

# Closing the AI Innovation Gap

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*Key learnings from PEI Women in Private Markets  
– and the signals shaping the industry's adoption  
of AI in 2026*



# Foreword

*By Liz Gaffney*

Every investment manager I speak with — from the world’s largest, most sophisticated asset managers to mid-market and emerging firms — is actively exploring how to take advantage of AI in their organization. Most have established Steering Committees; many are running early pilots. They all agree on one thing: the sheer volume of options is evolving at a pace the industry wasn’t operationally ready for. As a result, many are waiting for clearer best practices to emerge before making meaningful commitments.

At the PEI Women in Private Markets event this month, I listened to leaders discuss more than models, algorithms, or tools. They focused on trust, judgment, stewardship, governance, the value of relationships and accountability — the fundamentals that make any transformation, AI or otherwise, meaningful.

As we move into 2026, these themes matter more than ever because they reveal a truth we often overlook: AI will only succeed in private markets if it’s built on the same principles that underpin great investing, at the core of which is human judgment.

In this whitepaper, we explore key learnings from the conference that shed light on how investment managers are navigating decision-making during this unprecedented time.

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**Liz Gaffney**  
Managing Director, Global Head  
of Business Development



# We Don't Need More Options, We Need Courage to Experiment

## Conversations Centered on Change: Receptiveness and Adaptability

Whether discussing shifting investor expectations or recent volatility within the market, conversations kept returning to the undeniable reality that the industry is being inundated with the need to change. For a manager to retain competitive advantage, they must be willing to adapt to change. Several themes stood out:

### 1. The Client Lens

Listening to LPs has never been more critical. Especially with the emergence of private wealth and retail distribution channels, demand for evergreen and semi-liquid fund structures, increased appetite for exposure to credit and infrastructure — a manager must listen to learn what the market is asking for. AI can't replace human connection. AI frees us up to spend more time connecting with one another.

### 2. Data Stewardship

Every panelist acknowledged that poor data doesn't get better just because AI touches it. Cleansing, governance, aligned parameters — these are not technical chores; they are strategic foundations. Managers who are thinking about the quality of their data now are setting themselves up to win the AI race.

### 3. The Human Side of Change

We heard thoughtful reflections on upskilling, incentives, and the critical role of psychological safety in transformation. Innovation is fundamentally relational. In an industry where judgment is everything, people need to feel supported — not replaced — as new technologies reshape their workflows. It takes courage to explore new ways of working, and that courage is unlocked when trust, clarity, and human judgment remain at the center.

#### *What we're hearing:*

*"Adoption is the real challenge"    "We're experimenting... but nothing scales"*

*"Change is happening faster than the organization can absorb"    "People don't trust AI yet"*

*"Data exists, but we can't use it"*



# Real Change Starts With Trust, Not Technology

## The Innovation Gap: Three Points of Friction Holding Firms Back

The same patterns emerge in conversation with managers globally: ambition is high, but deliverable impact is slow and unproven. In many cases, the barriers are not technical — they're cultural and organizational.

### 1. The Strategy Gap

Early indicators are showing that meaningful innovation begins with clarity of *purpose*. The more defined a firm's pain points or critical requirements, the quicker the AI solution will emerge and ROI achieved. Until firms link AI directly to commercial outcomes — accelerated capital raised and deployed, tighter risk modeling and conviction analyses, white glove investor servicing that converts — they will continue to hesitate taking the leap beyond pilot-mode.

### 2. The Execution Gap

Many AI initiatives begin as exploratory efforts within IT or data teams. These efforts often lead to isolated pilots that lack broader organizational engagement or proper testing. The challenge is compounded for firms operating without a single source of truth, with years of messy data and disjointed workflows. Successfully capitalizing on AI requires accurate, well-governed data sources.

The need to invest in data readiness is undeniable — those who are putting the resourcing, commercial investment and prioritization behind getting their data to a good state are setting themselves up for long-term success. AI requires *shared language, shared systems, and shared ownership*. Without proper cross-functional alignment, even the most powerful AI capabilities will land on shaky ground.

