Athennian



CONVICTION AT SPEED

Degrees of trust in AI-powered private markets investing

PRIVATE EQUITY WIRE®

KEY TAKEAWAYS

AI is speeding up firm operations.

Data management is more demanding.

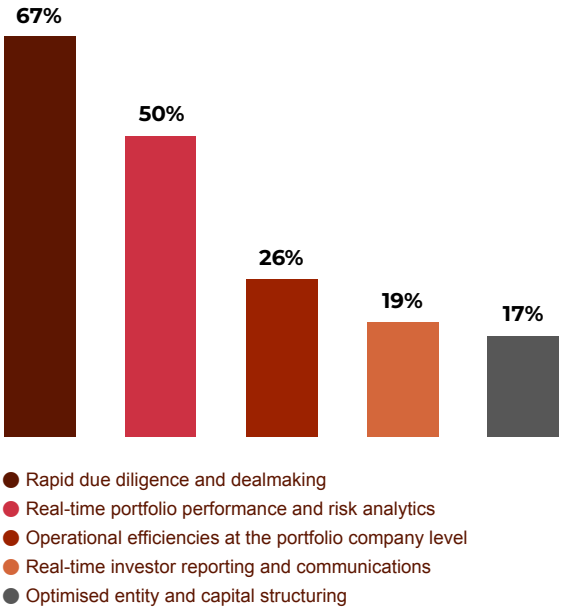
Poor quality data is holding back progress.

Private market conditions today demand speed. Geopolitical volatility and technological change are causing steep swings in company valuations, creating opportunities for firms that are able to move quickly on both the buy and sell side.

Exits and liquidity are now the lifeblood for an investor base that is increasingly mirroring the public market expectations of immediate returns and reporting. Innovative capital structuring, secondary exits and opportunistic plays all depend on speed.

AI is playing a critical role in helping firms operate at pace. In Private Equity Wire®'s Q3 2026 survey, 67% of respondents cited rapid due diligence and dealmaking as one of the most valuable use cases for AI application (Figure 1). Real-time portfolio performance and risk analysis was chosen by 50%.

Figure 1 Most valuable AI use cases in the deal lifecycle



Respondents could select multiple options

"AI can significantly compress the time between a question and a decision, but speed only creates value when the underlying information can be trusted," says Sandeep Rishi, Director of Strategy and Operations at Athennian.

"Across diligence, portfolio oversight and reporting, firms need confidence that the entity, ownership and structural data feeding AI is current, governed and connected. Otherwise, AI risks helping teams reach uncertain answers faster."

Increasingly, however, AI is advancing from an efficiency add-on to a source of broader value across the investment process. Decision-making is one high-value use case, as is operational efficiency, cited by around a quarter of all respondents. This follows a series of large scale agreements between private capital firms and the major AI labs to integrate their models across the portfolio.

THE INFRASTRUCTURE CHALLENGE

AI's rapid proliferation within the investment lifecycle highlights key challenges, with data quality a significant barrier to realising value. When asked which areas are most difficult to manage as private market structures become more complex, 43% cited data management across systems and stakeholders (Figure 2).

The range of stakeholders and intermediaries involved in the value chain, and the proliferating number of end investors, serves to expand the web of information exchange. As structural complexity rises and deal speeds accelerate, that expansion continues to compound the problem of data inconsistencies.

Of all operational challenges, 56% of respondents chose fragmentation and inaccuracy of data as the one that creates the greatest risk for decision making (Figure 3).

The intensifying reporting burden firms are facing, driven by the new levels of transparency demanded by the private wealth channel, add another layer of operational strain. Reporting and valuation requirements were cited by 24% as creating the greatest risk.

"For private markets firms, the data challenge is not simply one of volume," Rishi says.

"Information is often distributed across funds, SPVs, portfolio companies, systems and service providers, creating multiple versions of ownership and entity data. As firms introduce more automation and AI into investment and operational workflows, establishing a trusted, governed foundation for that data becomes increasingly important."

These challenges must be placed in context. External market and economic factors are a major driver of complexity – cited by 42% of firms as a risk to their operations. But if AI is applied as a solution and aid to navigating market volatility, it needs to be built on a robust and trustworthy platform.



Firms also don't consider AI to be a panacea. While it is set to play a key role supporting investment decision-making, there are other use cases where firms are more wary. Despite capital structure complexity being cited by 33% as an operational risk, only 17% see optimised capital structuring as a priority area for AI deployment.

