

DIACSUS

ADVISORY & CONSULTING



PRIVATE MARKETS STUDY: NOV. 2025 – JAN. 2026

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EXECUTIVE SUMMARY







EXECUTIVE SUMMARY


The Private Markets are evolving, and the industry is experiencing significant stress

OBSERVATIONS FROM THE MARKET

-  Timeliness and accuracy of data remain inconsistent
-  Lack of industry standards creates friction
-  Innovation is desired yet often occurs conceptually
-  Push for 'public markets – like' discipline
-  Commercialization and GenAI are prominently positioned

AREAS OF IMMEDIATE MARKET FOCUS

- | | | |
|---|---|---|
|  |  |  |
| Unified Data Models | Automation Hooks | Collaboration Tools |
|  |  |  |
| Secure Access & Governance | Commercialization Enablers | Drive Innovation |

 The rapid growth of Private Markets has exposed structural strain across the front, middle, and back office, with fragmented data, manual documentation, and lack of standards impeding efficiency, transparency, and scalability.

EXECUTIVE SUMMARY

Private Markets illustrative lifecycle model: Marketplace Pain Points



EXPERIENCES AND PAIN POINTS

- | | | | | | |
|--|--|--|--|---|---|
| <ul style="list-style-type: none"> • Data fragmentation • Unstructured docs • Benchmarking bias • Timeline pressures | <ul style="list-style-type: none"> • Side letter complexity • Capital call timing, accuracy • Reference data hygiene • Onboarding thru-puts (KYC / AML, Tax) | <ul style="list-style-type: none"> • Reference data latency and quality issues • Corporate action detection • Valuation subjectivity, lags • Fee, waterfall complexity • Look-thru transparency² • Multi-GAAP and FX issues • System fragmentation | <ul style="list-style-type: none"> • Liquidity planning and valuations • Covenant and credit data complexities • Cross-fund exposure mapping challenges | <ul style="list-style-type: none"> • Late or revised Form K-1s • Tax complexities • Classification accuracy issues, including ESG standards conformance • Being regulatory conformant, e.g., AIFMD, Form PF, SFDR, ISSB | <ul style="list-style-type: none"> • Exit timing uncertainty • Carry crystallization disputes • Secondary transfer logistics |
|--|--|--|--|---|---|

EXECUTIVE SUMMARY

Private Markets illustrative lifecycle model: Marketplace Improvement Opportunities

OPPORTUNITIES FOR WHAT 'GOOD' LOOKS LIKE

Driving efficiency, transparency, and scalability

Unified Data Model

- Fund / security master with look-thru to portfolio companies
- Consistent identifiers
- Tagging for sector, geography, ESG

Straight-Through Processing

- Ingest PDFs (calls, distributions, NAV packs) via GenAI with validation rules
- Posting to general ledgers
- Outputs to performance engine
- Metrics for insights and analysis

Data Quality at Source

- Clear system of record per data domain
 - Deal
 - Reference
 - Accounting
 - Performance measurement

Controls

- 3-way recons: fund admins, custodians, in-house GL
- Fee / waterfall calculators with independent checks
- Valuation challenge logs
- Change management, e.g., versioning

Reporting

- ILPA (Institutional Limited Partnership Association) accelerator templates
- Custom Limited Partner dashboards
- Digitized data: drill-thru notices, supporting docs

Automation Hooks

- E-mail intakes
- FTP portals
- Rule-based classifications
- FX and tax rules engines

EXECUTIVE SUMMARY

What leading firms told us about their Private Markets challenges from the survey and interviews

WHOM WE SPOKE TO

We spoke with senior leaders from some of the most influential buy-side, sell-side, and infrastructure firms shaping private markets.



Buy-Side:
Asset Managers,
High Net Wealth



Sell-Side:
GSIBs,
Tier 1 Banks,
Tier 2 Banks



Infrastructure:
Market Data Providers,
Marketplace Processors

WHAT WE LEARNED

Their perspectives reveal where the industry feels the greatest strain, and where they see the most opportunity across **four high-level themes and patterns.**



Brute force efforts for achieving timely, high data quality.



Lack of common standards, resulting in tactical support models.



Emerging drive towards innovation and synergistic processes.



Delicate balance for realizing public markets-like transparency, efficiencies.

The following slides list the interviewees' perspectives linked to these major themes and patterns, showcasing the needs, pain points, and opportunities.

EXECUTIVE SUMMARY

Key findings from the survey and interviews within the Private Markets space...(1/3)

Linking the study’s four high-level themes and patterns to the most relevant marketplace viewpoints.

