



White Paper

The multi-asset back office – a foundation for growth

Unlock industrial-strength operations and data processing for diversified portfolios

Investment portfolios are diversifying. Can your back office take the strain?

Today's front-office investment strategies need to work harder than ever to drive growth for fund managers and administrators. But as funds diversify into new asset classes and innovative products, the back office is feeling the extra pressure.

Global assets under management (AUM) have hit a record \$147 trillion.¹ And powering this boom, in no small part, is an ever-expanding investment universe, where asset managers worldwide continue to expand beyond their traditional focus on public stocks and bonds.

Private assets are proving to be an especially strong magnet for investment. Private markets AUM are projected to grow at more than twice the rate of public assets and reach a global value of \$60 to \$65 trillion by 2032.²

However, there is ever-increasing use of other alternative asset classes. The global derivatives market, for example, grew in value from more than \$22.8 billion in 2021 to over \$32.5 billion in 2025, and is predicted to hit more than double that value, over \$66.1 billion, by 2033.³

Asset managers worldwide continue to expand beyond their traditional focus on public stocks and bonds.

Meanwhile, digital assets, including cryptocurrency and stablecoins, have gone mainstream, with global market capitalization surging beyond \$4 trillion in 2025.⁴ A State Street study found 60% of asset managers and owners globally say they plan to increase their digital asset exposure beyond 2%, with private equity and private fixed income most likely to be the first asset classes they will tokenize.⁵

Driven by the need to improve risk-adjusted returns for investors, diversification into these alternative asset classes is clearly good news for front-office returns. But in the back office, multi-asset strategies also create complex and diverse fund accounting and administration requirements.

Fund structures are becoming more complex, too

The investment universe isn't just expanding, it's also converging. The result is a growing range of diversified fund structures that bring together a broader mix of asset types into a single investment product. Alongside mutual funds, exchange-traded funds (ETFs) and semi-liquid hybrid funds are emerging as popular vehicles for multi-asset strategies – and introducing their own complexities for the back office.

McKinsey says, "One structural trend towers over the rest: the 'great convergence' between traditional and alternative asset management. These two worlds are beginning to blend as public and private investing increasingly overlap, and as private capital managers penetrate deeper into wealth, defined contribution and insurance channels. This convergence is showing up ... through innovations such as semi-liquid products, evergreen funds and public-private model portfolios."⁶

As technology platforms democratize exposure to alternative assets and create mainstream distribution channels, convergence isn't a cyclical trend, but a structural shift – a one-way direction of travel for investment managers.

Ease of trading and distribution, along with tax benefits in certain jurisdictions, has driven the growth of ETFs among a new generation of retail investors. Global ETF AUM hit \$19.5 trillion at the end of 2025, and is expected to reach \$35 trillion or even higher by June 2030.⁷

Meanwhile, semi-liquid hybrid funds, such as European long-term investment funds (ELTIFs), long-term asset funds (LTAFs) in the U.K. and evergreen, interval or tender offer funds in the U.S, are also meeting the needs of retail investors. Ideally, this ever-growing cohort wants not only the high returns associated with closed-ended private market funds but also the periodic access to liquidity promised by open-ended, publicly-traded assets.

By providing the best of both worlds, semi-liquid hybrid funds are growing rapidly. The number of semi-liquid funds has almost doubled from 238 in 2020 to 455 in 2024, and their AUM has almost tripled from \$126 billion to \$349 billion over the same period. With this momentum predicted to continue, AUM for semi-liquid funds is expected to reach \$4.1 trillion by 2030.⁸

¹ McKinsey, Asset Management 2025: The Great Convergence, September 18, 2025

² Bain & Company, Private Market Assets to Grow at More than Twice the Rate of Public Assets, August 21, 2024

³ Cognitive Market Research, Derivatives Market Analysis 2026

⁴ Morgan Stanley, Digital Assets Push Into the Mainstream as Global Adoption Surges, February 27, 2026

⁵ State Street, Digital Asset Survey 2025, October 2025

⁶ McKinsey, Asset Management 2025: The Great Convergence, September 18, 2025

⁷ PwC, ETFs 2030: Capitalising on Disruptive Innovation, March 2, 2026

⁸ Deloitte Center for Financial Services, Semi-liquid Funds: A US\$4 Trillion Opportunity for Traditional and Alternative Investment Managers, September 11, 2025



So, by bringing a broader mix of asset classes to the masses, unprecedented levels of innovation in the fund product space are paying dividends for the front office. As a fund manager or administrator, can your back-office systems and processes flex – and flex fast – to cover a broader range of evolving fund types, asset classes, transactions, currencies, regional requirements and accounting methodologies?

Agility is fundamental for multi-asset fund accounting

In the age of diversification, the back office is hard-pressed to meet the operational demands of new front-office strategies and products. But for the front office, investing in a wider range of alternatives isn't optional, it's essential.

