

GPs Look for Help Navigating GenAI Boom



In association with



Generative AI and GPs: New possibilities for a new era

Dasseti is pleased to collaborate with Alternatives Watch again, on this pivotal research paper examining General Partners' adoption of generative AI (GenAI). The insights uncovered are a good reflection of the views of the alternative investment sector in the investment industry as they navigate the integration of generative AI into their operations.

At Dasseti, our goal is to equip investment professionals with tools that enhance efficiency and support better decision-making. This includes a number of transformational AI enhancements across our platforms, COLLECT, ESG and ENGAGE. Our software automates critical functions like data collection, reporting, and compliance, directly addressing the needs and challenges outlined in this report. By offering solutions that streamline existing workflows, we help GPs mitigate concerns around data accuracy, security, and operational reliability, all key areas highlighted in the research findings.

This collaboration with Alternatives Watch underscores our commitment to practical, reliable AI applications for the investment sector. As GPs and managers increasingly adopt GenAI, Dasseti can provide technology that not only meets today's needs but also positions them well for future demands.

Thank you for engaging with this research. We trust you'll find it valuable as you assess the role of AI in your own operations.



Wissem Souissi
CEO & Founder, Dasseti

CONTENTS

5

Key Takeaways

6

Methodology

6

Who we surveyed

7

Current and near-future GenAI adoption

8

Expected Impact

9

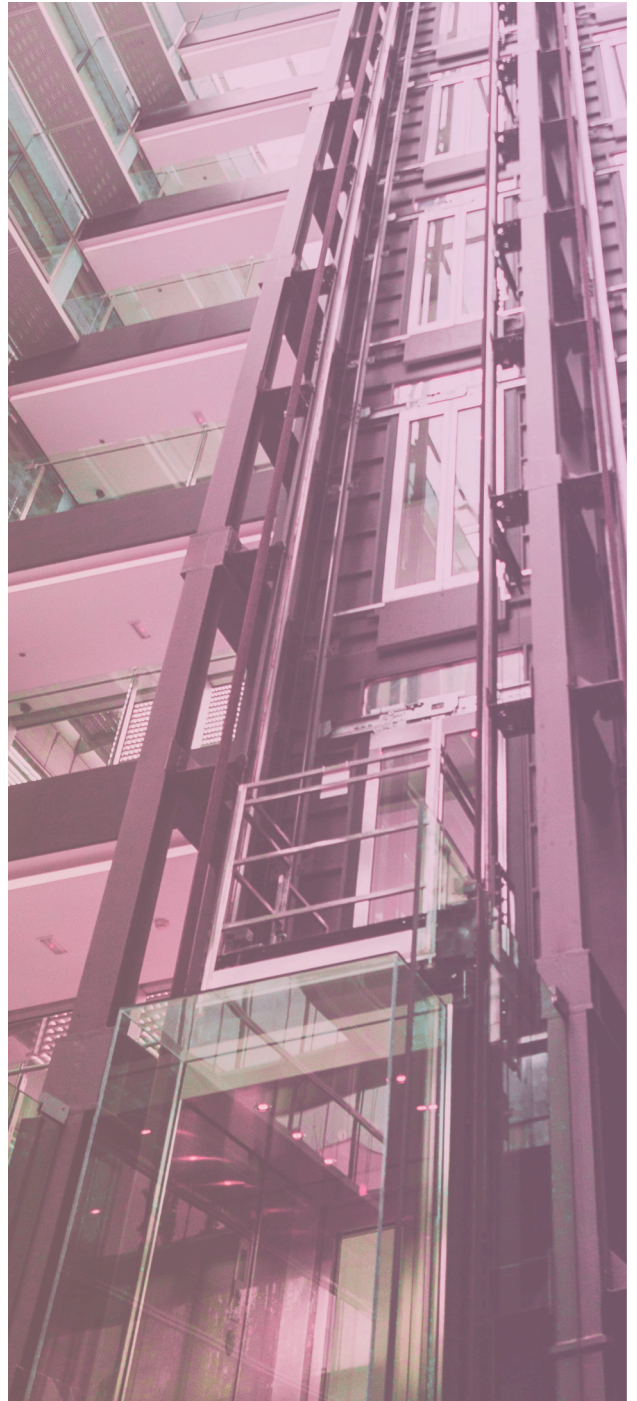
Fallout and Concerns

10

Overcoming Barriers to GenAI Adoption

11

Conclusion





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Introduction

This November will mark two years since the public rollout of ChatGPT changed the global conversation on artificial intelligence. The science fiction-driven concept of AI as independent, human-like entities is still around -- but now more often than not the conversation centers on Generative AI (GenAI) as an emerging technology powering collaborative tools designed to enhance human creativity and productivity.

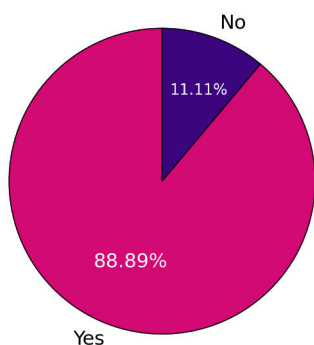