1. Brute force efforts for achieving timely, high data quality:

	Most Relevant Sub-Themes / Patterns	Rationale
Manually Intensive	Fragmented, manual data collection	<ul style="list-style-type: none"> Data is often sourced in unstructured formats, requiring manual interventions, creating latency and operational drag. Firms struggle to get basic information from fund administrators, custodians, market data vendors, and directly from the private companies themselves into systems fast enough to support valuations, portfolio monitoring, and client reporting.
	Manual, document driven workflows create errors/delays.	<ul style="list-style-type: none"> Errors stem from manual ingestion, misaligned documents, and physical or e-mail based processes that easily break. These bottlenecks slow down activities within the Private Markets lifecycle.
	Highly manual intensive workflows	<ul style="list-style-type: none"> Interviewees consistently describe private markets as greatly or exponentially people intensive. High-levels of manual document handling, interpretation, and exception processing required. Brute force is the need versus gaps in skill.
SME ¹	Heavy reliance on people and in-house expertise	<ul style="list-style-type: none"> Interviewees repeatedly compared the mature, standardized public market data infrastructures with the often bespoke, non-standard private markets processes, driving up costs, risks, and inefficiencies. Limits scalability and control as volumes and investor types expand.
	Need for specialized judgment and domain knowledge	<ul style="list-style-type: none"> Critical activities (interpreting legal clauses, suitability, classifications, and bespoke valuation inputs) require seasoned SMEs, limiting automation potential without better structure. Judgment heavy steps create bottlenecks and quality variability.
Dependencies	Heavy dependence on bilateral relationships, bespoke flows.	<ul style="list-style-type: none"> Growth has typically been supported through direct engagement with general partners, fund administrators, custodians. Use of firm specific portals and feeds rather than scalable industry rails. This fragmentation drives reconciliation work and limits scalability.
	Latency and dependency on upstream parties.	<ul style="list-style-type: none"> Bottlenecks frequently occur; firms must wait on general partners, fund administrators, or companies for valuations and supporting reference data, leading to long lags and investor reporting of 90+ days. These dependencies make change management efforts slow and cumbersome.
Completeness	Improving transparency, timing of valuations, cash flows.	<ul style="list-style-type: none"> Timely, accurate valuations and transparent cash flow details are seen as critical upgrades to support client reporting, liquidity features, and risk management. Current lags and opaqueness strain investor trust.

EXECUTIVE SUMMARY

Key findings from the survey and interviews within the Private Markets space...(2/3)

Linking the study's four high-level themes and patterns to the most relevant marketplace viewpoints.

2. Lack of Common Standards, Resulting in Tactical Support Models:

Most Relevant Sub-Themes / Patterns	Rationale
Lack of standards versus public markets.	<ul style="list-style-type: none"> Interviewees repeatedly compared the mature, standardized public market data infrastructures with the often bespoke, non-standard private markets processes, driving up cost, risk, and inefficiency. This growing gap limits scalability and control as volumes and investor types expand.
Standards and data model gaps constrain automation	<ul style="list-style-type: none"> Automation is possible; however, there are blockers due to inconsistent formats, taxonomies, and symbology. Firms see standardization as a prerequisite for meaningful process automation.
In-house and local market solutions partially fill gaps.	<ul style="list-style-type: none"> Firms rely on internal platforms or local registries and databases to compensate for market-level deficiencies, yet still face gaps in timeliness, completeness, coverage. These solutions do not eliminate the many remaining challenges with achieving high data quality at the source.
Need for data and documents standardization.	<ul style="list-style-type: none"> Desire for common formats, symbology, taxonomies, and data libraries to reduce cost, friction, and errors across private markets workflows. Standardization is viewed as foundational for scale, governance, and investor protection.
Lack of standardization increases remediation effort.	<ul style="list-style-type: none"> Lack of reasonable standards and data governance are leading to recurring issues that often require case-by-case fixes. The absence of common models makes systematic remediation difficult. Some organizations are assessing if they can play an industry role with driving standards creation.

3. Emerging drive towards innovation and synergistic processes:

Most Relevant Sub-Themes / Patterns	Rationale
Desire for centralized utilities, shared data registries.	<ul style="list-style-type: none"> Several experts advocate for central databases or utilities to house key private markets reference and company data, enabling easier investor access and more interoperable processes. These structures mirror the role of market facilitators, such as a 'DTCC'.

EXECUTIVE SUMMARY

Key findings from the survey and interviews within the Private Markets space...(3/3)

Linking the study's four high-level themes and patterns to the most relevant marketplace viewpoints.

4. Delicate balance for realizing public markets-like transparency, efficiencies:

Most Relevant Sub-Themes / Patterns	Rationale
Growing focus on liquidity and investor transparency.	<ul style="list-style-type: none">• As private markets expand and retail suitable structures emerge, firms see increasing pressure to provide more frequent valuations, better transparency, and liquidity-like features.• Current workflows and data limitations make delivering 'near liquid' experiences difficult.
Public markets processes do not transfer cleanly nor easily.	<ul style="list-style-type: none">• Attempts to leverage public markets style processes and infrastructures often break because private markets data is difficult to curate and maintain due to untimely and opaque data sources, lack of standard disclosures, and decentralized data warehouses.• These result in challenges with achieving high data quality due to many workarounds and manual interventions, including while using normalized data management systems and workflows.

