



White Paper

Hunting for alpha in a harsh investment landscape

Unlock multi-asset-ready technology to help improve performance and allow portfolios to work harder



Alpha is elusive. Do you have the tech to help chase higher returns?

Times are tough for investment managers. In an increasingly competitive and crowded market, buy-side organizations are under pressure to attract and retain investors by improving portfolio performance. But alpha doesn't come easily – and you can't count on traditional stocks and bonds alone for outsized returns.

As a result, asset managers and owners of all sizes are reassessing their portfolios. And in pursuit of alpha, a large number are diversifying into alternative asset classes, such as private equity, venture capital and private credit.

Prequin says, "Alternative assets are often attractive because of the high returns they can generate, and the opportunity they provide to diversify an investment portfolio away from traditional investments, which consequently reduces overall portfolio risk ...

"While returns cannot be guaranteed, alternative assets have the potential to offer much higher returns than their traditional counterparts. The caveat: capital is tied up for much longer periods of time and alternative investments are subject to a higher level of risk."¹

But there's another catch with alternative investments – they introduce operational complexities and new workflow requirements that many investment management systems, in all but the largest firms, may struggle to support.

So, whether you're an asset manager or a hedge fund, an insurer or a pension fund, you need to ask yourself a key question. Do you have the tech you need to support multi-asset trading and risk management to allow you to effectively manage complex portfolios?



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1. Prequin, *Why Invest in Alternatives?* July 15, 2025

Don't let your tech cost you competitive advantage

You want to turbocharge investment performance and achieve alpha returns with diversified, multi-asset-class strategies. But you've outgrown your current technology stack, which makes it difficult to set up new fund structures, move into new markets or manage the risks, complexities and compliance demands of alternative asset classes. Plus, you run not one but multiple legacy systems – and still rely heavily on manual processes, which are hugely inefficient and expensive to scale.

The good news is that you're not alone in the need to transform your trading and investment operations.

According to Celent, "Investment managers are reaching a critical juncture marked by stagnating revenues and unyielding pressures on fees and costs that are eroding margins. In the light of harsher realities, firms are leaving 'no stone unturned' in their pursuit of transformative change to fortify their business and operating models ...

Investment managers are raising the bar to establish clear points of differentiation in their product offerings and distribution channels, while also striving for greater efficiencies in portfolio servicing and operations. Technological advancements are facilitating significant shifts in delivering to client needs and investment strategies, reshuffling the balance across public, alternative and private assets. Digitization and data-centricity are reshaping go-to-market strategies and client engagement."²

The right operating model can help put you in a stronger position to capture competitive advantage. Read on to learn how adopting advanced technology can help you overcome four key challenges for your business and work your investments harder.

1. Evolving investment strategies call for agile operations

The hunt for alpha is leading investment managers into uncharted territories. But if you're looking to move into alternative investments and private markets, you need to know your operations can move with you.

Diversified, multi-asset-class strategies, many including derivatives, are increasingly being used to improve performance, returns and revenue. As Deloitte says, "Both revenue growth and profit margin expansion remain elusive for the investment management industry. This dynamic appears to be driving a noticeable shift in how investment management leaders are approaching their firms' product strategy. Having a diverse product mix is now often front and center for revenue growth."³

Growth, however, brings its own challenges. Namely, it can easily overstretch the fragmented solutions and manual processes you've likely put in place for investing in stocks and bonds. As you grow, you need institutional-grade technology that helps you cover the entire trading lifecycle for multiple asset classes – and can scale to new complexities, trade volumes and reporting demands.

That technology is available and already flexing to new demands for portfolio management and beyond. Cutter Associates says, "In the fast-paced investment management arena, the strategies, data and tools required for effective portfolio management are constantly evolving. As investment strategies grow more complex and diversified, there's increasing need for sophisticated portfolio management solutions that can accommodate unique investment philosophies and manage a wide range of asset classes. This evolution is compelling many investment management firms to reconsider their traditional systems and explore more advanced, flexible and scalable solutions.

"However, as investment strategies have increasingly adopted a total portfolio approach – incorporating a variety of asset classes along with synthetic overlays and currency exposure – the limitations of in-house systems have become evident. Consequently, firms are making a significant shift toward more robust, real-time and integrated systems ... By adopting advanced portfolio management solutions, asset management firms not only enhance operational efficiencies, but also gain a competitive edge in optimizing their investment strategies for better returns."⁴



The hunt for alpha is leading investment managers into uncharted territories. But if you're looking to move into alternative investments and private markets, you need to know your operations can move with you.



