

2026 Asset Management Industry Predictions



The asset management industry is facing massive opportunities and competitive pressures in 2026, driven by more regulatory clarity, technological innovation, and shifting investor priorities. Asset managers should expect to see more [**digital assets**](#) entering the mainstream, decision making powered by artificial intelligence (AI), and the democratization of alternative investments. In addition, private equity (PE) is increasing its investment in asset management and offering both opportunities and challenges as managers compete to be trusted advisors for new capital.

Here are BDO's **six asset management industry predictions** for the new year. ►



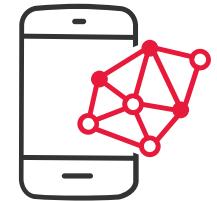
Digital Assets Take Center Stage

Positive regulatory sentiment will accelerate digital asset adoption in 2026, with legislation like the GENIUS Act and Digital Asset Market Clarity Act offering much needed rules of the road for a nascent asset class. After years of regulatory uncertainty, clearer guidance from the Securities and Exchange Commission (SEC) and other agencies are giving asset managers the confidence to integrate digital assets into their portfolios and operations, as well as reach new classes of investors. Thanks to digital currencies, asset managers can make use of secure digital wallets and access to credit, savings, financial services, and products without relying on traditional banking infrastructure.

Expect to see more managers launching dedicated digital asset funds, incorporating cryptocurrency allocations into diversified portfolios, and exploring blockchain-based settlement systems.

With that, digital assets bring significant infrastructure requirements, including robust custody solutions and compliant accounting systems. Tax treatment and reporting demands could also present additional challenges as the Internal Revenue Service (IRS) works to keep pace with market innovation. The IRS may even need to fill gaps within their own knowledge of a rapidly evolving asset class.

In the coming year, firms that establish digital asset capabilities will position themselves to capitalize on growing investor interest. Those that delay risk losing clients to competitors who can offer comprehensive digital asset solutions alongside traditional investment products.



The SEC's fast-moving approvals of digital assets are creating regulatory momentum that is prompting the Federal Trade Commission (FTC) and IRS to expedite their own standards. This flux adds complexity for asset managers with international operations that must navigate both U.S. regulatory developments and Organization for Economic Co-operation and Development (OECD) frameworks that govern cross-border digital asset activities.

Tokenization Accelerates, Powered by Stablecoins

In 2026, tokenization will accelerate as the convergence between blockchain technology and cryptocurrency creates new efficiencies for traditionally illiquid assets. Asset managers will discover that tokenizing securities, real estate, fund shares, and alternative investments can open new paths to liquidity for a variety of assets. Fractional ownership and 24/7 trading capabilities will also open doors to new investor classes.

Stablecoins will catalyze this tokenization wave, providing a reliable, programmable currency layer that enables smart contracts to execute transactions on the blockchain. When fund administration, subscription processing, and redemption workflows are built on smart contracts, stablecoins can facilitate the actual value transfer — eliminating the friction of traditional payment rails and contributing to the liquidity that makes tokenized assets functional and tradable.

However, significant hurdles will remain. Regulatory frameworks around custody of tokenized assets are still evolving and will require asset managers to navigate complex questions about how digital securities are held and protected.

Integration with traditional markets presents another challenge, as tokenized assets need to interact seamlessly with conventional banking systems and custodians. Asset management firms will need to seek out banking partners capable of handling tokenized transactions and fund administrators who can build operations on smart contract infrastructure.

Asset managers who can navigate the regulatory complexity and build the necessary infrastructure partnerships will lead the tokenization transformation, gaining access to new investors and capital in the process.



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AI Steps into the Front Office

AI adoption in asset management is moving beyond back-office efficiency gains and beginning to transform front-office functions, including market research, trend analysis, client risk profiling, and portfolio recommendations. Asset managers are also increasingly deploying AI-powered predictive modeling for investment opportunities and due diligence processes.

While these capabilities enable investment professionals to process a vast amount of information and identify patterns that human analysis alone might miss, many firms lack the data governance frameworks to support sophisticated applications. To adopt these more advanced use cases, we expect to see more asset managers looking to the market and making substantial investments in data infrastructure, model validation processes, and specialized talent recruitment and training.

