Change 2025

The measure of a moving industry

251 C-suite fund managers and 200 institutional investors share insights on the year ahead.

Unity through simplicity™

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Foreword: A story of headwinds and tailwinds

Despite ongoing market volatility, fund managers and institutional investors are predicting growth – through new markets, products, technology and the support of third parties. And while 2025 is set to be full steam ahead, investors expect ever-improving standards from fund managers.

Now in its second year, Carne's Change report reveals continued growth in the industry: fund managers across the globe expect significant growth in fund launches this year, and European institutional investors foresee an increasing demand for alternative asset classes amid continued volatility.

What's notable this year is the continued bullishness about asset growth, new markets, and new products. But with this diversification, fund managers are facing greater scrutiny – both in terms of regulatory oversight and demand for transparency from institutional investors. Market consolidation, tightening margins and the rise of lower cost products are applying pressure, at a time when the complexity involved has arguably never been higher. Competition within private markets is also getting fierce as managers need to show how they can deploy funds effectively at attractive margins. This is becoming harder to do with more money now chasing deals and investment opportunities - which means reduced returns. In addition, the time taken to realise investments is delaying the return of capital.

This is resulting in managers looking to other sources of new capital, in particular, the wealth sector, where there is significant and growing demand for private market opportunities. There is also a greater focus on their operations and business models as they look to make further improvements in their levels of efficiency to improve their P&Ls.

Yet despite these challenges, it's clear to see from this year's research that both fund managers and institutional investors acknowledge these pressures but still see significant growth on the horizon: an opportunity to thrive rather than a challenge to survive.

Outsourcing 'non-core' yet crucial functions continues to be a means to achieving investors' service expectations, as well as relieving the regulatory burden, and we note a natural increase in the data towards the use of third-party specialists.

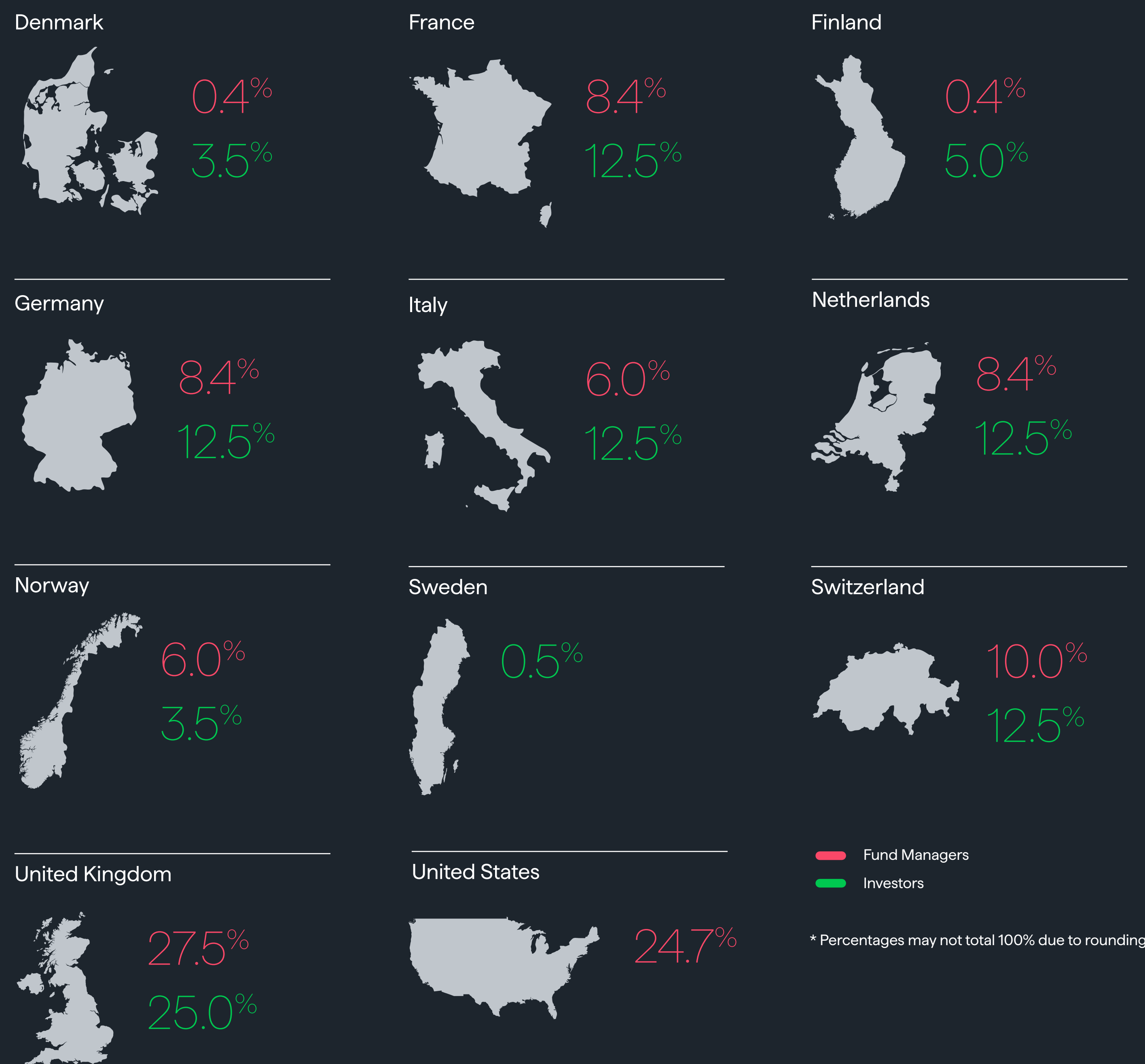
Despite pressure from all sides on fund managers, there is plenty to be optimistic about among this year's results. I hope you will join us in exploring this year's study at a time when the industry is going through a major metamorphosis and having to adapt to the new era of investing.

–John Donohoe, Founder & Group CEO

Biggest shifts from 2024

This is Carne Group's second annual study into what fund managers and institutional investors are planning and expecting for the year ahead – from growth objectives to the functioning of their operating models.

Location of fund managers and institutional investors surveyed for Change 2025



Similar to the previous year, two major pieces of international research were commissioned for this year's study through the independent research company Pureprofile. They surveyed 251 C-suite executives in fund management globally and 200 European institutional investors, responsible for a combined total of more than $4.6 trillion in assets under management.

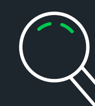
They were asked about their planning and predictions across four areas:

Going for growth

Predictions from managers and investors alike for a growth fuelled 2025, including the assets, markets, and domiciles they expect to drive growth.

Optimising through outsourcing

Operational resource repositioned in response to industry consolidation, assessing in-house capabilities, and the role of outsourcing.