3. Deloitte, 2025 Investment Management Outlook, October 2024

4. Cutter Associates, The Evolution of Portfolio Management Solutions: Navigating Modern Investment Challenges, August 2024

Upscale for less cost in the cloud

Institutional-grade technology doesn't have to come at an institutional-grade price. A new generation of cloud-based, all-in-one systems for multi-asset-class order, portfolio and risk management are now emerging, designed specifically to meet the requirements and budget of smaller asset managers and asset owners.

Delivering exceptional value, these software-as-a-service (SaaS) solutions are robust and powerful, and provide enhanced security, with the functionality firms need to pursue cross-asset investment strategies and stay agile and competitive in a changing market.

Thanks to the greater flexibility and control that they offer, SaaS and other types of cloud deployments are becoming more prevalent across the buy side.

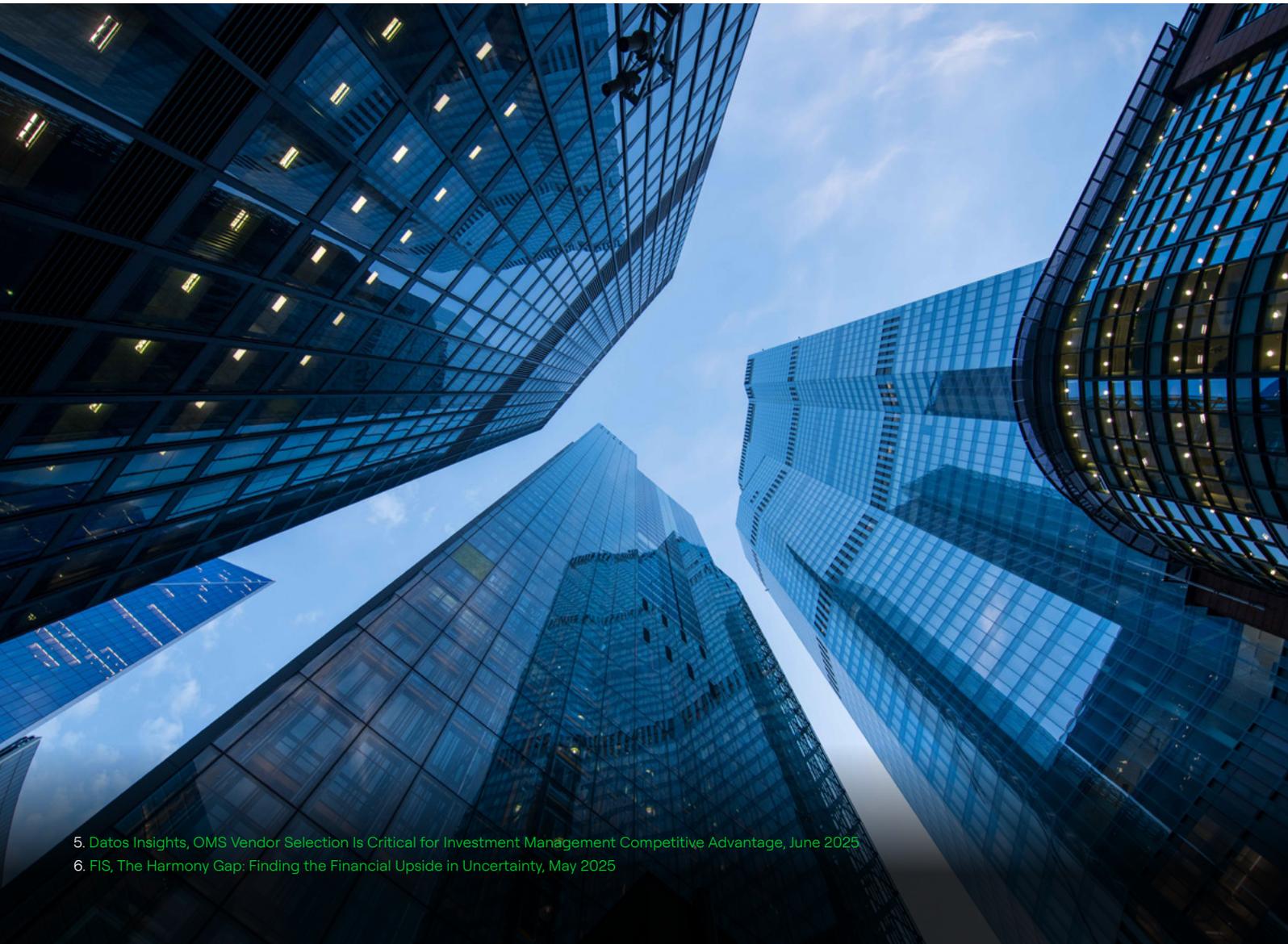
Datos Insights says, "Investment managers must implement technology platforms capable of handling increased complexity while maintaining operational efficiency and regulatory compliance across multiple

