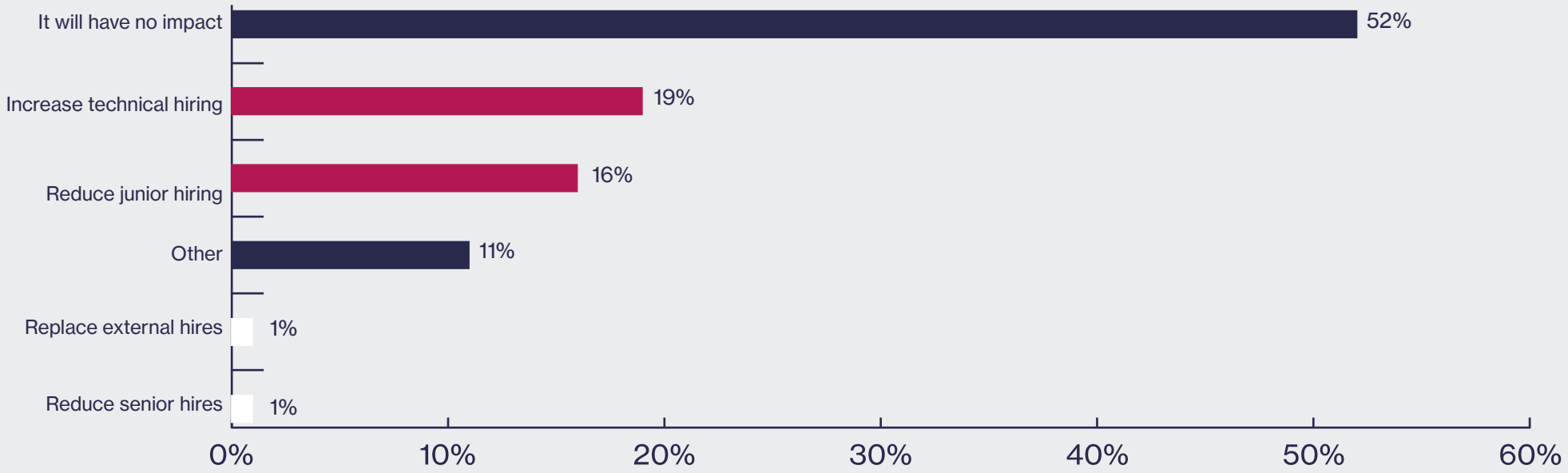
Only 7% expect headcount to fall over the next 12 months, compared with 14% expecting an increase; 35% say it is too early to tell.



- Only 7% expect their firm's headcount to decrease over the next 12 months, while 14% expect an increase.
- A further 44% expect no change, providing little evidence of an immediate industry-wide employment shock.
- However, 35% say it is too early to tell. The findings indicate near-term caution rather than a settled view of AI's longer-term employment effects.

Flat headcount may conceal a shift towards technical talent

One in five expect increased technical hiring, while 16% anticipate reduced junior hiring. Team composition may change before team size does.