Surge in scrutiny

Regulation and governance pushed to the top of the agenda with regards to compliance and client expectations.

Embracing evolution

Technology modernisation and the use of AI, automation and digital tools in investment decision making.

Executive summary

Get ready for a dramatic increase in fund launches this year, driven by alternatives as investors seek shelter from continued volatility.

This year's research shows that C-Suite executives in fund management predict significant inflows and product launches in the next 12 months, capitalising on growing investor appetite for alternative assets and exchange-traded funds (ETFs). Further, it reveals that growing regulatory complexity and client pressure for higher standards are driving increased outsourcing of functions that were previously considered core, to third parties.

Optimistic growth - new markets and more fund launches in 2025

Despite the backdrop of rising complexity and fee pressure, a spirit of optimism prevails with regards to continued growth momentum across increased flows and new funds launching.

81% of fund managers expect the flow of new capital into their funds and segregated accounts to increase during 2025.

84% expect the number of new funds launching in their sector this year to be higher than in 2024 – 42% predict a dramatic increase in the number of launches, compared to just 14% of those surveyed last year.

81%

of fund managers expect the flow of new capital to increase during 2025

Alternatives dominate, with investors expecting more volatility year on year

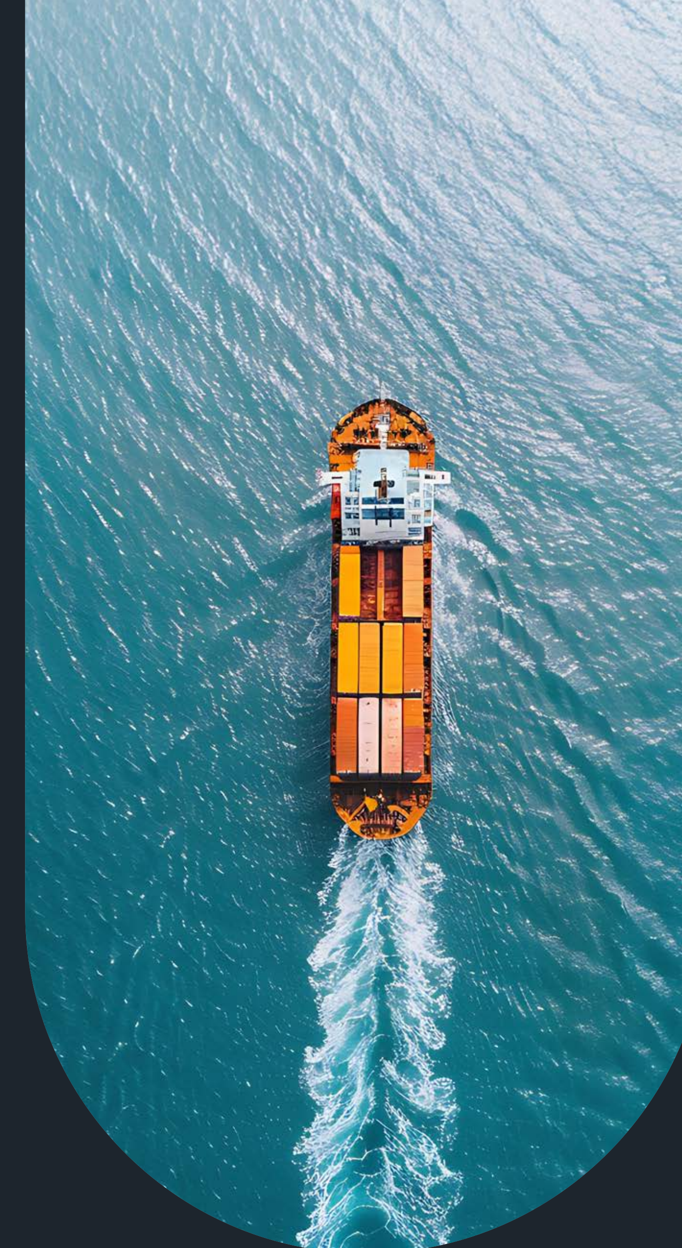
The continued shift in focus to alternative investments is underpinned by a search for higher returns, yet seeking these returns inevitably brings about a trade off whereby investors must face increased risk.

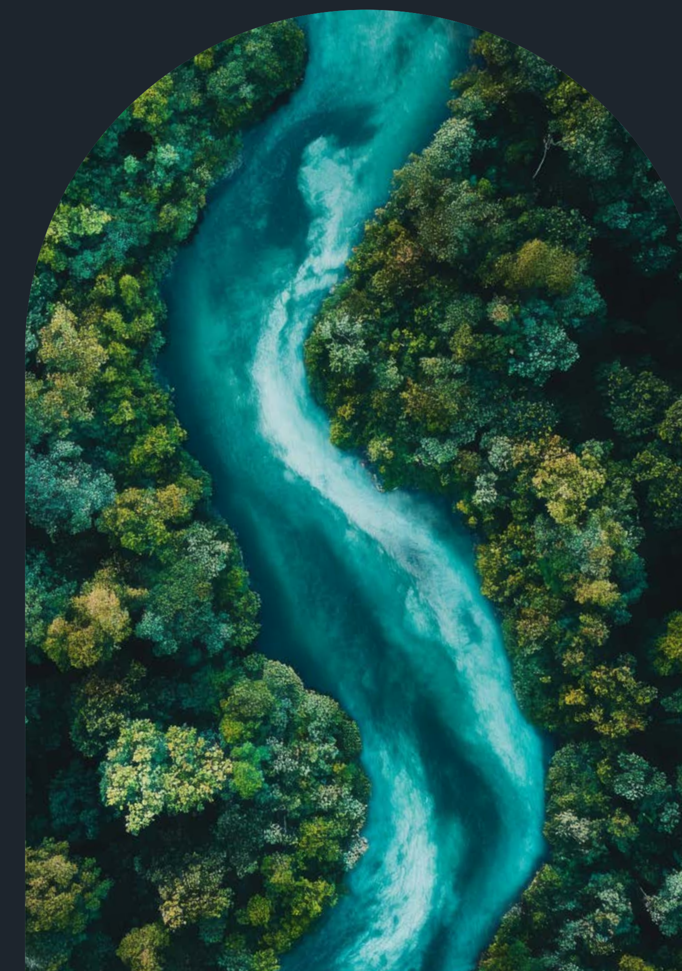
Over the next 12 months, 83% of institutional investors expect the level of volatility in stock markets to increase – 8% anticipate a dramatic rise.

Just under seven out of 10 (69%) investors predict their organisation's appetite for risk will be higher this year, with 7% believing levels will be much higher. Institutional investors are increasingly turning to hedge funds and private equity, alongside growing interest in crypto and digital assets in line with the US change of government.