jurisdictions, while also opening up new distribution channels. The shift toward cloud deployment has overtaken the buy side, with even low-latency trading operations moving to cloud-based infrastructures. This transition creates opportunities for improved scalability and cost management."⁵

FIS® has found that around three-quarters (74%) of capital markets firms plan to invest or sustain their investments in cloud computing over the next two years.⁶ However, it's worth noting that the most advanced single platforms for trading and investment don't always have to be run in the cloud or on a SaaS basis. Flexible deployment options make these solutions an ideal choice for large and medium-sized firms who need to operate their technology on-premise or in their own cloud.

5. Datos Insights, *OMS Vendor Selection Is Critical for Investment Management Competitive Advantage*, June 2025

6. FIS, *The Harmony Gap: Finding the Financial Upside in Uncertainty*, May 2025

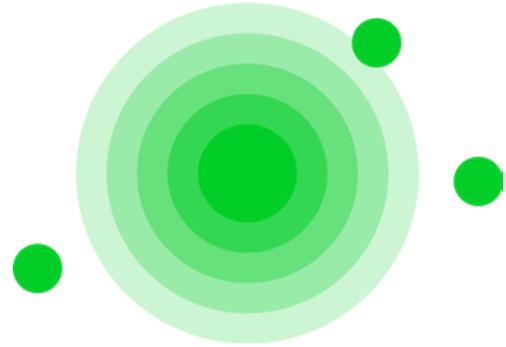


The FIS solution

FIS Cross-Asset Trading and Risk Suite delivers innovative real-time technology for the entire front-to-back trading lifecycle. Along with public cloud, private cloud and on-premise deployment options for large and medium-sized firms, we provide an entry-level, cost-effective SaaS solution.

The solution helps smaller firms manage complex asset classes and strategies with greater ease and makes it quicker and simpler to onboard new investors, expand into new markets and work investments harder.

As the cost of data breaches in financial services firms rises beyond an average of \$5.9 million,⁷ Cross-Asset Trading and Risk Suite is also highly resilient. With a single data repository, it provides robust data security that helps safeguard against downtime and breaches.



2. Technology is advancing

New technologies are transforming investment management. With trading data now produced at unprecedented rates, digital tools are critical to gaining real-time data access and a clearer view of multi-asset investment activity: both essential to improving performance and achieving alpha.

Investment managers now face five to 10 times more data per decision than they did in the past, as well as stricter compliance.⁸ But automation is helping buy-side firms streamline workflows, accelerate decision-making and deliver more precise insights.

With 75% of institutional investors now considering a manager's technological capabilities as a key selection criterion,⁹ firms are also investing heavily in innovative technologies to enhance their institutional credibility.

Datos Insights says, "This continued investment underscores the critical importance investment managers place on technological capabilities, even as they face pressure to reduce costs and improve operational efficiency ... Those that postpone essential upgrades face compounding challenges as market complexity increases and client transparency expectations continue to rise."¹⁰

In an intensely competitive landscape, can you afford not to embrace digitalization?



New technologies are transforming investment management. With trading data now produced at unprecedented rates, digital tools are critical.

8, 9. [Datos Insights, Top Trends in Capital Markets, 2025, January 2025](#)

10. [Datos Insights, OMS Vendor Selection Is Critical for Investment Management Competitive Advantage, June 2025](#)

Digitally drive your business forward

Innovative tech offers vital support for cross-asset investment management. With a single digital platform, you may be able to integrate operations for diverse asset classes and improve efficiency – and competitive advantage – by increasing automation.

“The asset management industry is undergoing a significant shift as digital transformation takes center stage,” says Beaumont Capital Markets.

“With advancements in technology, managers are now equipped with tools that streamline operations and enhance client experiences ... This shift is not just about adopting new technologies but also about creating value through improved data analytics and enhanced operational efficiency.”¹¹

Easy-to-use dashboards and an intuitive interface can help improve the user experience, too. They empower you to make quicker, better-informed decisions in a lightning-fast environment – where a split-second delay can cost millions.