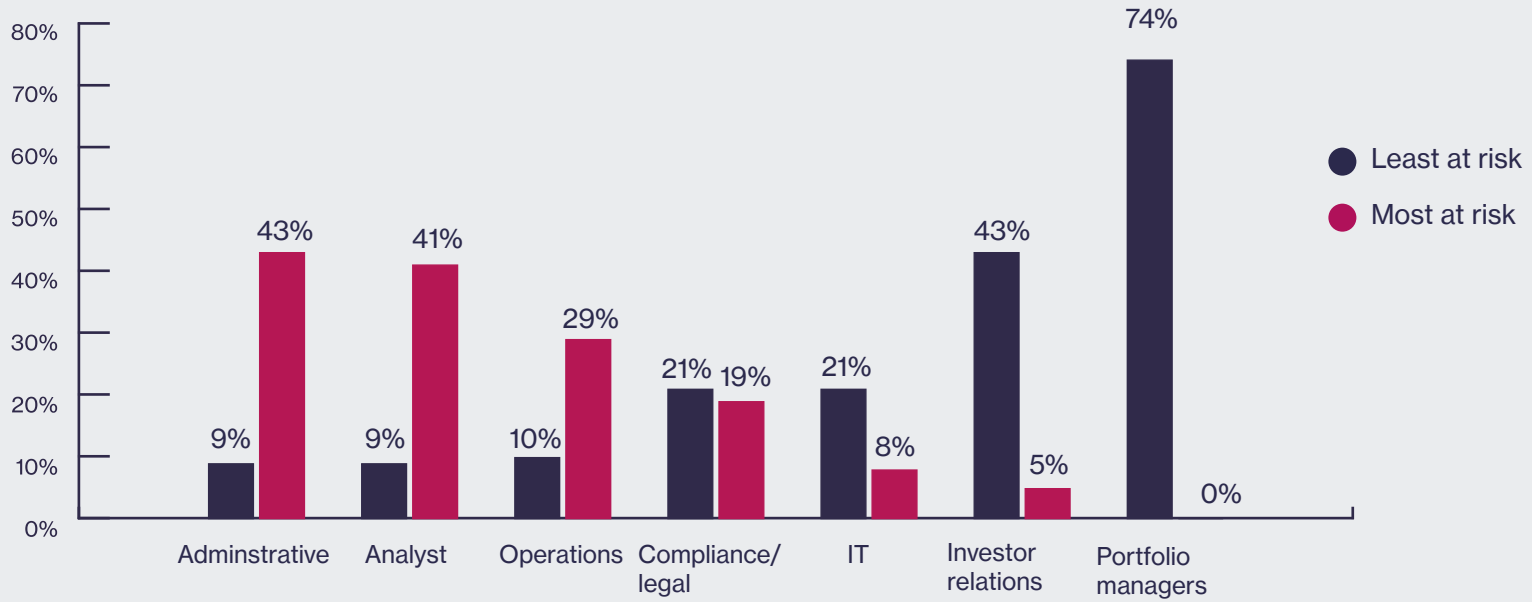
- Most firms expect no immediate change in total headcount, but that does not rule out changes to the workforce.
- 19% expect increased technical hiring, while 16% anticipate reducing junior hiring.
- Only 1% expect reduced senior hiring. The near-term effect may be a different talent mix rather than fewer employees.
- Respondents selecting ‘Other’ broadly described how AI would increase efficiency within existing teams.

Steve Novakovic, CAIA, CFA | Managing Director, Educational Programs, said:

The findings raise a wider question about how firms will develop future investment talent if Gen AI assumes more junior analytical work. We asked Steve Novakovic, CAIA’s Managing Director, Educational Programs, which skills analysts should build and whether concerns about their roles are premature.

Analytical groundwork is considered more at risk than final-judgement roles

Analysts and administrative roles are most often selected among those most at risk from Gen AI adoption



AIMA's previous AI paper argued that portfolio decisions and investor relationships would remain under human control. The findings are consistent with that view while identifying where disruption may occur first.