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PRIVATE MARKETS STUDY:

SURVEY

PRIVATE MARKETS STUDY: SURVEY HIGHLIGHTS

What leading firms told us about Private Markets challenges in a recent survey

WHOM WE HEARD FROM

Senior leaders across buy-side, sell-side, and infrastructure firms participated in the survey held between November 24th and December 12th, 2025.



Buy-Side:
Asset Managers



Sell-Side:
GSIBs,
Tier 1 Banks,
Tier 2 Banks



Infrastructure:
Market Data Providers

WHAT THEY SAID

Below are the most relevant themes and patterns from the survey, augmenting those identified in the study's interviews.

Themes / Patterns	Score
• Private markets data needs are 'moderately' to 'greatly' growing and evolving.	3.4
• Regulation could 'greatly' drive improved private markets' data timeliness and quality.	4.0
• Fund administrators and custodians will 'greatly' become more digitized and use GenAI to advance data quality and workflow automation.	3.9

The following slide lists the average response score for each of the survey questions.

PRIVATE MARKETS STUDY: SURVEY HIGHLIGHTS

The survey highlighted relevant and adjacent insights on key trends and patterns

Scoring across the 10 questions surveyed:

Question	Average Impact Score (0 = Not Much, 5 = Exponentially)
1. How is the expansion of private markets to include retail investors and retirement plans expected to influence investment profiles, data quality, and servicing operations?	3.5
2. How much do you believe upcoming regulatory and automation developments, including AI, will improve the timeliness, completeness, and quality of private markets data over the next three years?	4.0
3. How much impact do you expect regulatory, audit, and industry pressures to have on improving the structure, traceability, and standardization of private markets data and documentation?	3.1
4. How automated are your current private markets data management processes?	2.5
5. To what extent will you be investing in automation or workflow improvements within the next 3 years?	3.6
6. How much will direct client or limited partner demand influence your transparency, reporting speed, and adoption of real-time or "look-through" data capabilities, including for shadow custody of held-away assets?	3.3
7. How are new regulations, such as the SEC's private fund adviser rules and AIFMD II, shaping your processes, including for fee, carry, and performance calculation transparency?	3.1
8. How do delays in receiving data and valuations from general partners and fund administrators affect your downstream processes and timelines with reporting and other compulsory activities?	3.6
9. How people-intensive and manual are your current private markets data management workflow processes?	3.4
10. To what extent do you expect the roles and responsibilities of custodians to change as private markets data operations become more digitized?	3.9

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PRIVATE MARKETS STUDY:

INTERVIEWS

PRIVATE MARKETS STUDY: INTERVIEWS HIGHLIGHTS...(1/2)

The Private Markets interviews identified four (4) high-level and twenty-seven (27) supporting themes and patterns

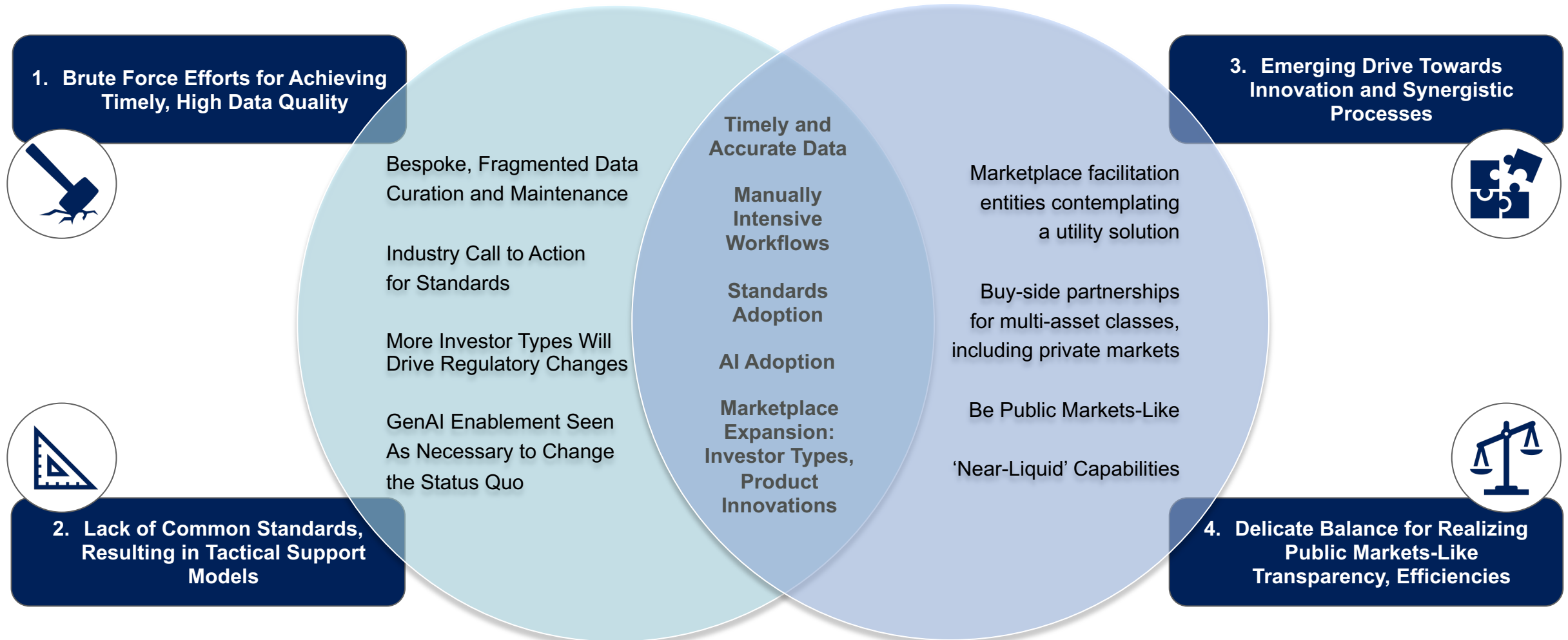
Across the twelve (12) senior leaders interviewed, we observed consistencies with the various themes and patterns. These are listed in the table below by the sequencing of questions and responses in which they came up in our interview discussions with items in bold being more qualitative, less subjective.

