

7 market changes: Prepare to succeed in volatile times

Unlock resilience with
technology modernization



Investment management stands in the eye of a perfect storm. Persistent market volatility, macroeconomic challenges and shifting asset correlations may require you to adapt your investment positions and trading operations rapidly.

In this trend sheet, our industry experts consider seven critical market changes reshaping the investment landscape. By understanding these dynamics, you can optimize your investments with cross-asset strategies and position your firm for growth.

Trend 1



Persistent volatility driving cross-asset correlations

Description: Geopolitical tensions and trade wars cause frequent spikes in trading, with wild price swings across traditional equities to digital assets, whether fixed income, FX or commodities. During periods of market stress, asset classes no longer behave in isolation. Correlations between them rise quickly.

Data: During times of uncertainty, correlations between asset classes tend to increase. This particularly applies to equity markets.

Examples: Assets that typically operate independently often move in tandem when shocks hit the market.

Implications: Traditional asset allocation fails to protect capital effectively when correlations spike. You face increased portfolio risk if your trading infrastructure can't monitor these sudden shifts in real time.

Actionable insights: Adopt a unified front-to-back solution that provides a single, up-to-the-minute view of risk across all asset classes.

Trend 2



The rapid expansion of private credit

Description: Inflationary pressures keep interest rates relatively high while risk-averse banks lend less to businesses. These dynamics drive corporate borrowers towards private credit. Direct lending by investment managers now converges with traditional syndicated lending by banks.

Data: The private credit market has hit an estimated \$2 trillion in value. Direct lending accounts for 52% of private credit assets under management.¹

Examples: Asset managers, hedge funds and asset owners increasingly provide private loans directly to businesses to offer higher returns to their investors.

Implications: Expanding into private credit requires robust data integration and the ability to manage complex reporting demands alongside traditional public assets.

Actionable insights: Modernize your technology stack to seamlessly handle the varied datasets and reporting cycles associated with private credit allocations.

Trend 3



Accelerating shift toward multi-asset strategies

Description: To mitigate risk and boost alpha, investors look beyond traditional public equities. Institutional portfolios actively expand into private assets, alternatives and a broader mix of exposures.

Data: Just under 70% of hedge funds report having actively evolved their strategy. Also, 86% of institutional asset owners in North America currently invest in private as well as public markets.²

Examples: Hedge funds are expanding into new asset classes or refining their existing approaches within current alternative exposures.

Implications: Multi-asset investing introduces complex operational challenges. You need scalable systems to support cross-asset operability without adding manual reconciliation layers.

Actionable insights: Implement flexible, cross-asset trading platforms that allow you to add new asset classes to your portfolio within days rather than months.

Trend 4



Blurring lines between public and private markets

Description: The investment universe is converging. Funds increasingly offer investors a combination of public and private asset classes through semi-liquid hybrid funds. These funds balance the high returns of closed-ended private markets with the periodic liquidity of open-ended assets.

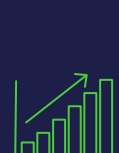
Data: Private assets under management are projected to reach a global value of \$60 to \$65 trillion by 2032. The number of semi-liquid funds almost doubled from 238 in 2020 to 455 in 2024.³

Examples: Retail and institutional investors are adopting hybrid funds to capture private market premiums while maintaining access to liquidity.

Implications: Blending open- and closed-ended investments creates complex liquidity management and valuation requirements.

Actionable insights: Deploy technology with strong surveillance capabilities and embedded compliance controls to manage the liquidity constraints of hybrid funds accurately.

Trend 5



Escalating operational and valuation risks

Description: Diversification brings significant operational challenges. Deploying capital in the alternatives industry complicates liquidity management, inaccurate valuations and regulatory considerations. Tagging the value of illiquid assets directly to public indexes is becoming increasingly difficult.

Data: In recent industry research, asset managers and owners placed technology modernization firmly at the top of the capabilities they plan to invest in over the next year. Cross-asset risk management closely followed this priority.