Most at risk

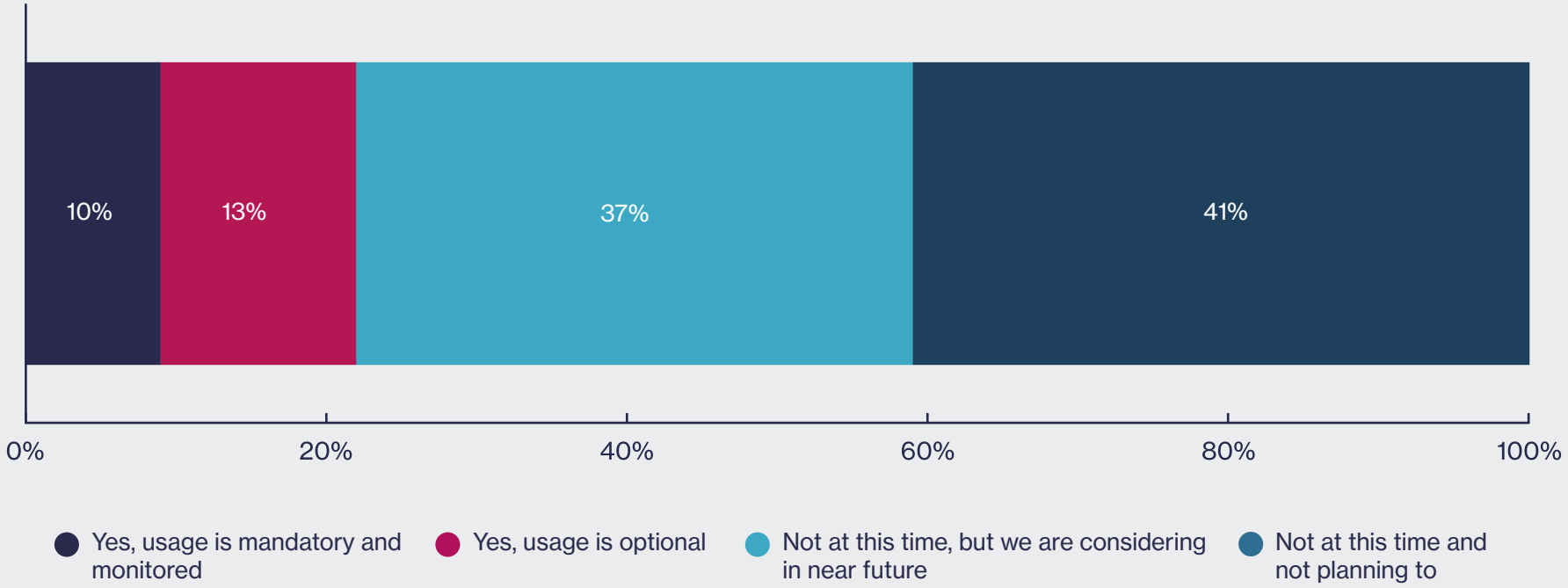
- Administrative roles rank first at 43%, but analysts are only two points behind at 41%. The analyst result raises a longer-term talent-development question. If Gen AI assumes more junior analytical work, firms may need new ways to give future portfolio managers the experience through which investment judgement has traditionally developed.
- Operations ranks third at 29%, reinforcing the view that information gathering, processing and production are most exposed.
- No respondent selects portfolio managers among the two roles most at risk. This aligns with AIMA's 2025 report, where AI leaders consistently argued that Gen AI should augment rather than replace investment professionals.

Least at risk

- The contrast with the 'At risk' column is stark: respondents expect Gen AI to affect the production of investment information, but not the judgement, accountability and relationships surrounding its use.
- Portfolio managers are considered safest at 74%, followed by investor relations at 43%. Compliance/legal is almost evenly divided (21% safe versus 19% at risk) suggesting transformation rather than a clear verdict on displacement.
- IT is more often considered safe than exposed, at 21% versus 8%, consistent with continuing demand for people who can implement and govern the technology.