And just as the leading consumer technology giants of our era have rushed to incorporate GenAI into the devices and applications we use on a daily basis, established service providers across all industries have added GenAI to their offerings in an effort to protect their turf from startups flush with billions in private capital funding to fuel their ambitions.

But while we know investment managers see enormous potential to profit from adoption of GenAI in the enterprise, the degree to which they intend to use GenAI in their own work is an open question. That's why the Dasseti software platform partnered with news and research provider Alternatives Watch (AW) to seek answers.

Key Takeaways

89% of GPs surveyed have used GenAI tools such as ChatGPT, Gemini or Co-Pilot in their work over the past year.

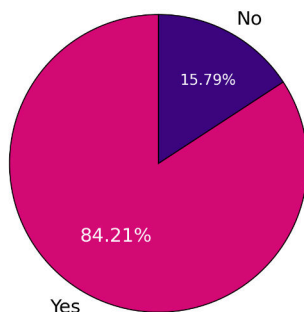
Use of Generative AI in the past year



- *68% plan to apply GenAI in investor reporting over the next 12 months*
- *83% indicated that industry-specific case studies would help them use GenAI more effectively*
- *42% ranked investment processes as the area where they expect GenAI to be most useful*
- *Only 16% cited cost as a concern for GenAI adoption*

84% of GPs surveyed plan to use such tools in the next 12 months

Plan to use Generative AI tools in the next 12 months



Methodology

Our research focused on General Partners (GPs). Alternatives Watch and Dasseti invited GPs to take a survey embedded in the AW website, powered by a well-known software-as-a-service platform. The survey included multiple choice, ranked choice and slider scale questions.

“GPs expect GenAI to have a significant impact on the asset management industry...but they feel there is a significant knowledge gap hindering effective adoption of the technology.”

While some of the questions focused on GPs’ current experience with GenAI, the survey was mostly forward-looking. The goal was to learn what GPs expect from GenAI and what they believe is necessary to help them achieve their aims.

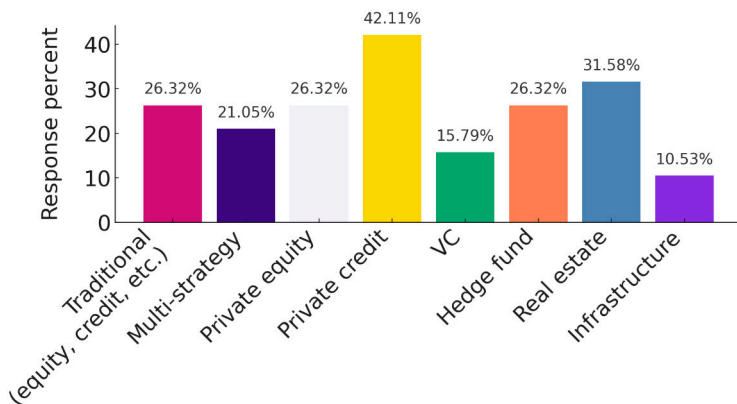
Our findings reveal that GPs expect GenAI to have a significant impact on the asset management industry across areas including investor relations, fund accounting and portfolio management, but they feel there is a significant knowledge gap hindering effective adoption of the technology.