Meanwhile, AI tools can make technology easier to use by providing virtual assistance. AI agents that are available around the clock and respond rapidly to queries can give users a more dynamic and efficient way to interact with a solution.

Advancements in technology are playing an increasingly significant role in improving efficiency, which could ultimately make an important contribution to boosting investment performance.

Deloitte says, “Those that lag in realizing efficiency or identifying ways to drive innovation may find it challenging to remain competitive ... because efficiency in investment management operations is not just a margin enhancer but could also have potential to drive alpha.”¹²



11. Beaumont Capital Markets, Digital Transformation in the Asset Management Industry: Navigating Change and Innovation, October 2024

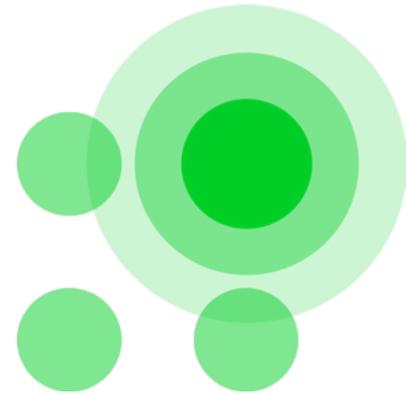
12. Deloitte, 2025 Investment Management Outlook, October 2024

The FIS solution

With Cross-Asset Trading and Risk Suite, you can seamlessly manage a broad spectrum of asset classes in one advanced solution, covering everything from traditional public markets and hybrid markets such as convertibles to private equity, private credit and digital assets.

For a dynamic and well-connected user experience, our APIs allow the solution to integrate smoothly with third-party solutions. Now you can rapidly take advantage of the latest technological and digital innovations and create further efficiencies.

Additionally, AI agents will answer questions you have about the solution and help you navigate it more easily. Plus, we leverage AI to improve our speed to market for software development.



3. Costs are spiraling and margins are shrinking

With pressure on fees, investment managers are struggling to sustain margins and generate revenue. So, it's never been more critical to cut costs per trade and improve the efficiency of your operations.

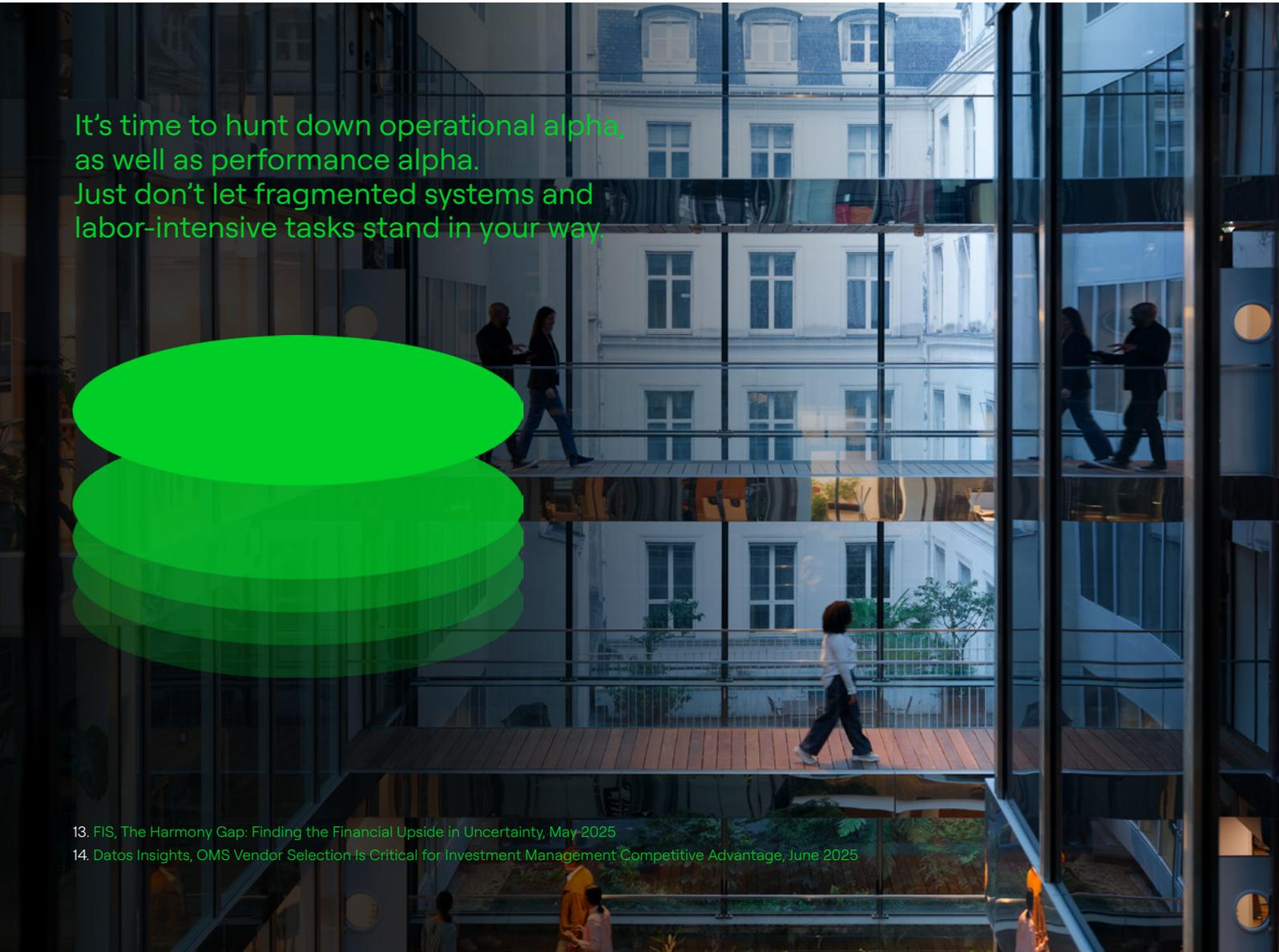
According to global research by FIS, operational inefficiencies in the financial technology ecosystem cost the average organization \$11 million a year, with human errors and rework losing them another \$6.2 million.¹³