Prominent Themes and Patterns			
1. Brute Force Efforts for Achieving Timely, High Data Quality	2. Lack of Common Standards, Resulting in Tactical Support Models	3. Emerging Drive Towards Innovation and Synergistic Processes	4. Delicate Balance For Realizing Public Markets-Like Transparency, Efficiencies
<input type="checkbox"/> Fragmented, manual data collection	<input type="checkbox"/> Lack of standards versus public markets	<input type="checkbox"/> Desire for centralized utilities, shared data registries.	<input type="checkbox"/> Growing focus on liquidity and investor transparency
<input type="checkbox"/> Heavy reliance on people and in-house expertise	<input type="checkbox"/> Standards and data model gaps constrain automation	<input type="checkbox"/> AI is for intelligent document processing and data extraction	<input type="checkbox"/> Public markets processes do not transfer cleanly nor easily
<input type="checkbox"/> Highly manual intensive workflows	<input type="checkbox"/> In-house and local market solutions partially fill gaps	<input type="checkbox"/> AI as a force multiplier for data operations	<input type="checkbox"/> Tension of private and public markets, i.e., flexibility vs. regulatory burden
<input type="checkbox"/> Need for specialized judgement and domain knowledge	<input type="checkbox"/> Need for data and documents standardization	<input type="checkbox"/> Need for a 'human-in-the-loop' and good governance with AI	<input type="checkbox"/> 'Retailization' to trigger more rules
<input type="checkbox"/> Heavy dependence on bilateral relationships, bespoke flows	<input type="checkbox"/> Lack of standardization increases remediation effort	<input type="checkbox"/> Real-time or 'near-liquid' transactional reporting goals	<input type="checkbox"/> Convergence toward public markets-like workflows
<input type="checkbox"/> Improving transparency, timing of valuations, cash flows	<input type="checkbox"/> Regulation can be a key driver of standards, transparency	<input type="checkbox"/> Common, reusable portal or platform-based interactions	
<input type="checkbox"/> Manual, document driven workflows create errors/delays	<input type="checkbox"/> Dependence on high quality, standardized data for AI success	<input type="checkbox"/> Elevated human roles in supervised data-rich workflow	
<input type="checkbox"/> Latency and dependency on upstream parties			

PRIVATE MARKETS STUDY: INTERVIEWS HIGHLIGHTS...(2/2)