For institutional investors, there's a clear tipping point for many into digital assets and new markets for the first time this year, with a clear drop in the naysayers for alternative assets. Just 4% of investors surveyed expect less inflows into hedge funds, versus 34% last year. Fewer investors expect assets into crypto and digital assets to decrease this year at 4% compared to 23% in last year's survey.

Fund managers are seeing big increases in asset ownership growth from high-net-worth individuals (HNWIs) and retail investors. Likely driven by regulatory changes - a good news story for alternative fund managers.





The exponential rise of ETFs

This year marks 25 years since the launch of the first ETF in Europe, and they remain an imperative component of fund manager growth strategy. Equity and fixed income fund managers say ETFs are critical to the future longer-term prospects of their organisation and they expect the proportion of their assets held in ETFs to grow over the next five years.

82% of institutional investors agree and 17% strongly agree that investors are moving ETFs from short-term asset allocation strategies to core portfolio holdings.

82%

of institutional investors agree that investors are moving ETFs from short-term asset allocation strategies to core portfolio holdings

Consolidation continues apace

The number of private market fund managers is predicted to shrink as fundraising challenges persist and increasing regulatory costs drive a massive wave of consolidation.

Almost nine in 10 (88%) fund managers surveyed believe consolidation will increase over the next five years. Turning to specialist third parties for regulatory compliance and to meet increasingly high investor standards enables smaller firms to survive these pressures.

of fund managers believe consolidation will increase over the next five years

Technology and AI are powering innovation in fund management

Modernisation of technology infrastructure and the use case for AI must remain a key focus within fund management to keep pace with the transformation of the industry and respond to today's challenges.

When asked to select the three factors they believe will have the biggest impact on innovation, 85% stated advances in technology – an increase on 69% cited in last year's survey; 59% say growth in the use of alternative data (data gathered from non-traditional sources); followed by 54% who selected growing pressure from investors for new solutions, up from 48% last year.

Artificial intelligence is used by almost all fund managers and is seen as increasingly critical in delivering alpha.

Demand for higher standards in corporate governance and reporting, as well as the need to reduce fixed costs, is driving outsourcing

Complying with evolving regulations not only presents a mounting challenge for asset managers but also directly impacts the higher standards of corporate governance, transparency and reporting expected by institutional investors today.

Nearly nine out of 10 (87%) institutional investors have rejected a fund manager due to concerns about poor corporate governance, but respondents say standards are improving.

This is consistent with fund managers saying the biggest incentive to outsource to third-party providers is a request for higher standards, better reporting, and more transparency from their clients.

Nearly nine out of 10 (88%) of those questioned about their middle and back offices expect to increase their use of third-party service providers over the next 12 months, with 49% anticipating a dramatic increase. And more than two-thirds (67%) of institutional investors will increase outsourcing in 2025, with 40% planning to dramatically increase their use of third-party service providers, which is much higher than last year's 20%.

of institutional investors have rejected a fund manager, based on concern about poor corporate governance

Both fund managers and institutional investors plan to outsource more anti-money laundering processes to third parties.

Twice the proportion of fund managers expect pressure to better manage or reduce costs will increase dramatically in 2025 (48%) compared to 2024's survey (24%).

When asked about their top reasons for outsourcing to third parties, institutional investors cited difficulties in recruiting the right staff as number one last year; this year they say it is clients requesting higher standards.

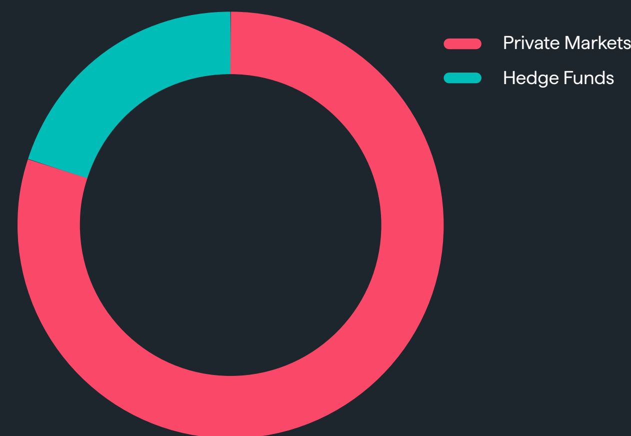
Going for growth:
New markets and more fund launches in 2025

2025 looks set to be a busy year for fund managers seeking to capitalise on new markets and increased investor appetite for alternative assets and ETFs. Our study found 81% of fund managers expect the flow of new capital into their funds and segregated accounts to increase during 2025.

And they are even more optimistic about the number of new fund launches they predict this year. More than four out of five (84%) surveyed expect the number of new funds launching in their sector this year will be higher than in 2024. Around two-fifths (42%) predict a dramatic increase in the number of launches, compared to just 14% of those surveyed last year.

Current alternative asset allocation:

Preqin total allocations by asset class as at February 2025.



Asset class	AUM (USD T)	%
Hedge Funds	4.93	20
Private Markets	19.89	80
Grand Total	24.82	100

The buoyancy doesn't stop there. The study found nearly three-quarters (72%) of fund managers surveyed expect the number of segregated accounts launched in 2025 to be higher than in 2024 with 17% expecting it to be significantly higher. That's compared to 62% and 15% respectively in last year's study.