### 3. The People Gap

Historically, scaling required increased headcount, while modernization of technology and systems lagged behind. The result is an industry full of exceptionally talented professionals stretched thin by day-to-day demands. When new technology implementations are layered on, the perceived risk to business-as-usual intensifies. Innovation, as a result, is often viewed not as an enabler — but as additional work few have the capacity or appetite to absorb.

AI has the potential to shift this perception. In practice, it serves as an accelerator for the most mundane, time-consuming tasks — unlocking capacity and enabling adoption. Yet mistrust remains. AI is still viewed as too new and unproven to be widely embraced in an industry built on critical, confidential information without clear guardrails. For innovation to truly take hold, people and technology must move forward as partners.



## From Panel Themes to AI Principles for 2026

The insights from the PEI Women in Private Markets summit translate directly into a set of guiding principles for firms shaping their AI strategy over the next 18–24 months:

### 1. Client Trust is Always Paramount

AI must reinforce trust through greater transparency and more timely, personalized interactions. The most effective tools will amplify human connection rather than attempting to automate it away.

### 2. Build on Data You Can Defend

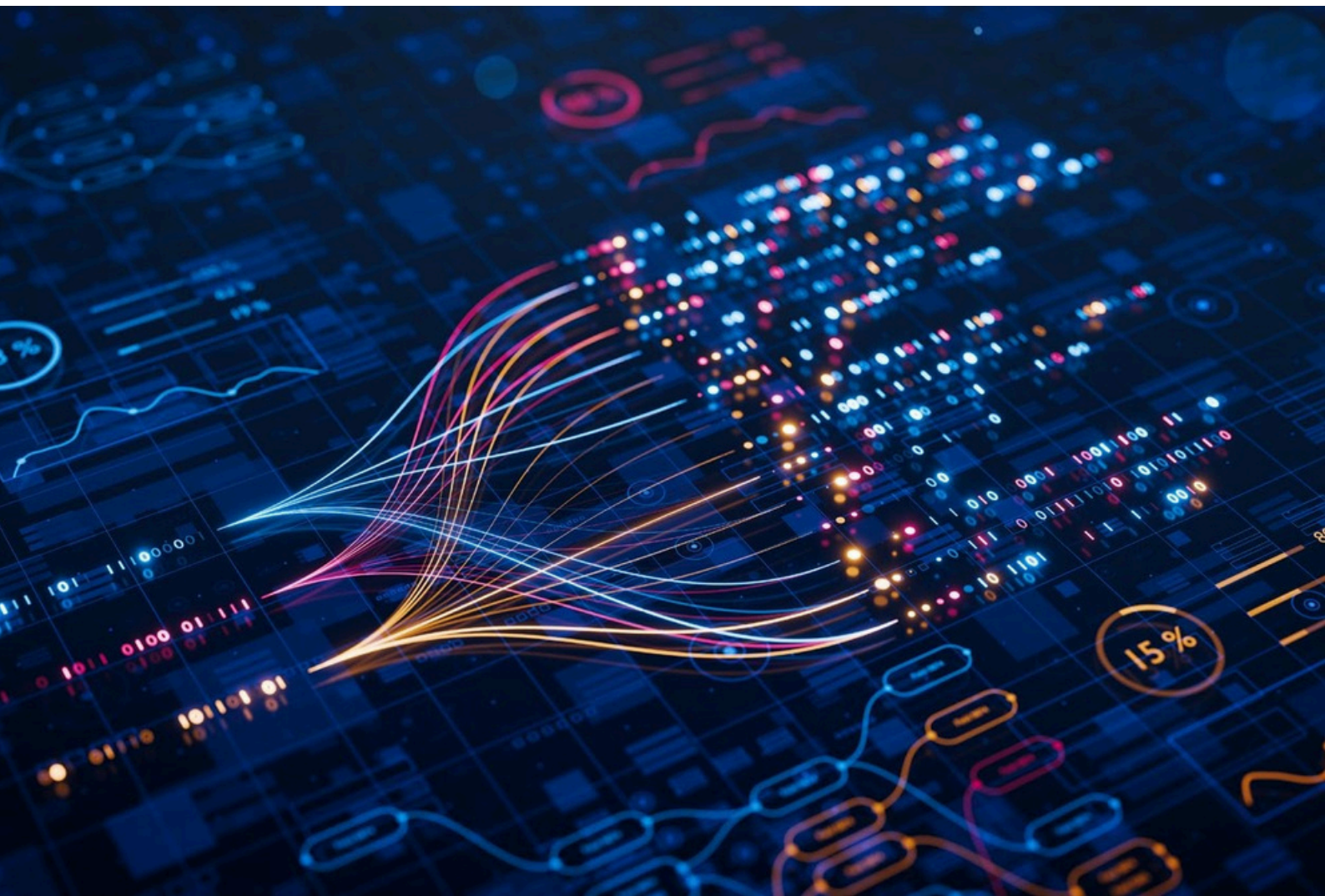
Data quality, auditability and governance are foundational. While AI requires experimentation, leading teams embed oversight into their processes to identify, flag, and resolve data challenges at the source. This discipline strengthens data quality up front and reduces the need for costly remediation later.