Additionally, measuring return on investment (ROI) on front-office AI requires a different framework than traditional technology investments. In 2026, asset managers will need to focus on new business win rates, time-to-insight on investment opportunities, and client retention improvements to demonstrate the success of their AI implementations. The most sophisticated firms are establishing baseline performance metrics before deployment and building attribution models that can isolate AI's contribution to investment outcomes and client satisfaction.

Successful AI integration in front-office operations will not only yield faster insights and more personalized client experiences but also help asset managers reimagine how they make investment decisions.



Alternative Assets Achieve New Prominence with Retail Investors — But Education Remains a Challenge

Alternative investments will see their popularity with retail investors increase sharply in 2026, as technological innovations like cryptocurrencies offer new paths to participation. Exchange-traded funds (ETFs) and other assets are granting these investors new access to private equity, real estate, and other alternative investment strategies that were once exclusive to institutional and high-net-worth portfolios.

But democratizing access to alternative assets is only half the battle, with education remaining a pressing challenge. Retail investors face a steep learning curve around asset classes that operate differently from public markets, including how these assets generate returns and how and when investors can access their capital.

Liquidity represents the most significant education gap. Unlike stocks or bonds that can be sold in seconds, alternatives often lock up capital for years with limited secondary market options. Asset managers must be transparent about liquidity constraints and the mechanisms available for exiting positions, ensuring their clients understand concepts like tender offers, interval fund structures, or emerging secondary markets.

As many retail investors are accustomed to daily pricing and instant liquidity, alternatives require a fundamentally different mindset around portfolio construction and time horizons. Asset managers will need to provide clear, accessible resources that explain valuation methodologies, fee structures, risk profiles, and performance benchmarks for alternative assets.

With retail investors representing trillions in untapped capital seeking portfolio diversification beyond traditional stocks and bonds, asset managers will ultimately need to position themselves as trusted educators to capture market share in this expanding segment.



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Liquidity Challenges Continue to Muddy the Path Forward for Subsequent Funds

Asset managers with alternative investment platforms will enter 2026 with a pronounced need to deliver liquidity to investors after years of limited exit opportunities. Funds that raised significant capital during the 2020-2021 boom now hold aging portfolios with few realized returns, intensifying pressures to demonstrate that alternative strategies can return, and not just accumulate, capital.

But the initial public offering (IPO) window is finally showing signs of reopening, with 201 companies having gone public by mid-2025, compared to 225 in all of 2024. The first quarter of 2026 will emerge as a common target for liquidity events as firms seek to build on growing dealmaking momentum and generate the distributions that will unlock their next fundraising cycle.

This ensuing crunch is already forcing asset managers to innovate around capital recycling. Continuation vehicles and secondary market solutions are becoming standard tools, allowing managers to create liquidity for some investors while offering reinvestment opportunities to others.

Asset managers who can execute timely exits, communicate transparently about distribution timelines and liquidity mechanisms, and offer flexible reinvestment options will crystallize investor confidence throughout 2026. Those who miss this liquidity window risk losing credibility in a market where alternatives are ready to go mainstream.



Asset Management Firms Draw Increased PE Investment

Asset management firms are poised to attract accelerating PE investment in 2026, as funds recognize the attractive characteristics of the sector: recurring revenue models, scalable operations, and strong cash flow generation.

Through PE capital, portfolio managers can gain access to valuable operational experience and technological capabilities that accelerate growth. We expect to see portfolio companies leverage these benefits to level up their businesses, expanding distribution channels, and pursuing strategic acquisitions that would have been difficult to execute independently.

But to attract investor interest, PE targets will need to demonstrate differentiated investment strategies, scalable operating models, strong client retention metrics, and management teams capable of executing growth plans. In practice, firms should focus on essential due diligence preparations: cleaning up their financial reporting, documenting investment processes, and articulating a business story that features clear growth strategies.



58%

According to BDO's [2025 Private Equity Survey](#), 58% of PE firms are prioritizing revenue growth to help boost their portfolio companies' valuations to better position them for exits in 2026.

Are You Ready for the Year Ahead?

Even the most diligent organizations can't predict every shift in industry and market trends. The key to success lies in building resilience and agility, enabling your business to adapt to unexpected changes with confidence. Explore our curated resources to learn how strategic resilience can position you for a successful year.



An Agile Framework for Navigating Economic Shifts



Activate Resilience in Your Organization



How AI Drives Strategic Resilience and Business ROI



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