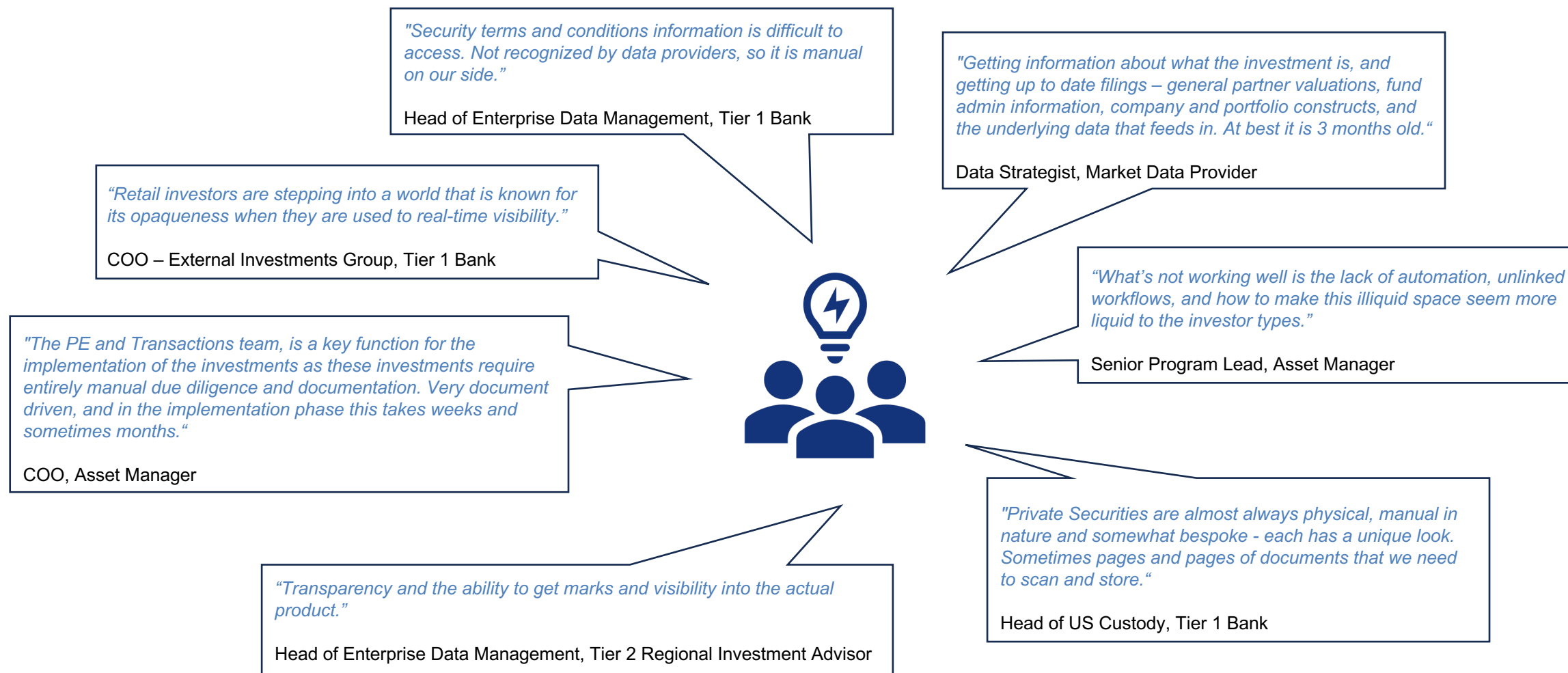
There are common sub-themes across the prominent themes and patterns drawing the marketplace's focus

The intersection of the common sub-themes in the private markets space for opportunities and challenges include the brute force efforts for achieving timely, high data quality; lack of common standards, resulting in tactical support models; emerging drive towards innovation and synergistic processes; and delicate balance for achieving public markets-like transparency, efficiencies. These resonated often across multiple interviewees.