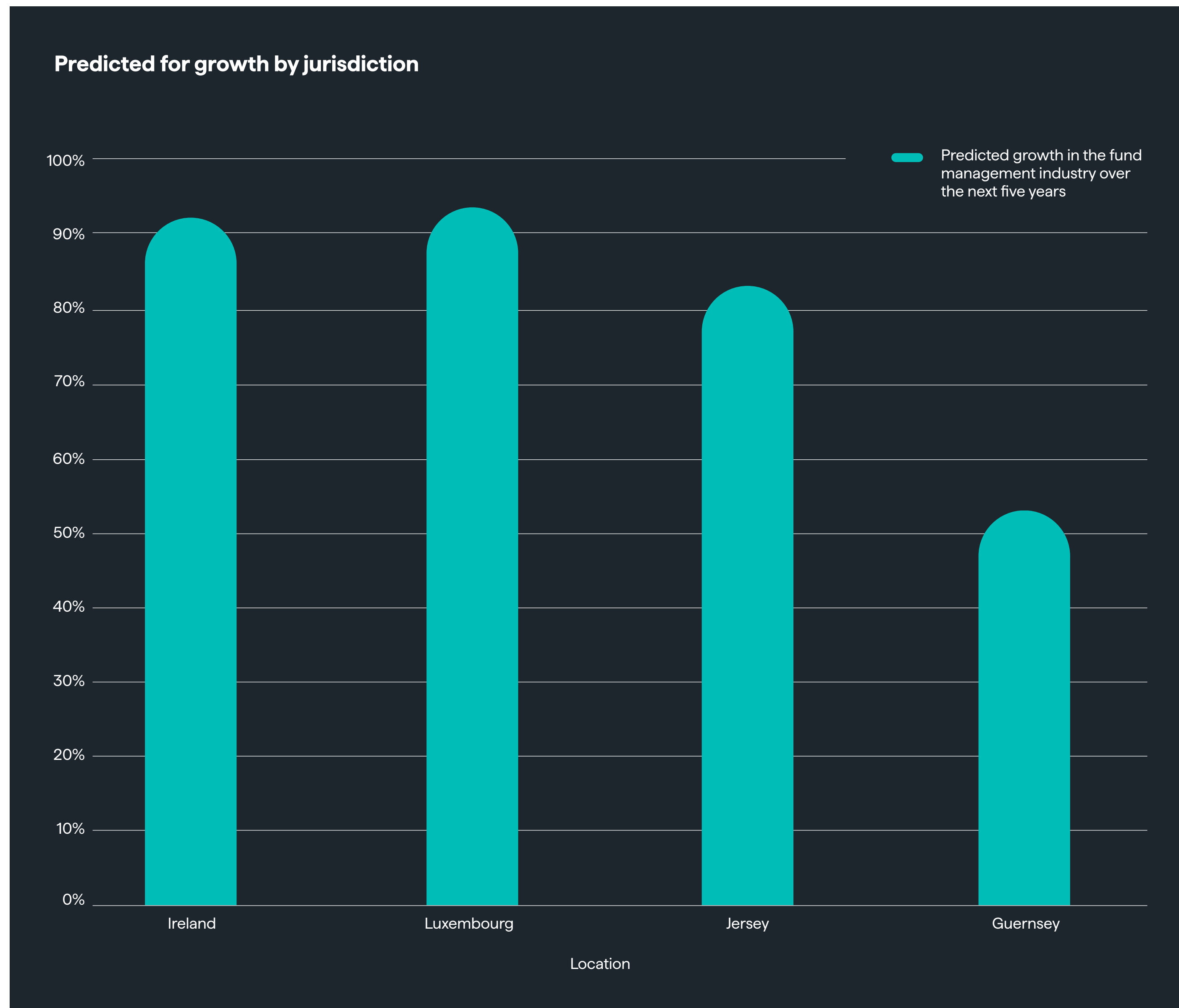
More than two-thirds (68%) of the fund managers surveyed say markets will see increased inflows of capital of between 10% and 25% this year when compared to 2024, and 27% expect it to be between 25% and 50% higher.

In terms of the assets predicted to deliver that growth, hedge funds in the alternative asset space are expected to see the biggest increase year on year in fundraising followed by private equity, private debt, and real estate.

Private markets includes private equity, private debt, real estate, infrastructure, natural resources and venture capital.

Going for growth: Domiciles and broader investor types

Over the next five years, nine in 10 fund managers surveyed expect the fund management industry in Ireland and Luxembourg to enjoy growth, with 53% predicting strong growth in Ireland and 42% saying the same for Luxembourg.



Going for growth: Domiciles and broader investor types

Fund managers continue to venture into new global markets with nearly nine out of 10 (88%) planning to focus on raising new capital inflows overseas.

In terms of fundraising from different investor types, 85% of fund managers surveyed expect new fundraising from pension funds to increase over the next 12 months. Around 75% say they expect new fundraising from retail investors to increase over the next 12 months, corresponding to the growing number of illiquid investment funds that cater to retail, including semi-liquid funds, the UK's Long-term Asset Funds (LTAFs) and the European Long-Term Investment Funds (ELTIFs). Meanwhile, 70% say family offices will provide new sources, and a similar number (69%) say the same about private banks.

85%

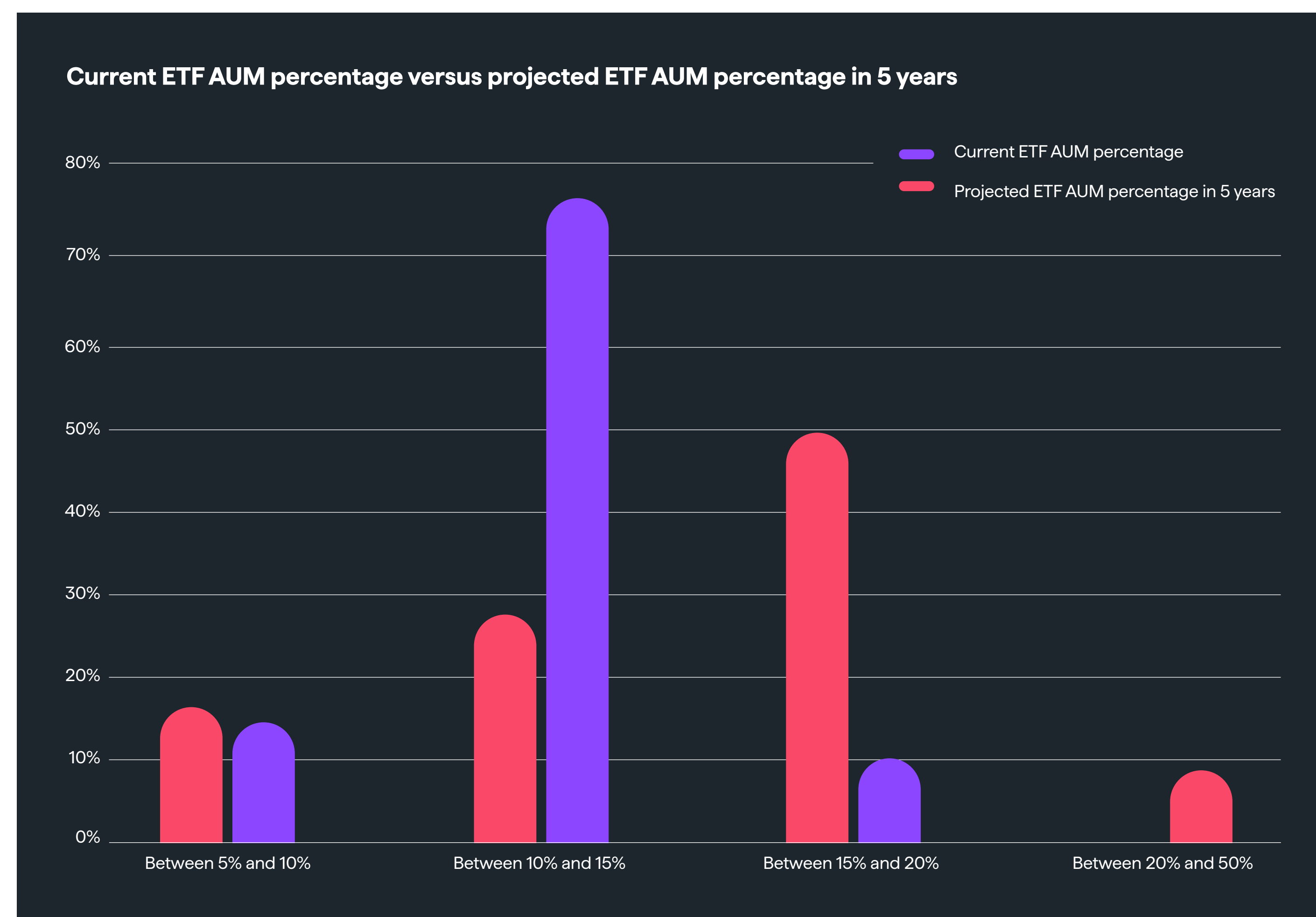
of fund managers surveyed expect new fundraising from pension funds to increase