Who we surveyed

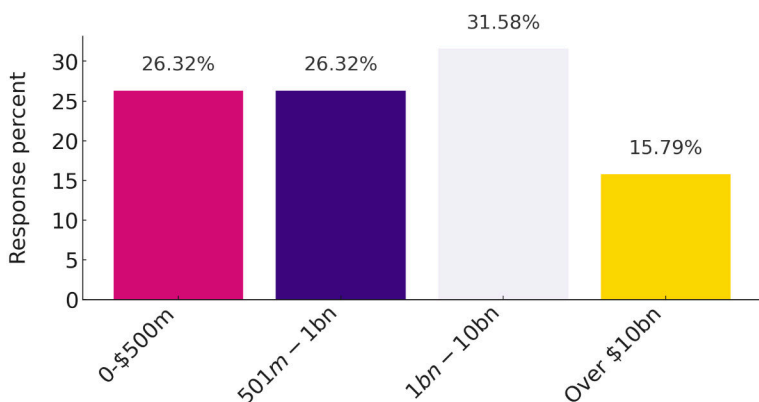
Investor relations/business development professionals were the most represented group among respondents, comprising 37% of participants. Roughly 26% held investment/research roles at their investment management firms, while 11% identified themselves as CEOs.

A wide range of strategies were represented. Private credit firms made up 42% of respondents, while 32% were in real estate and another 26% offer private equity and multi-strategy products.

Strategies/asset classes offered to investors



Asset range distribution



In terms of assets under management, 32% of respondents indicated their firm manages between \$1 billion to \$10 billion in assets, while 26% manage less than \$500 million. On the higher end of the scale, 16% said their firm manages over \$10 billion. [insert Question 3 chart]

Current and near-future GenAI adoption

Our survey reveals a robust trend of GenAI adoption among GPs, with strong indications of continued growth: 89% of respondents reported using GenAI tools in their work over the past 12 months, and 84% plan to use GenAI over the next 12 months. This minor decrease could indicate that a small subset of users who experimented with the technology were either displeased with the results or have not yet found a sustainable use case.

Additionally, 52.63% of respondents said their service providers use GenAI in their solutions, while 47.37% were unsure whether their service providers use GenAI.

The combination of high current usage, strong future intent and significant service provider adoption suggests that GenAI is poised for continued growth in the industry. However, these findings also highlight the need for better communication between service providers and their clients about AI capabilities.

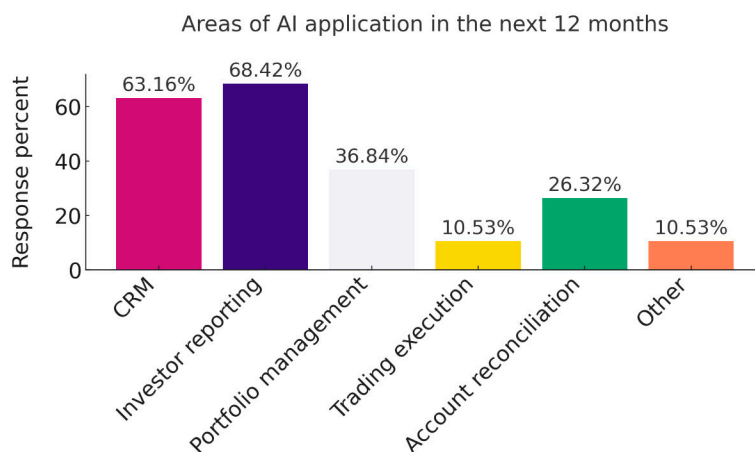
Our survey asked GPs to identify the areas where they plan to apply GenAI-enabled technology tools in the coming year. The responses reveal diverse application plans across various business functions.