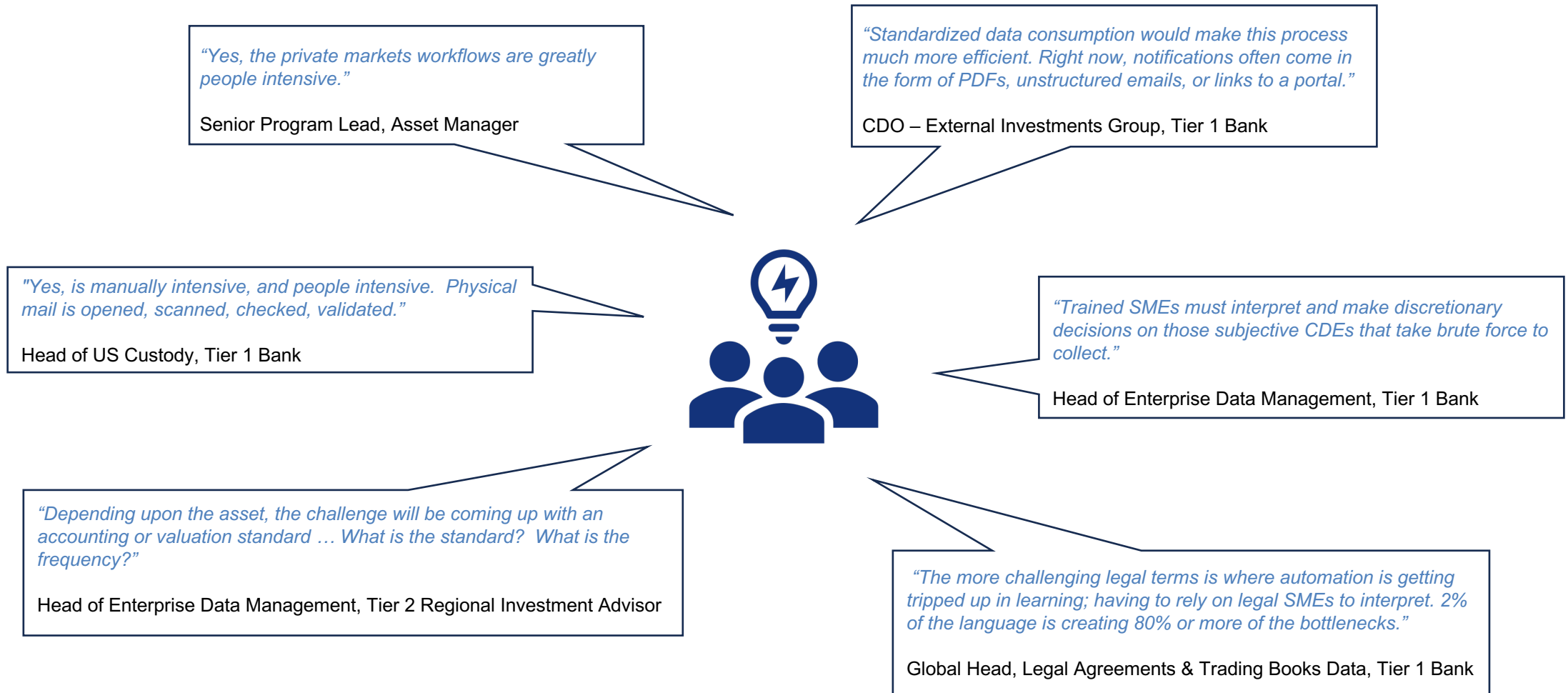
RELEVANT VIEWPOINTS BY QUESTION

Question 1: What are the key functions associated with supporting private markets and can you comment on what's working well and not working well?



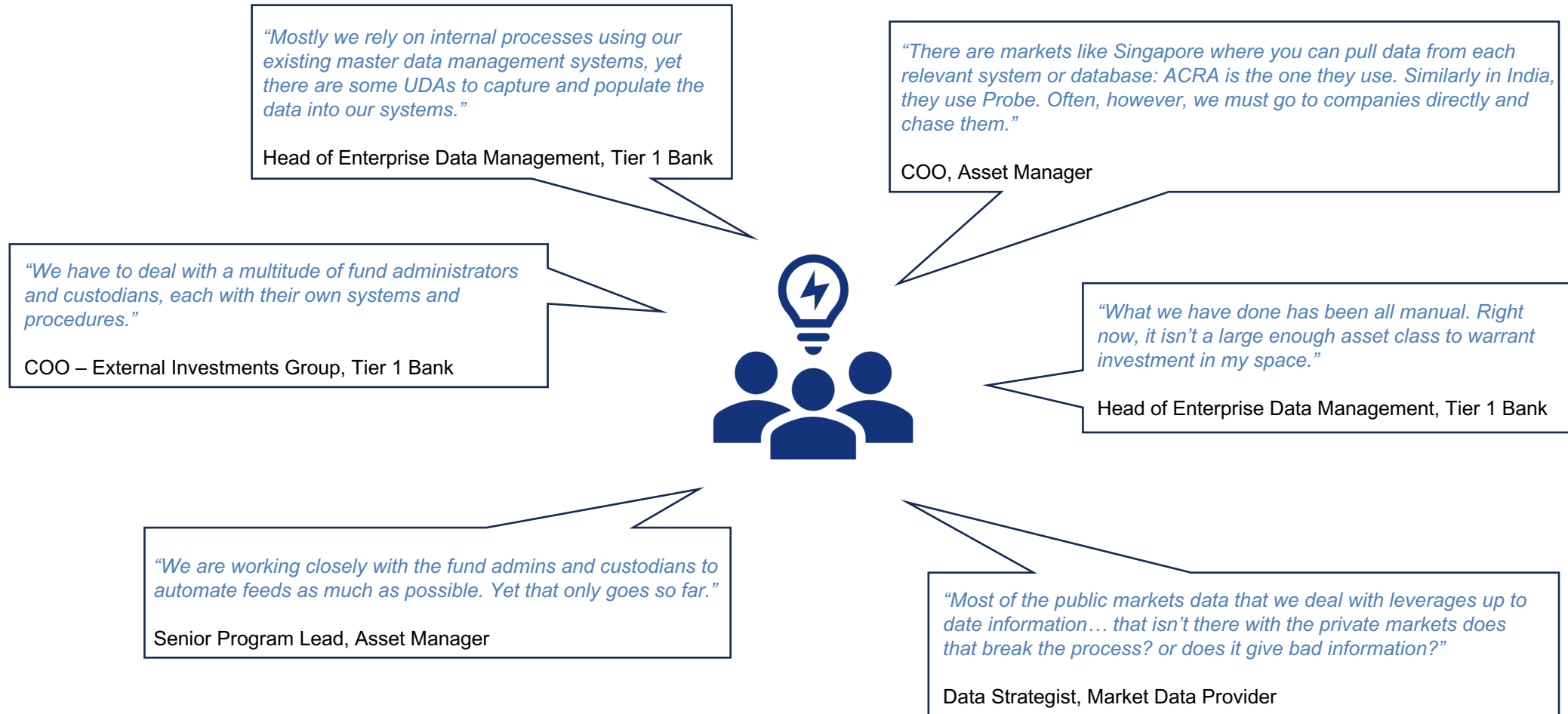
RELEVANT VIEWPOINTS BY QUESTION

Question 2: We recently conducted a survey that indicated private market processes are greatly people intensive. In your opinion, is this true, and, if so, what are the most challenging skill gaps? Also, what manually intensive processes should be improved or automated now?