It's time, in short, to hunt down operational alpha, as well as performance alpha. Don't let fragmented systems and labor-intensive tasks stand in your way.

Many firms continue to use multiple legacy solutions that increase reliance on both expensive key resources and costly manual processes. How, then, can you adapt your business model without hiring more staff?

Once again, transformative technology provides a cost-effective answer. But in a market that's only getting tougher, time is of the essence – and firms shouldn't wait too long to invest in systems that can help increase their competitive edge.

Datos Insights says, "Investment managers can no longer delay critical technology decisions without accepting significant competitive disadvantages. The firms that thrive will be those that recognize technology not as a cost center but as a strategic enabler of their core investment mission."¹⁴



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13. FIS, *The Harmony Gap: Finding the Financial Upside in Uncertainty*, May 2025

14. Datos Insights, *OMS Vendor Selection Is Critical for Investment Management Competitive Advantage*, June 2025

Simplify your operations to minimize overhead

Operational alpha is in your sights, and achievable by consolidating your technology environment. A single platform for order, portfolio and operations management can help you streamline trading and investment operations, improve agility and empower growth without necessarily increasing your outlay.

The status quo isn't a viable option. Datas Insights says, "Investment managers face mounting operational risks from fragmented systems, manual processes, and inadequate integration capabilities. These challenges create vulnerabilities that can impact investment performance, client satisfaction, and regulatory compliance – risks that become more severe as investment strategies grow more sophisticated and portfolios expand."¹⁵

With one solution encompassing trading and portfolio construction, risk and compliance, and fund accounting, you can not only reduce these risks but also the costs of juggling multiple systems and vendors.

Highly automated, seamlessly integrated processes from front-to-back can help you save both time and money, too, by reducing manual handoffs and intervention. As Datas Insights concludes, "Firms that master this interconnected ecosystem gain significant advantages in speed, flexibility, and cost management."¹⁶



The FIS solution

Cross-Asset Trading and Risk Suite enables you to cut your total cost of ownership by consolidating order, portfolio and risk management systems onto a single platform from a single vendor.

To streamline order management, integrated capabilities for trade capture, allocation and matching, plus out-of-the-box connectivity to market infrastructure, help you address your trading workflows. With real-time position keeping and risk management, the solution can provide an investment book of record (IBOR) to help track fund performance, too.

Additionally, modular technology means you can easily scale and extend the solution to accommodate new markets, asset classes or investment strategies. As a result, you can focus on increasing revenue, achieving alpha and making investments work harder – without adding to headcount, infrastructure and operating costs.