The high percentages for investor reporting (69%) and CRM (63%) indicate that GPs are prioritizing the use of AI to enhance client relationships and communication, while the significant interest in applying AI to Portfolio Management (37%) suggests that GPs are looking to leverage AI to improve their investment strategies and decision-making processes.

On the flipside, the relatively low percentage for trading execution (11%) might suggest a more cautious approach to implementing AI in areas that directly impact investment transactions.

In the “other” category, respondents mentioned back office functions, which indicates a focus on improving operational efficiency and accuracy, as well as marketing.

These findings highlight the multi-faceted approach GPs are taking to AI adoption, with a clear emphasis on enhancing client relationships and core business functions. The varied adoption rates across different areas also suggest that the industry is still in the early stages of exploring AI's full potential



Expected Impact

Our survey asked participants to rank how impactful they think GenAI will be in the alternative asset management space over the next 5 years. On a scale of 1-10, the average response was 7.21, indicating a strong belief in the transformative potential of AI technology within the industry. This high rating suggests that GPs anticipate significant changes and opportunities arising from AI adoption in the near future.

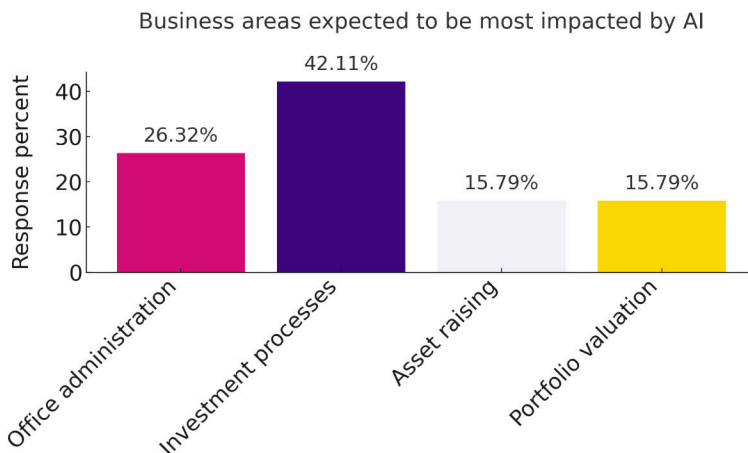
Impact of Generative AI Tools



Nearly two-thirds of respondents (63.16%) also said they expect GenAI to impact staff hiring.

Our survey asked GPs to rank from 1 through 4 which of these areas of their business they expect GenAI to be the most useful: Office administration, investment processes, asset raising and portfolio valuation.

The high ranking of investment processes (42%) suggests that GPs see significant potential for AI to enhance their core business activities. This could include areas such as data analysis, risk assessment, and market trend identification. The emphasis on investment processes indicates that GPs are looking to AI not just for operational efficiencies, but for strategic advantages in their investment decision-making.



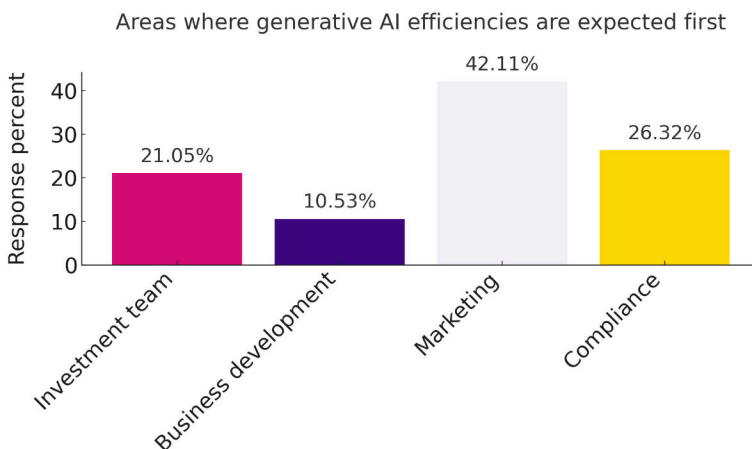
Additionally, the strong showing for office administration (26%) highlights the recognition of AI's potential to streamline back-office operations.