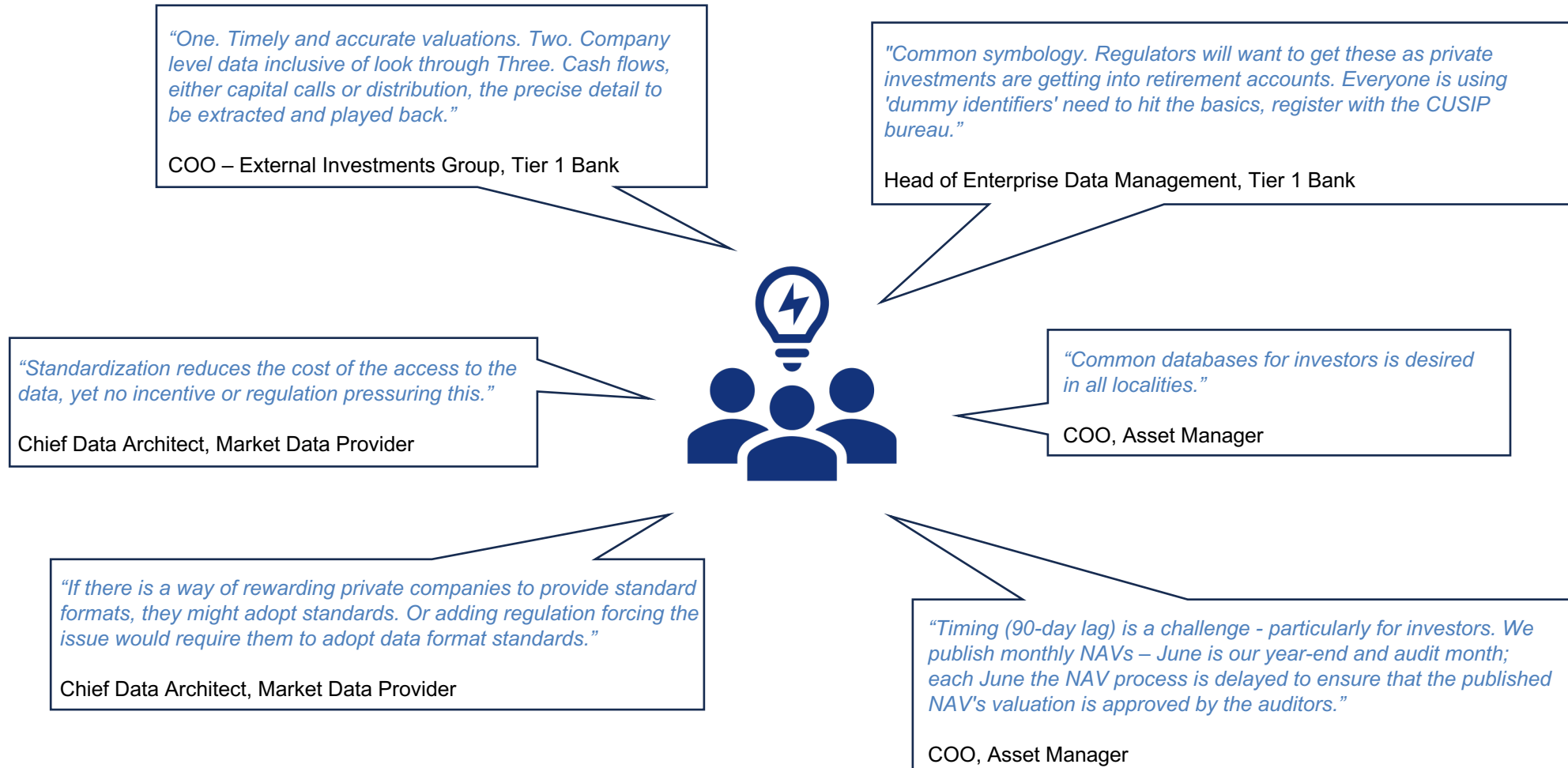
RELEVANT VIEWPOINTS BY QUESTION

Question 3: As your private markets activities have grown, where has it worked or not worked to leverage existing firm or market-available processes?