Most firms have not linked AI use to staff appraisal

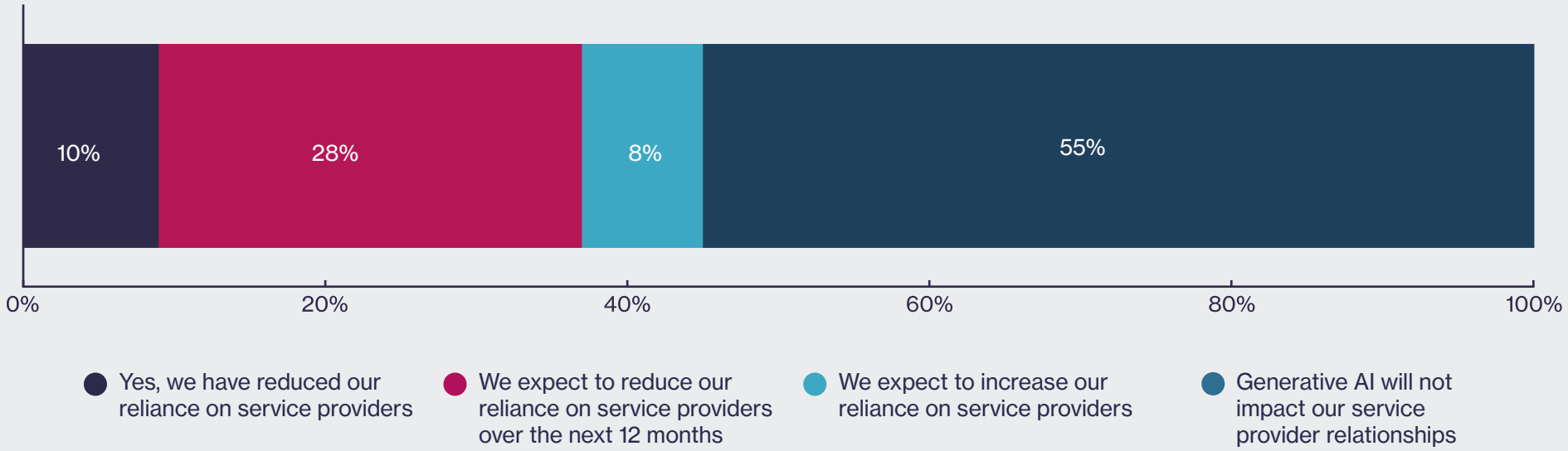
Almost all firms are implementing Gen AI, but only 23% currently consider its use or fluency in staff appraisals.



- Approximately 78% have not yet incorporated AI fluency into appraisals, although 37% are considering doing so.
- Around 22% currently recognise it: 13% make usage optional and 10% make it mandatory and monitored.
- Practical adoption is therefore running ahead of formal workforce expectations. Most firms have not yet defined what competent AI use means for employees.

Service provider disruption remains limited, but its direction is clear

While 55% expect no change, firms anticipating or experiencing disruption overwhelmingly point towards reduced reliance.



- A majority of respondents, 55%, expect Gen AI to have no effect on service-provider relationships.
- Only 9% have already reduced their reliance, while 28% expect to do so over the next 12 months.
- Among firms reporting or anticipating any change, approximately 83% point towards reduced rather than increased reliance.
- The findings therefore indicate potential future pressure on providers, rather than widespread disruption already under way.

Conclusion

Gen AI has moved beyond isolated experimentation and is becoming an established part of how alternative asset managers operate. Adoption nevertheless remains selective, reflecting both the opportunities presented by the technology and the importance of managing its limitations. It is now widely used in research and analytical work supporting investment decisions, particularly investment-memo preparation, company or asset analysis and idea generation. Use falls sharply in portfolio construction, where explainability, judgement and accountability carry greater weight. The resulting picture is one of controlled integration.

Tools, trust and talent reinforce one another: access to approved tools creates opportunities to learn; governance and education provide the confidence to use them responsibly; and people determine whether these capabilities translate into better processes or decisions. Human judgement and accountability become more important, not less, as AI moves into more consequential work. The workforce findings reflect the same distinction. Analysts are among the roles most frequently selected as being at risk, while no respondent selects portfolio managers among the roles most at risk.

Respondents nevertheless expect Gen AI to reshape tasks and team composition before materially reducing employment. This points to an evolution in how investment teams operate rather than the immediate displacement of large numbers of employees. For managers, the challenge will be to capture efficiencies while continuing to develop talent, redesign junior roles and preserve the pathways through which experience and judgement are built. As AI assumes more routine research and analytical tasks, firms will need to reconsider how junior professionals acquire the experience, technical expertise and critical judgement required to progress into more senior investment roles. Preserving these development pathways will be essential to ensuring that short-term efficiencies do not come at the expense of longer-term capabilities.

Breaking the findings down by AUM adds another dimension. Firm scale appears to influence the operating model of AI integration more clearly than the breadth of value reported. Larger managers are more likely to invest in private or mixed-model environments and report fewer unsuccessful use cases, a pattern consistent with more controlled or selective deployment. However, among firms reporting value, the average number of business areas delivering expected value is similar across AUM bands. Greater resources may expand the available technology and control options, but do not automatically give larger firms a monopoly on useful adoption.