On the flipside, the lower ranking of asset raising and portfolio valuation (both at 16%) suggests that GPs may see these areas as either more challenging for AI integration or as areas where human expertise and relationships still hold paramount importance.

While GPs see potential for GenAI across various business functions, our survey also sought to understand where they expect to see the most immediate impact.

The high percentage of respondents expecting GenAI to impact marketing first (42%) suggests that GPs see immediate potential in using AI to enhance their communication strategies, personalize investor outreach, and potentially automate aspects of reporting and content creation. The significant number of GPs anticipating early impact in compliance (26%) highlights the growing recognition of AI's potential to navigate the complex and ever-changing regulatory landscape.

The distribution of responses across different areas indicates that GPs are considering a balanced approach to AI implementation, focusing on both client-facing (marketing) and internal (compliance, investment analysis) functions.

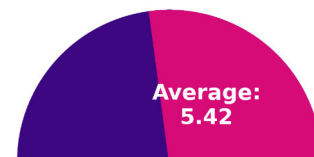


Additionally, the fact that significant percentages of respondents expect immediate impact across multiple areas suggests that the industry is bracing for rapid changes. This could lead to a period of intense innovation and potential disruption as firms race to effectively implement AI technologies.

Fallout and Concerns

While GPs are enthusiastic about GenAI adoption, our survey revealed significant concerns about its implementation and reliability. We asked respondents to rate their trust in GenAI tools in terms of reliability of outcome, security, and other factors. On a scale of 1-10, the average response was 5.42, indicating a cautious approach to the technology.

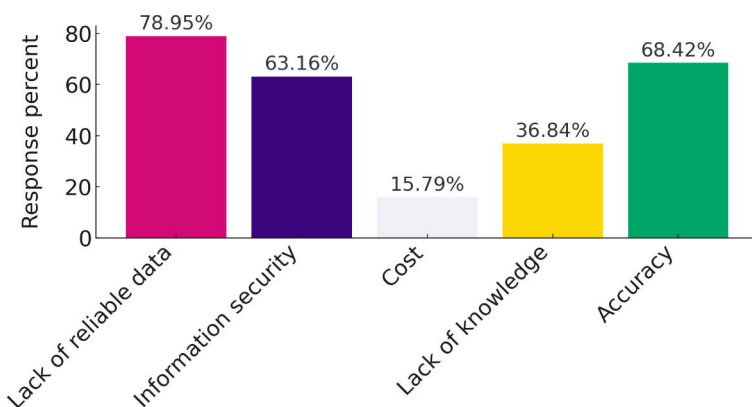
Trust in generative AI tools



Drilling down further, we identified several key concerns

The overwhelming concern about reliable data (79%) underscores the critical importance of high-quality, comprehensive datasets in AI implementation. This suggests that data management and curation will be crucial for successful AI adoption.

Concerns regarding generative AI tools



The high percentage (68%) concerned about accuracy aligns with the moderate trust rating of 5.42/10. This indicates that while GPs see potential in GenAI, they remain skeptical about its ability to deliver consistently reliable results. And with 63% of respondents citing information security as a concern, it's clear that protecting sensitive financial data is a top priority.

Interestingly, only 16% of respondents cited cost as a concern. This suggests that GPs see the potential value of AI as outweighing its implementation costs, which is encouraging news for GenAI providers.

And the fact that 37% said they lack knowledge on how to use the technology tracks with findings from a separate question where we asked GPs to rate their level of knowledge of these tools on a scale of 1-10. The average response from GPs was a moderate 6.89.