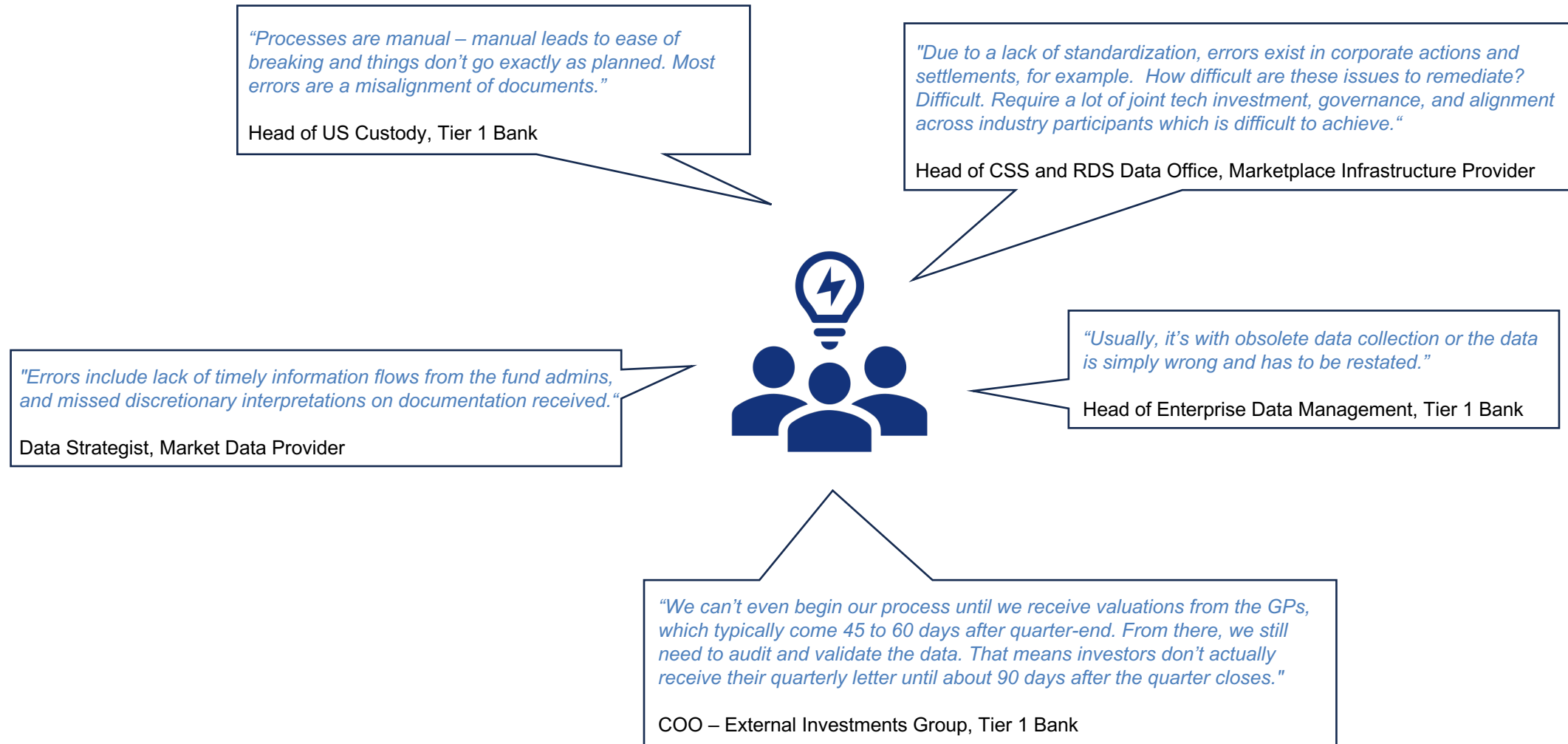
RELEVANT VIEWPOINTS BY QUESTION

Question 4: What are the top three (3) changes needed to improve private markets documents or data management capabilities and outcomes?



RELEVANT VIEWPOINTS BY QUESTION

Question 5: What errors, issues, or bottlenecks do you experience within your private markets processes? How difficult are these to remediate?



RELEVANT VIEWPOINTS BY QUESTION

Question 6: How do you see regulation, such as the SEC's private fund advisor rule and AIFMD II, impacting the ways in which you support and service the private markets space?



RELEVANT THEMES AND PATTERNS BY QUESTION

Question 7: Do you envision technology, including AI, playing a major role in improving private markets data quality? How?

"Not sure AI will have a huge role to play here since it is a super unstructured environment and don't want hallucinations. Getting it 'wrong' can be costly."

Global Head, Legal Agreements & Trading Books Data, Tier 1 Bank

"Biggest one for me is intelligent document processing. Leveraging AI to go from unstructured to structured and create automation is the 'lowest-hanging-fruit' for sure."

Head of CSS and RDS Data Office, Marketplace Infrastructure Provider

"AI can assist by translating documents once it is taught what to look for and how to find it. Reviewing large documents is time-consuming. If we can teach the AI to read and get the required values, that would help."

Head of US Custody, Tier 1 Bank

"GenAI could create a workforce of digital workers that could focus on acquiring and ensuring the quality of the data; in the past that would have been handled manually with SMEs."

Chief Data Architect, Market Data Provider

"Right now, we have to do a ton of trusting and verifying."

Senior Program Lead, Asset Manager

"Human supervised workflows is where the opportunity exists."

Global Head, Legal Agreements & Trading Books Data, Tier 1 Bank

"I always worry about AI, as it makes people think that they 'know stuff' when it may be inaccurate depending on data quality and how the LLM was trained."

Data Strategist, Market Data Provider

"Even basic AI capabilities, such as information extraction and automated workflows, can streamline processes and reduce inefficiencies."

COO – External Investments Group, Tier 1 Bank



RELEVANT VIEWPOINTS BY QUESTION

Question 8: What does a reasonable private markets workflow look like in the future state? What is the impact on data curation and maintenance?



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