This leaves firms of all sizes facing the same preparedness paradox. They need practical experience to discover where Gen AI is useful and the risks it creates, but must establish a minimum level of governance before gaining that experience safely. Waiting for perfect readiness delays learning, while uncontrolled experimentation creates avoidable risks. The practical route lies between the two: establish sufficient ownership, boundaries and oversight to test reversible use cases, record the results and allow evidence to determine whether to stop, adapt or scale.

The task is not to adopt Gen AI everywhere or attempt to predict its ultimate impact in advance. Rather, it is to build the institutional capacity to decide where AI belongs, where it does not and what evidence would justify changing that judgement. As Gen AI continues to evolve, the most enduring advantage may lie not in access to any particular model or application, but in a firm's ability to experiment responsibly, learn from experience and adapt as the technology develops.

On behalf of AIMA and the Research Committee, we hope you find this report useful as you develop your own approach to AI integration. To learn more about AIMA's work on AI, please contact info@aima.org.

Appendix: Survey Questions

Methodology- framing questions

- What is the primary strategy of your firm's principal flagship fund? Please select one.
- What is your firm's approximate total AUM?
- Where is your firm headquartered?
- What is your primary role?

Tools: Access and Use

- *What is your firm's primary Generative AI implementation strategy? Please select one.*
- *Which public LLMs does your firm permit you to use? Please select all that apply.*
- *Which LLMs do you personally primarily use for the following tasks? Please answer for each task type.*
- *In which areas have Generative AI use cases been explored and have delivered the expected value? Please select all that apply.*
- *In which areas have Generative AI use cases been explored but have not delivered the expected value? Please select all that apply.*
- *At which stages of the investment process are Generative AI tools actively used by your firm? Please answer for each option.*

Trust: Control and Confidence

- For Generative AI-assisted investment decisions, how important is it that you can explain why the model generated that output? Please select one.
- What are the primary restrictions imposed by your firm on your use of public Generative AI tools? Please select the top two.
- What are the primary constraints limiting further Generative AI usage at your firm? Please select two.
- Which regulatory/compliance issues concern you most about Generative AI implementation? Please select the top two.

Talent: Work and the Workforce

- How will your firm's integration of Generative AI impact its reliance on service providers? Please select one.
- What will the net impact of Generative AI integration at your firm be on your headcount in the next 12 months. Please select one.
- Does your firm consider Generative AI fluency/usage as part of the staff performance appraisal? Please select one.
- How will Generative AI integration at your firm impact hiring in the next 12 months? Please select one.
- Considering the alternative investment industry broadly, which roles do you think are most at risk from Generative AI adoption? Please select the top two.
- Considering the alternative investment industry broadly, which roles do you think are least at risk from Generative AI adoption? Please select the top two.

AIMA Resources

- AIMA Website – Artificial Intelligence resource library
- AIMA Webinar Playback - Global AI Regulatory Developments 2026
- AIMA Technology & Innovation Day 2026 - Key Takeaways
- AIMA 2026 Cybersecurity Guide to Sound Practices
- AIMA-AITEC Illustrative Questionnaire for the Due Diligence of Vendor Technology and Cyber Security
- AIMA Tech Vendor Directory
- AIMA Checklist for Use of Generative AI by Investment Managers

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About AIMA

AIMA is the world's largest membership association for alternative investment managers. Its membership has more firms, managing more assets than any other industry body, and through our 10 offices located around the world, we serve over 2,000 members in 60 different countries.

AIMA's mission, which includes that of its private credit affiliate, the Alternative Credit Council (ACC), is to ensure that our industry of hedge funds, private market funds and digital asset funds is always best positioned for success. Success in our industry is defined by its contribution to capital formation, economic growth, and positive outcomes for investors while being able to operate efficiently within appropriate and proportionate regulatory frameworks.

AIMA's many peer groups, events, educational sessions, publications and practical tools like its Due Diligence Questionnaires and industry sound practice guidance available exclusively to members, enable firms to actively refine their business practices, policies, and processes to secure their place in that success.

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