Examples: Firms struggle with limited access to reliable data for private assets, leading to increased portfolio risk and manual reconciliation errors.

Implications: Without real-time visibility and stress testing across an entire portfolio, you can't accurately assess exposures or maintain compliance alignment.

Actionable insights: Invest in platforms that enable seamless data aggregation, stress testing and scenario analysis across public and private assets.

Trend 6



Democratization of institutional-grade technology

Description: Sophisticated tools for multi-asset investment management are now available to organizations of all sizes. Scalable cloud-based models allow smaller hedge funds and boutique asset managers to compete on near-equal technological footing with large peers.

Data: More than 50% of hedge fund managers believe technology has meaningfully narrowed the capability gap with large firms.⁴

Examples: Tools once reserved for billion-dollar firms now empower small and mid-sized managers through affordable software as a service delivery models.

Implications: Legacy on-premise systems that take months to upgrade put you at a severe competitive disadvantage. Agility is now an accessible baseline requirement.

Actionable insights: Transition to a modular SaaS-powered solution designed specifically for multi-asset order, portfolio and risk management to stay agile.

Trend 7



Integration of real-time data and AI

Description: As trading data generates at unprecedented rates, you need to automate workflows to provide a complete picture of risk and performance. Pairing real-time data access with artificial intelligence revolutionizes decision-making and delivers actionable insights.

Data: The winners in the fast-moving portfolio management space are those who access the most comprehensive data in real time and pair it with emerging technologies.

Examples: AI-enhanced decision support helps traders analyze volatile markets, adjust portfolios and allocate capital in split seconds.

Implications: Swivelling between multiple systems or scrolling through spreadsheets costs valuable. You need automated workflows to turn insights into action rapidly.

Actionable insights: Harness platforms with advanced AI tools and intuitive digital dashboards to accelerate your trade execution and post-trade speed.

Steady your course to alpha

Market conditions change rapidly. To capitalize on alternative asset classes and execute complex strategies effectively, you need robust technology that handles high volatility with resilience.

By upgrading to a unified platform that offers cross-asset support, integrated data and flexible deployment, you protect your performance and simplify your front-to-back workflow. Embrace technology modernization to navigate market complexities and turn rapid action into sustainable growth.

[Learn more](#)

Money at rest. Money in motion. Money at work.™

Our **technology** powers the global economy across the money lifecycle.



Money at rest

Unlock seamless integration and human-centric digital experiences while ensuring efficiency, stability, and compliance as your business grows.



Money in motion

Unlock liquidity and flow of funds by synchronizing transactions, payment systems, and financial networks without compromising speed or security.



Money at work

Unlock a cohesive financial ecosystem and insights for strategic decisions to expand operations while optimizing performance.

¹ Source: Morgan Stanley Investment Management, Evolution of Direct Lending (as of Sept 30, 2025) <https://www.morganstanley.com/im/en-us/individual-investor/insights/articles/evolution-of-direct-lending.html> [morganstanley.com]

² Source: Goldman Sachs Asset Management, Mapping the Evolution: Hedge Funds in a New Market Regime (IQ 2025) https://am.gs.com/cms-assets/gsam-app/documents/insights/en/2025/am-perspectives_IQ25_hedge-funds.pdf [am.gs.com]

³ Source: Bain & Company, 21 August 2024 [https://www.bain.com/about/media-center/press-releases/2024/private-market-assets-to-grow-at-more-than-twice-the-rate-of-public-assets-reaching-up-to-\\$65-trillion-by-2032-bain-company-finds/](https://www.bain.com/about/media-center/press-releases/2024/private-market-assets-to-grow-at-more-than-twice-the-rate-of-public-assets-reaching-up-to-$65-trillion-by-2032-bain-company-finds/)

⁴ Source: Hedgeweek / FIS Insights Report, The Great Multi-Asset Reset (October 2025) <https://www.hedgeweek.com/insights-report-the-great-multi-asset-reset>