Going for growth: Exponential rise of exchange-traded funds

The European exchange-traded fund (ETF) market celebrates its 25th anniversary this year setting new records in both assets under management (AUM) and net inflows.

As of May 2024, global ETF AUM reached approximately US$13 trillion, up from US$10.1 trillion in 2023.[1]

Almost nine in 10 (89%) of the equity and fixed income fund managers we surveyed offer either ETFs or exchange-traded products (ETPs). Of those who don't, 89% anticipate they will offer them within the next three to four years.



In terms of AUM, more than three-quarters of equity and fixed income fund managers who responded to our survey say ETFs account for between 10% and 15% of their total assets; 14% say between 5% and 10%; and one in 10 say between 15% and 20%.

When asked on their growth projections respondents expect ETFs to account for even greater proportions of their AUM in the next five years. Almost half (49%) say ETFs will represent between 15% and 20% of AUM; more than a quarter (27%) say between 10% and 15%; 16% say between 5% and 10%; and almost one in 10 (8%) say between 20% and 50%.

It's no wonder that almost all (97%) of equity and fixed income fund managers say offering ETFs is important to the future longer-term prospects of their organisation, with more than a quarter (28%) deeming it critical.

Having identified ETFs as a key driver for growth, fund managers say they rely on third parties for specialist support in getting products to market. By leveraging external expertise, fund managers can overcome operational, regulatory, and resource constraints.

For example, experienced partners have established systems and processes for ETF creation, reducing the time required to design, register, and launch a new product. Third-party specialists also come with the benefit of pre-existing relationships with authorised participants, custodians, and exchanges, making it easier to launch and distribute ETFs in new markets.

Almost two-thirds (64%) say they use third parties to help select service providers including administrators and custodians. A similar number (63%) use third parties to establish legal structures; more than half (57%) to prepare prospectuses and legal documents; 53% for help with submissions to the regulator; and one-fifth for listing on a stock exchange.

Third-party support in bringing ETFs to market

64%

of fund managers use third parties to select service providers including administrators and custodians

63%

of fund managers use third parties to establish legal structures

53%

of fund managers use third parties to help with submissions to regulators

[1] ETF Market Guide: Trends and Themes to Watch

Going for growth: Investor interest in ETFs

Investors now view ETF allocation as a core holding, and the appetite for active ETFs is set to outpace other sub-categories. More than four-fifths (82%) agree that investors are moving ETFs from short-term asset allocation strategies to core portfolio holdings. That might be because they see the benefits of investing in ETFs to access traditionally hard-to-reach asset classes, at the same time as making it easier to gain concentrated exposure to specific asset classes.

Investors also identify a growing trend towards active ETFs, with 58% expecting them to account for the majority of ETFs launched by 2026.

82%

of investors are moving ETFs from short-term asset allocation strategies to core portfolio holdings

58%

of investors are expecting active ETFs to account for the majority of ETFs launched by 2026

Going for growth: Appetite for semi-liquid funds

As an alternative to some drawdown investment vehicles and to overcome the liquidity constraints of some alternative assets, fund managers are exploring semi-liquid funds. They provide more frequent liquidity than traditional private market funds, where lock-up periods may preclude certain investors. Sometimes known as 'evergreen' funds, these are open-ended vehicles gaining momentum among the wealth managers we surveyed.

Regulators in the UK and Europe are actively working to alleviate some of the obstacles facing retail investors when it comes to investing in private markets, as evidenced by the LTAF regime in the UK, and the reworked ELTIF framework in Europe.

More than four out of five (83%) wealth managers say they are offering semi-liquid funds to their clients. Of those not already offering them, 60% expect to do so in the next six to 12 months and 40% will do so in the next two years.

When asked at what point clients will have 5% of investible assets allocated to semi-liquid funds, more than half (54%) of wealth managers say three to four years and 44% say within four to five years.

54%

of wealth managers say clients will have 5% of investible assets allocated in three to four years time

Wealth managers offering semi-liquid funds

83%

of wealth managers are currently offering semi-liquid funds

60%

expect to do so in the next six to 12 months

40%

will do so in the next two years

Going for growth: Alternatives continue to gain momentum

Market volatility continues and has become business as usual for institutional investors. It follows, therefore, that they remain attracted to alternative asset classes for diversification, downside protection and hedging opportunities.

More than four out of five (83%) institutional investors believe the level of volatility in stock markets will rise this year, with 8% predicting a dramatic increase. That's an increase on last year's respective 67% and 6%.

This predicted increase in volatility goes hand in hand with a rise in risk appetite. Just under seven out of 10 (69%) investors expect their organisation's appetite for risk to be higher this year, with 7% believing levels will be much higher.

As with last year's survey, investors say they will turn to alternative asset classes to mitigate market volatility. In particular, there has been an increase in choosing hedge funds – more than half (55%) interviewed place hedge funds among their top three alternative asset classes for growth in inflows, followed by 40% selecting private equity.

Investors also show a growing interest in crypto and digital assets, with almost two-fifths (39%) saying assets will increase between 25% and 50% or more this year. This follows the election of Donald Trump as 47th President of the US on a campaign punctuated with positive policies for the crypto sector including ending debanking practices and establishing a national Bitcoin reserve. In the immediate days after the November 2024 election, Bitcoin surged to record highs.

The knock on effect of rising volatility

83%

of institutional investors believe volatility levels in stock markets will rise

69%

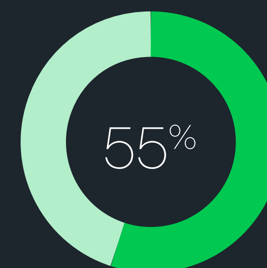
expect an increase in their organisation's appetite for risk

55%

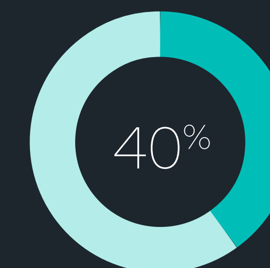
place hedge funds among their top three alternative asset classes for growth

Institutional investors forecast the top three asset classes to attract inflows over the next five years

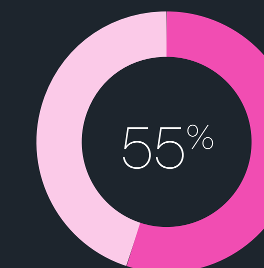
Hedge funds



Private equity



Renewable energy



Our study also found that institutional investors consider the depth of the overall fund management team as their number one key decider when selecting a manager, followed by the credentials of the main person running the fund.