4. Risks and regulations are more complex than ever

In fast-moving markets, investment managers are under pressure to comply with numerous trading and financial regulations, as well as internal risk limits.

Regulatory and compliance issues already cost organizations an average of \$14.9 million a year,¹⁷ so you can't afford to lose sight of potential breaches of external rules. At the same time, you must factor your firm's risk appetite into every trading, hedging or capital allocation decision.

However, when data is scattered across disparate systems, it can be difficult to get the complete, coherent, real-time view of risk you need to balance long-term regulatory compliance with short-term tactical trading decisions.

A digital strategy will be key to better managing risk and regulatory data and, as a result, meeting your performance and revenue objectives within the bounds of compliance.

Beaumont Capital Markets says, "Companies that embrace technology see improvements in risk management, client engagement and operational processes. As these managers strive to meet evolving regulatory requirements, digital transformation becomes a crucial factor in maintaining compliance and ensuring data security. The industry's growth depends heavily on how effectively digital strategies are implemented."¹⁸



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17. FIS, *The Harmony Gap: Finding the Financial Upside in Uncertainty*, May 2025

18. *Datos Insights, OMS Vendor Selection Is Critical for Investment Management Competitive Advantage*, June 2025

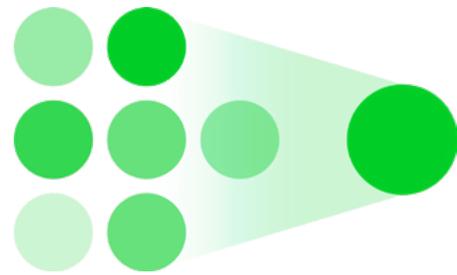
Strengthen your risk and compliance framework

A digital strategy for tackling risk and compliance can help you to not only consolidate your view of risk but also see, pre-empt and manage your risks in real time.

Tools for continuous pre- and post-trade compliance monitoring can help you establish a robust framework for risk management. And that makes it easier to keep trading activity constantly in line with regulatory and organizational objectives.

Access to real-time risk data is making quantitative risk and performance analytics a top priority for today's investment managers. Datas Insights reports an annual 45-55% increase in technology spending specifically on risk management and performance analytics tools.¹⁹

And the investment is paying off. 55% of senior business and technology leaders globally say that investing in financial technology has given them real-time data for strategic planning, with 26% admitting they were surprised by the strategic advantages that the accelerated insight had provided.²⁰



19. Datas Insights, *Top Trends in Capital Markets, 2025*, January 2025

20. FIS, *The Harmony Gap: Finding the Financial Upside in Uncertainty*, May 2025

The FIS solution

By providing a holistic, real-time view of risk across your portfolio, Cross-Asset Trading and Risk Suite supports both regulatory compliance and proactive risk management.

The solution enables you to make more informed decisions about portfolio adjustments, trading strategies and capital allocation, and stay within defined risk tolerances while keeping investments hard at work.

With advanced risk management capabilities, including derivatives' greeks and sensitivity analysis, Cross-Asset Trading and Risk Suite incorporates regulatory reporting tools that use protected "official" data. It also supports real-time limit setting and monitoring at any level of the portfolio, with the ability to configure breach notifications and actions.



Unlock multi-asset strategies for stronger performance with FIS

Our solution is designed to provide greater insights, efficiency, flexibility and control with a single front-to-back platform for global order, portfolio and risk management. At FIS, we are dedicated to unlocking financial technology to the world and to empowering investment managers to effectively put money to work by improving portfolio and operational performance. Get in touch with us today and learn how we can help your business drive total transformation to fulfill your growth potential.

[Unlock more](#)



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

FIS Cross-Asset Trading and Risk Suite helps you put investments to work to boost performance.

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.

About FIS

FIS is a financial technology company providing solutions to financial institutions, businesses and developers. We unlock financial technology that underpins the world's financial system. Our people are dedicated to advancing the way the world pays, banks and invests, by helping our clients confidently run, grow and protect their businesses. Our expertise comes from decades of experience helping financial institutions and businesses adapt to meet the needs of their customers by harnessing the power that comes when reliability meets innovation in financial technology. Headquartered in Jacksonville, Florida, FIS is a member of the Fortune 500® and the Standard & Poor's 500® Index. To learn more, visit FISGLOBAL.COM. Follow FIS on LinkedIn, Facebook and X (@FISglobal).

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