### 3. Design for Accelerated Decision-Making

The most effective AI will fit seamlessly into existing decision flows — from deal evaluation to portfolio management and LP engagement. Tools that don't shape outcomes or influence judgment will fail to deliver meaningful impact.

### 4. Elevate Diverse Perspectives

The diversity of backgrounds, expertise, and lived experience across this industry underscores a crucial point: innovation thrives when multiple viewpoints shape the solution. Copy-and-paste adoption rarely works in private markets. Firms need AI that reflects their unique investment philosophy and operational reality.





# From IR to Investment Committees: Proof That AI Can Deliver Real Value

## Learnings from the Earliest Adopters & What “Good” Looks Like in Practice

We’re already seeing glimpses of what a maturing, well-integrated approach to AI looks like across the private markets front office:

### Fundraising Teams

Early adopters are leveraging AI to anticipate LP behavior and investment preferences, tailor engagement, and refine targeting by blending internal and external data with relationship signals—moving beyond gut feel alone. This doesn’t replace the intuition of seasoned fundraisers, it sharpens it and hones their focus.

### Investment Teams

AI is surfacing adjacencies, benchmarking portfolio performance, and illuminating white space through real-time signals that would previously require weeks of manual analysis. Deal teams don’t want more dashboards — they want opportunity generation and context. The strongest AI capabilities deliver both, reducing the risk of missed or overlooked deals.

### Executive Leadership Driving Firm Strategy

AI enables firm leadership to gain a 360-degree view of LPs, portfolio companies, sponsors, bankers, investments, and partners in seconds. Historical trends and real-time signals surface instantly, allowing leaders to focus on what humans do best: evaluating context and exercising judgment. These insights become foundational inputs for shaping the next chapter of a firm’s strategic direction.

### Investor Relations

LPs increasingly demand greater transparency, richer reporting, and real-time answers—with little tolerance for slow responses. AI-enabled IR teams can anticipate needs, respond faster, and maintain a consistent narrative, delivering white-glove service at scale. The result isn’t automation, but enhanced stewardship.

Across each of these examples, one theme is constant: AI succeeds when it is seamlessly embedded into *how and where* people work.





## Conclusion: Innovation Rooted in Stewardship

What I took away from the PEI panel — and what I see reflected daily in my conversations with leaders across private markets — is this:

**AI will not change private markets unless we change how we approach innovation itself.**

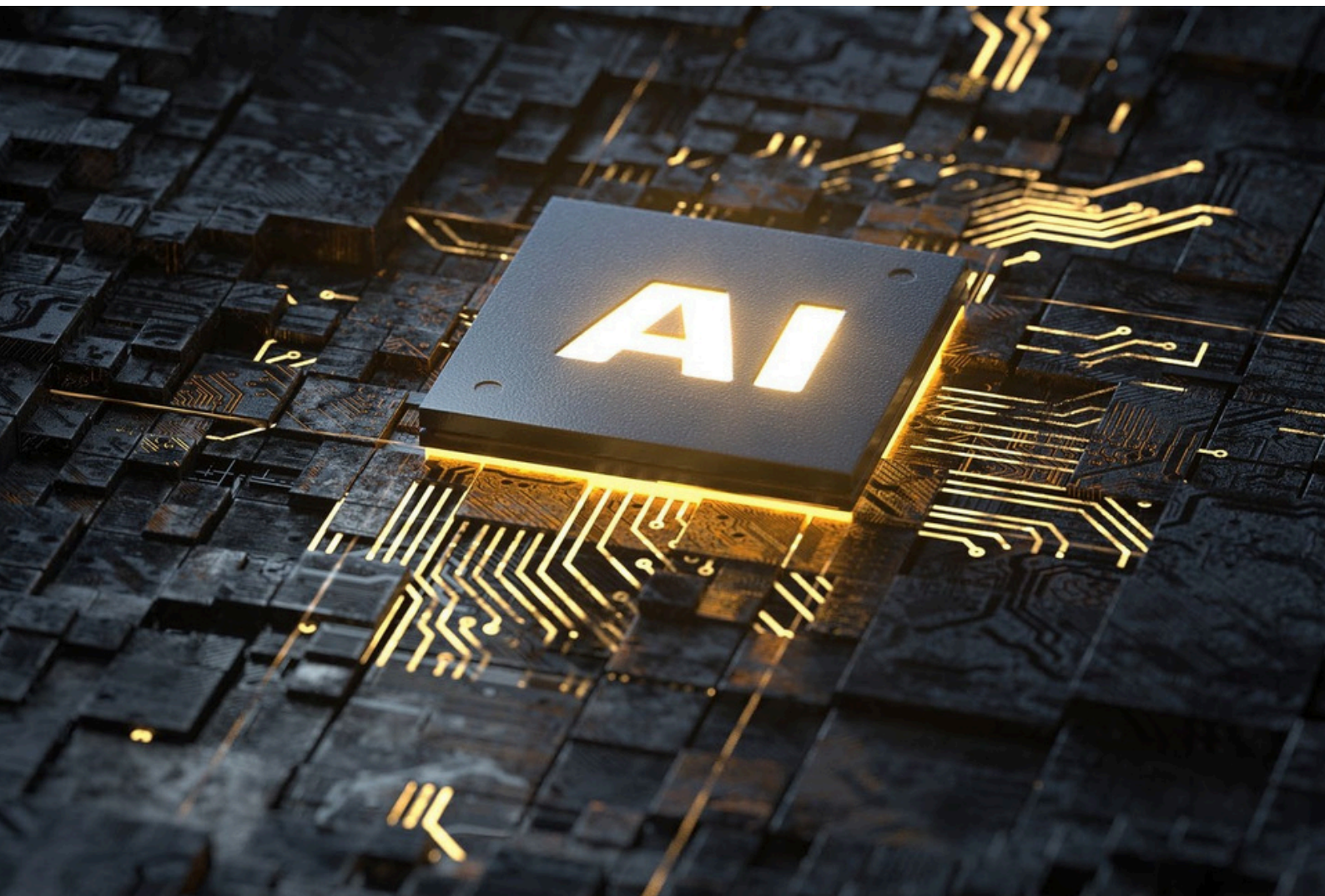
These discussions were powerful reminders that transformation is not a purely technical exercise. It is one of judgment, discipline, responsibility and trust and it demands rigor at every step.

As we move into 2026, the firms that pull ahead will be those that embrace AI as an opportunity to augment and accelerate value creation — for their businesses, their clients and their people.

At InvestorFlow, our AI innovation thesis centers on meeting firms where and how they work. We continue to partner closely with our clients to move beyond experimentation and deliver durable, defensible, enduring business impact.



*Liz Gaffney*



# About InvestorFlow

InvestorFlow is an AI-powered front-office suite designed specifically for fundraising, deal team, and client services professionals in the private markets. With more than a decade of experience serving IR teams, InvestorFlow understands the unique challenges and opportunities facing investor relations professionals and delivers purpose-built solutions that drive fundraising success and investor satisfaction.

For more information about how AI can transform your investor relations operations, contact InvestorFlow at [marketing@investorflow.com](mailto:marketing@investorflow.com)

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