Performance of the fund was rated third when selecting which funds to invest in, followed by size and liquidity. Longevity of the fund was ranked fifth, while the strength of the brand of the firm running the fund was deemed the sixth most important driver for institutions. Nature capital credentials were rated seventh.

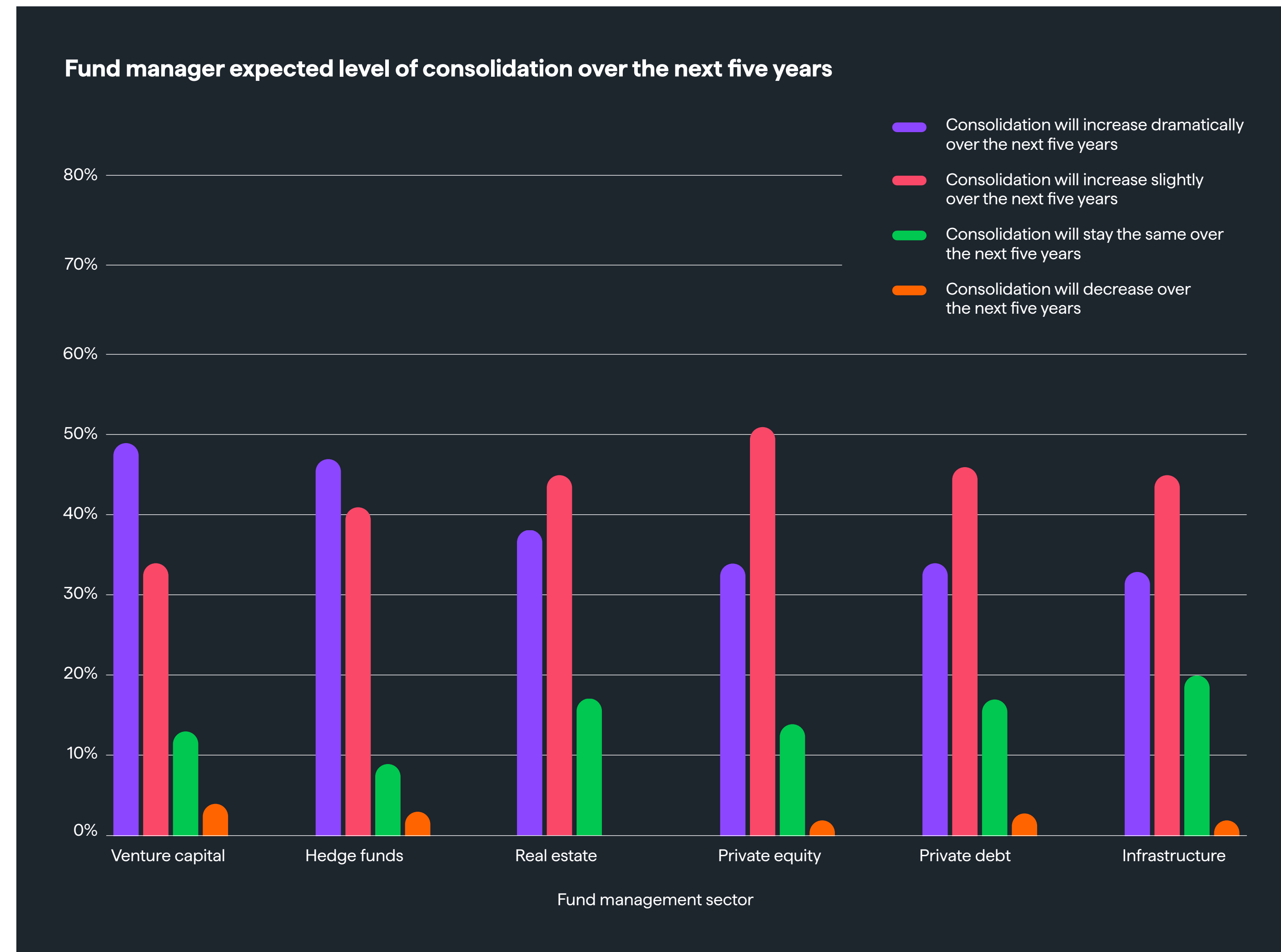
Notably, for the second year running, competitiveness of fees was placed eighth (last) for importance, suggesting credibility and performance continue to matter more than cost.

Optimising through outsourcing: Consolidation continues apace

As in last year's survey, consolidation within private markets continues to characterise the fund management sector. This was shown in several mutli-billion-dollar deals in 2024 including Manulife's acquisition of alternative credit manager CQS in April.[2]

Regulation continues to play a major role in changing the shape of the fund management sector. Almost all (98%) fund managers questioned agree that regulatory complexity will increase over the next two years.

As well as ongoing regulation, consolidation is driven by growing pressures to deliver cost-efficiencies at the same time as transforming technology to perform in a competitive environment dominated by complex, sophisticated investors. When asked how they expected the level of consolidation to change over the next five years, fund managers predict increases across all asset classes.



[2] https://www.manulifeim.com/institutional/global/en/about-us/press-releases/manulife-investment-management-completes-acquisition-of-cqs

Embracing evolution: Technology driving innovation in fund management

Necessity is the mother of invention. Fund managers must respond to an increasingly cost-competitive and regulatory-heavy environment through innovation.

When asked to select the three factors they believe will have the biggest impact on innovation in their market, 85% state advances in technology – an increase from 69% cited in last year's survey; 59% say growth in the use of alternative data from non-traditional sources; and 54% selected growing pressure from investors for new solutions, up from 48% last year.

More than half (51%) specified greater data on how different alternative asset classes perform in different market environments as one of the top three factors driving innovation in fund management, followed by artificial intelligence (cited by 41% this year, down slightly from 46% in 2024), while regulation was chosen by 9% down from 20% last year.

51%

specified greater data on how different alternative asset classes perform in different market environments as one of the top factors driving innovation in fund management

85%

of fund managers state advances in technology as having the biggest impact on innovation

Embracing evolution: Accelerating AI

Artificial intelligence (AI) is transforming fund management by enhancing decision making, improving operational efficiency, and creating new opportunities for innovation. It's now used by 92% of the fund managers we surveyed to support investment strategies.