Overcoming Barriers to GenAI Adoption

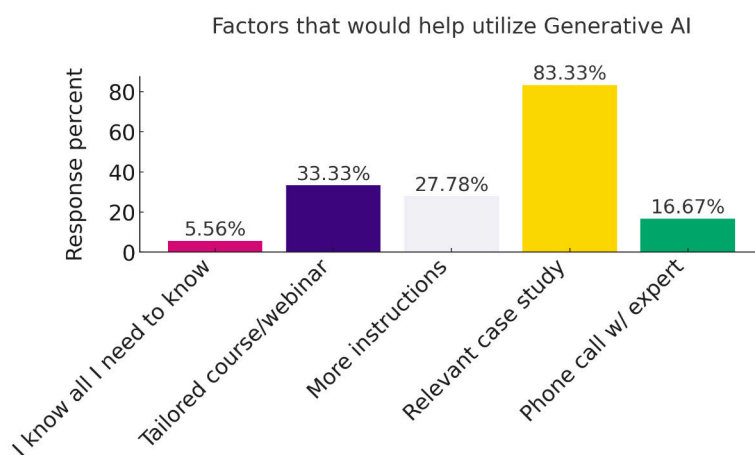
While enthusiasm for GenAI is high among GPs, our survey revealed clear needs for support in effectively implementing and leveraging these technologies. Respondents identified several key resources that would aid their adoption of GenAI.

The overwhelming preference for case studies (83%) suggests that GPs are looking for concrete, real-world examples of successful AI implementation. This indicates a need for industry-specific, practical insights rather than general AI knowledge.

The significant interest in tailored courses or webinars (33%) highlights the need for educational resources that are specifically designed for the alternative asset management industry, suggesting that generic AI courses may not adequately address the unique challenges and opportunities in this sector.

While 27% of respondents expressed a need for more written guidance, the lower percentage seeking personalized phone consultations suggests that many GPs prefer self-directed learning. This could indicate a desire to maintain control over their AI strategy while still benefiting from expert insights.

Overall, the distribution of responses across different types underscores the need for a multi-faceted approach to AI education and support.



Conclusion

Our survey reveals a financial services industry on the cusp of significant transformation through AI adoption. General Partners are embracing GenAI tools with enthusiasm, with 89% having used them in the past year and 84% planning to use them in the coming year. The impact is expected to be felt first in marketing, compliance, and investment analysis, with investor reporting and CRM being the top planned applications.

However, the journey is not without challenges. GPs have concerns about data reliability and information security, and many feel they need more guidance, particularly in the form of industry-specific case studies and tailored educational resources.

As the industry moves forward, addressing these concerns and knowledge gaps will be crucial. The varied adoption rates across different functions suggest that while some areas are seeing rapid AI integration, others are approached more cautiously. This presents opportunities for innovation and competitive advantage for firms that can effectively leverage AI across their operations.

The alternative asset management industry stands at an exciting juncture, with AI poised to reshape operations, enhance client relationships, and potentially transform investment strategies in the years to come.



About Us



About *Alternatives Watch*

Alternatives Watch is a leading online news service dedicated to institutional investment in alternative investments including hedge funds, private equity, private credit, real estate, infrastructure and real assets. Our goal is to create an uncompromising 360-degree view of the marketplace by covering trends, new fund offerings and institutional investor activity on a daily basis. Learn more at www.alternativeswatch.com.



About Dasseti

Dasseti is on a mission to transform investment data management by blending AI, automation, and human insight in a seamless integration. The company enables institutional investors, consultants, general partners (GPs), and asset managers to excel in due diligence, investor relations, and ESG by providing a transformative approach that drives informed and compliant investment decisions.

Supported by Nasdaq, Dasseti combines state-of-the-art technology with human expertise, redefining how AI and automation collaborate to create a cohesive and mutually beneficial ecosystem. Committed to solving industry-wide challenges, Dasseti ensures that no problem is left unresolved.

With a proven track record that includes facilitating over 200,000 data requests, managing \$27 trillion in investor assets, and analyzing over 2 million data points and files, Dasseti delivers trusted expertise and results. Its innovative products streamline every phase of the investment process, from data collection and analysis to reporting and compliance.

Dasseti's achievements are underscored by multiple awards, including three consecutive Best ODD Solution awards from Private Equity Wire US, the Best ESG Solution award at the 2024 Private Equity Wire European Awards, and a feature in the 2024 Chartis RiskTech AI 50.