For these operational areas where precision is vital, firms are not yet ready to automate key processes. Instead of making AI a primary decision-maker, the emphasis is on using it alongside professionals to support more effective decisions. How the human-in-the-loop role evolves over time will be a question of trust and structure.

Figure 2 Challenges with complex structures

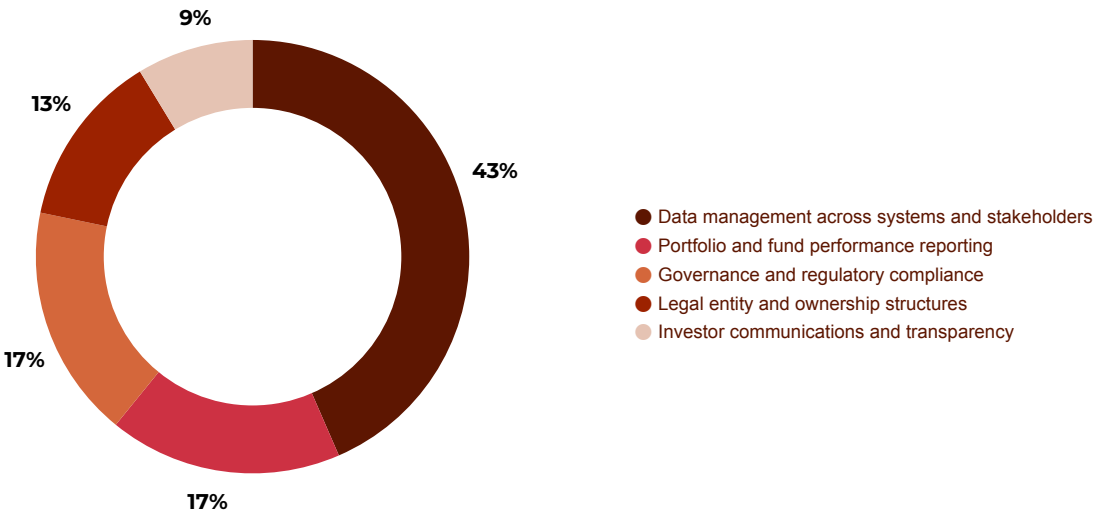
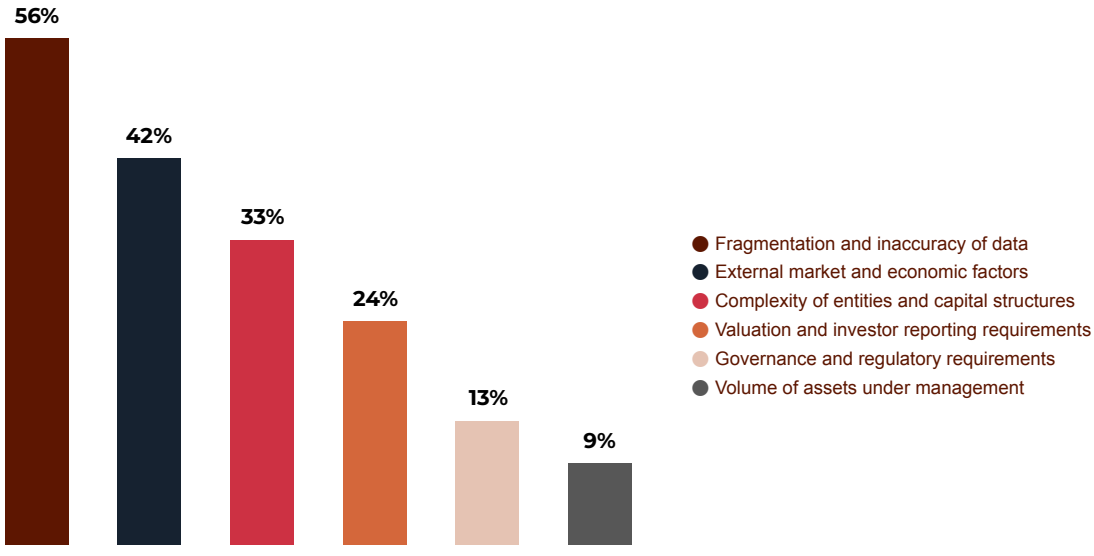


Figure 3 Sources of oversight and decision-making risk



Respondents could select multiple options



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