Of those not using AI currently – all will be using it within the next two years.

Looking at the three areas where AI can have the biggest impact, 67% of fund managers say idea generation, while more than half (54%) say within portfolio construction. A further 52% believe AI is more influential in risk management; 49% say investment decision making; 48% say data analysis; and 31% identify trading processes.

Respondents recognise the growing importance of AI in enabling fund managers to deliver alpha. Today, 17% of fund managers see the technology as very significant but when asked about AI's influence in three years, that figure rises to 32%.

Institutional investors, too, are adopting new technology to support their operations. More than six out of 10 (61%) say AI can help with fund manager selection, while 60% say the technology is useful for asset allocation and risk management.

More than half (54%) say AI supports compliance with anti-money laundering regulations, while 53% use the technology for investor communication, and 14% for selection of third-party providers.

67%

of fund managers say AI can have the biggest impact on idea generation

Surge in scrutiny: Demand for higher standards drives outsourcing

Fund managers say the biggest reasons to outsource to third-party providers are demands for higher standards, better reporting, and more transparency from clients.

This precedes the growing burden of regulation, difficulty in recruiting and retaining appropriate staff, and operating in more jurisdictions.

Nearly nine out of 10 (88%) fund managers questioned about their middle and back offices expect to increase their use of third-party service providers over the next 12 months, with 49% anticipating a dramatic increase.

Looking to the next five years, more than three-quarters of fund managers say they will increase how much they use third-party suppliers – 13% dramatically.

88%

of fund managers expect to increase outsourcing of middle and back office functions over the next 12 month

49%

of fund managers expect a dramatic increase in outsourcing of middle and back office functions over the next 12 months

67%

of investors will increase outsourcing in 2025

Reducing costs was ranked as the least important reason to appoint third parties which indicates again that fund managers are prioritising the use of specialist service providers to meet client expectations, rather than delivering efficiencies.

On the other side of the fence, institutional investors also plan to rely more heavily on third-party service providers this year. More than two-thirds (67%) will increase outsourcing in 2025, with 40% planning to dramatically increase their use of third-party service providers, which is much higher than last year's 20%. Around one in seven (17%) plan to switch to an alternative provider, while 6% will bring in additional third-party providers.

Investors place more importance on the ability to meet client requests for higher reporting standards and the growing burden of regulation which were ranked one and two respectively. Compare that to last year's results, where difficulty in recruiting appropriate staff ranked first but is in third place this year. Operating in more jurisdictions and the need to reduce costs remain in fourth and fifth place as reasons to use third parties.

Looking specifically at regulation, institutional investors show rising concern about growing complexity. Nearly all (99%) institutional investors questioned agree that navigating regulatory complexity will become harder over the next two years, up from 94% last year.

Surge in scrutiny: The rise in management companies

The trend towards greater independence of fund management company structures continues, as clients demand firms deliver higher levels of governance while staying laser focused on delivering value in their best interests.

Nearly one-third (32%) of fund managers surveyed are seeing a dramatic increase in the industry's focus on ensuring greater independence for its governance structure and for managing conflicts, while a further 55% are seeing a slight increase. Looking to the next three years, more than three-quarters of fund managers say this focus will increase.

Respondents also predict a significant increase in outsourcing their fund management structure. At the moment, almost half (49%) of the fund managers surveyed use their own in-house structure to manage funds, 37% outsource to a ManCo or third-party, and 14% use a white label platform.

In five years time, fund managers say the proportion of outsourcing will increase to 52%, white labelling to 14%, and in-house structures will account for 35%.

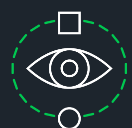
80%

of fund managers say there will be an increase in the level of outsourcing in the next two years

Overall, four out of five (80%) of those surveyed say there will be an increase in the level of outsourcing management company requirements to third-party specialist providers between now and 2027. The three main reasons for this identified in the research are the ability to launch different product sets, deliver speed to market, and ensuring that they can offer stronger fiduciary management of the fund.

Fund managers cite support with launching different product sets as the key reason for outsourcing the management of their business to third parties, followed by the speed with which they can get those products to market, while ensuring greater transparency in reporting was ranked third.

Top reasons fund managers outsource to third parties



Support launching new products

Speed to market

Reporting transparency

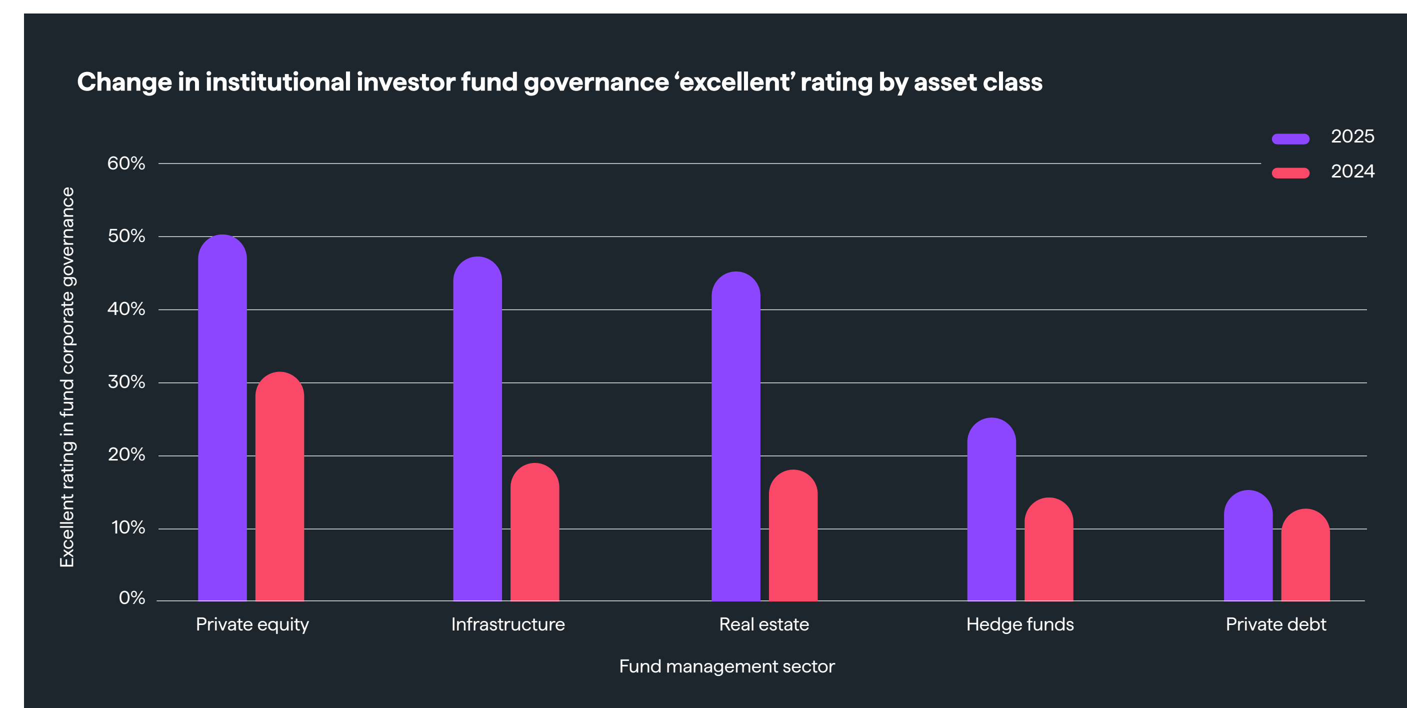
Surge in scrutiny: Corporate governance improving

As we saw last year, corporate governance is a growing concern for institutional investors.

Poor governance standards have driven 87% of those surveyed to reject a fund in the past three years, with a third doing so frequently. More than four-fifths (82%) of institutional investors are rejecting fund managers based on poor corporate governance, with 29% saying such rejections are increasing dramatically. This is notable increase on the 17% of investors who said the same last year.

However, while concerns persist, our study also indicates that institutional investors are becoming more confident that fund managers are addressing these issues.

Institutional investors identify notable improvements in corporate governance across asset classes, with hedge funds and private equity noted as having excellent standards. More than four-fifths (84%) say governance within hedge funds has improved; 76% see improvement in infrastructure governance; 72% say the same for real estate; 70% for private equity; and 63% identify improvements in private debt.



Our study found that 89% say the rate at which asset owners are rejecting funds over corporate governance concerns has increased across the industry. Nearly a fifth (17%) say it has increased dramatically. Corporate governance concerns involve the independence of directors of funds, the regularity of board meetings, and how many fund directors are on the board of funds.

Looking across jurisdictions, institutional investors note major improvements in the levels of governance, in particular following the successful introduction of the Individual Accountability framework in Luxembourg and Ireland in 2023, which removed certain hurdles that previously complicated daily fund operations, streamlining processes and reducing administrative burdens.[3]

For Luxembourg, 72% of respondents say governance is excellent compared to 55% last year. For Ireland, 59% of investors say governance is excellent compared to just over a quarter (26%) last year. The corresponding figures for Jersey are 51% and 18%, and for Guernsey are 12% and 10% respectively.

[3] https://www.irishstatutebook.ie/eli/2023/act/5/enacted/en/html

Surge in scrutiny: Overcoming challenges

As in last year's survey, fund managers highlight the regulatory environment as the biggest challenge to successful fundraising and launches. Corporate governance still holds the second spot followed by issues around reporting, fees and expenses, and then operational costs.

Given the increase in regulatory and operational challenges associated with fundraising activities, more than half (56%) of fund managers say they would rely solely on a third-party to gain access to distribution partners and for the management of distributing funds. For those organisations that would rely solely on third parties, the majority (64%) would choose between five and 10 partners, 29% would use between one and five, and 8% would have up to 15 partners.

of fund managers say they would rely solely on a third-party to gain access to distribution partners

Fund managers say the three most important methods when launching a new fund are private placement, agent driven, and using a broker.

While they increasingly rely on third parties for fund distribution, fund managers identify challenges when working with them. When asked what the most challenging aspects are, more than two-thirds (67%) of fund managers say servicing distribution partners with relevant documents and data, 64% say due diligence, and 58% say finding an appropriate partner.

Conclusion: Opportunity amid complexity

This year's research makes clear the opportunities at fund managers' fingertips to capitalise on the growing appetite from institutional investors for alternative assets and ETFs. It looks set to be a strong year for fund launches, driving optimism throughout the industry.

Continued volatility means investors are turning to alternative assets to diversify and stabilise their portfolios, while new avenues to market for retail investors – notably, semi-liquid funds, LTAFs and ELTIFs – have opened up significant potential for capital sources.

Just as persistent, however, are the challenges facing fund managers. As with 2024's survey, they must now contend with a growing regulatory burden, increasing investor scrutiny, and the commercial imperative to expand into new markets and products.

It's clear that fund managers need more support than ever before as they look to other sources of new capital while making further improvements in their levels of efficiency to improve their bottom line

This report reinforces the need for specialist third parties to support fund managers. Choosing the right partners will create efficiencies in the non-core but critical activities of the business, by incorporating specialist knowledge, infrastructure and technologies to stay ahead of the game.

2025 presents a wealth of growth opportunities for the fund management industry, however they must have a roadmap to be equipped for regulatory challenges, market volatility and competitive pressures.

About the research

This year's report is based on two major international surveys commissioned by Carne Group through the independent market research company Pureprofile in December 2024 and January 2025.

One survey interviewed 200 investors working for pension funds, family offices, wealth managers, insurance and reinsurance asset managers, and consultants to institutional investors and asset managers in the UK, Germany, Switzerland, Italy, France, the Netherlands, Norway, Finland, Denmark, and Sweden with a total of $2.33 trillion assets under management.

The second survey interviewed 251 senior executives working for fund managers in the UK, US, Germany, Switzerland, Italy, France, the Netherlands, Norway, Finland, and Denmark with a total of $2.31 trillion assets under management. The fund management sectors covered include hedge funds, private equity, real estate, infrastructure, private debt, equity, fixed income, and multi asset classes. Those interviewed were C-Suite executives including CEOs, CIOs, COOs and CFOs.

This is the second annual iteration of this report, building on similar research conducted in December 2023 and January 2024. The first survey interviewed 201 investors working for pension funds, family offices, wealth managers, insurance asset managers and consultants to institutional investors and asset managers in the UK, Germany, Switzerland, Italy, France, the Netherlands, Norway, Finland, and Denmark with a total of $1.723 trillion assets under management.

The second survey interviewed 201 senior executives working for fund managers in the UK, Germany, Switzerland, Italy, France, the Netherlands, Norway, Finland, and Denmark with a total of $1.577 trillion assets under management. The fund management sectors covered include hedge funds, private equity, real estate, infrastructure, private debt, equity, fixed income and multi asset classes. Those interviewed included COOs, CFOs CROs, Heads of Product, Heads of Compliance, Heads of Legal, and senior fund managers.

About Carne Group

Carne Group takes care of the people who take care of money. Founded in 2004, today Carne is Europe's largest independent third-party management company. We support asset managers through every element of a fund's governance lifecycle. Backed by digital capabilities and infrastructure built over two decades, our dedicated and talented team of experts provides peace of mind to our clients and their investors – simplifying and strengthening the ways their funds operate.

We partner with around 650 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 $2 trillion assets under management. Carne employs more than 600 employees across eight locations globally.

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