In 2025 research, McKinsey identified "three distinct profiles of firms that underperformed, falling behind on both revenue and organic growth metrics." All three – asset managers dependent on active equity, fixed income specialists without differentiated capabilities, and firms concentrated in slow-growth institutional channels – have notably failed to take advantage of alternative asset classes.⁹

Diversification is critical for growth. But in practice, the drive to diversify means that core back-office processes, such as investment accounting, must now support very different behaviors across portfolios.

Investment accounting is no longer just about striking a net asset value (NAV). It also means ensuring valuation integrity, data consistency and control across a more complex ecosystem.

You need to be able to manage capital calls, waterfalls and commitment tracking for private assets, lifecycle events and collateral in derivatives. And you need to get a handle on entirely new constructs around custody, valuation and reconciliation for digital assets.

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For fund administrators – and asset managers that insource investment accounting – the ability to meet these requirements increases competitive advantage. Speed to market has become an arms race – and the winners will be the firms with the greatest operational agility, who can pivot most quickly to support new asset classes and fund structures in the back office.

The key is to future-proof your operating model and make sure you have all the right capabilities before they're in demand. Ultimately, if the back office can't support front-office strategies, the front office can't execute those strategies.

Scale and productivity are the building blocks of differentiation

Fee and margin pressure are ever-increasing issues for asset managers and even more so for fund administrators. To attract and retain business, it's never been more important to build new levels of automation, integration and productivity into investment accounting, so you can manage new complexities at scale.

But as firms have moved into supporting different asset classes, they've historically tended to either buy dedicated new systems or develop manual workarounds for accounting and administration. The end result is usually a fragmented landscape of disconnected legacy solutions and processes that only further squeeze margins.

McKinsey says, "Many asset managers continue to operate on aging infrastructure that is expensive to maintain, and the absence of well-integrated systems has made supporting core operations costlier and stymied innovation ... The expanding operating model sprawl within many asset managers' organizations has compounded cost increases."¹⁰

In addition to pushing up costs, poorly integrated systems increase the risk of error and stifle opportunities to increase automation and harness the power of AI. Ultimately, when margins are under extreme pressure and systems are fragmented, it's even more challenging to scale up operations and build in new capabilities fast to improve returns, distribution and competitive advantage.

With so many diverse operational requirements in the back office, you can't force every asset class into the same process, as valuations become inconsistent and data quality suffers. A better strategy is to build a single, strong foundation for multi-asset investment accounting and administration – starting with a cohesive framework for your data.

⁹ McKinsey, Asset Management 2025: The Great Convergence, September 18, 2025

¹⁰ McKinsey, Asset Management 2025: The Great Convergence, September 18, 2025



Standardize complex operations from the ground up

The days of building or buying niche platforms for different asset classes, investor segments and geographical regions are over for asset managers and fund administrators. In the age of convergence, consolidated, cross-asset views of data, risk and investors are critical, and require you to think about your business holistically – and globally – from a data and operating model standpoint.

To meet the diverse requirements of multi-asset portfolios and investors as efficiently as possible, you need a robust backbone of data, built on a common, global model. And you need to ensure a uniform user experience across your multi-region operations.

Oliver Wyman says, “As clients’ needs evolve to demand more holistic solutions and seamless experiences, integrated firms with a range of capabilities including product manufacturing, distribution and advisory, asset servicing and administration, and risk intermediation, are well positioned to assemble solutions to better meet these (unmet) needs. To date, few, if any, have exploited these advantages. That will change as firms get serious about breaking down business silos, unifying data models ... and reorienting their operating models to create solutions that reflect clients’ preferences, not outdated organizational structures.”¹¹

To meet the diverse requirements of multi-asset portfolios and investors as efficiently as possible, you need a robust backbone of data, built on a common, global model.

With asset-specific workflows sitting on top of your common data layer, you can standardize the spine of your operations while still respecting the differences in asset behavior. That way, you can scale up to new complexities and add value to the back office without losing operational control.

Drive ‘operational alpha’ and add more value with AI

In the front office, value comes largely from investment alpha, generated by fund products. But in the multi-asset back office, it’s operational discipline that creates value, with highly effective and efficient workflows and, above all, a standardized data model helping reduce costs and ease margin pressure.

By moving from a system-centric to a data-centric operating model, built on a single investment accounting platform rather than multiple specialist solutions, fund administrators and the back-office teams of asset managers will be in a stronger position to create their own “operational alpha.”

And now, continued advancements in technology can unlock even more value from investment accounting and administration operations. In high-volume, exception-driven environments, AI is already having a positive impact on reconciliation, anomaly detection, document extraction and workflow routing.

With the ability to identify issues earlier, operations can shift from reactive processing to proactive control. But AI will only ever be as effective as the data and processes it sits on. So, if your data is fragmented or your operating model is inconsistent, AI will struggle to deliver value.

Portfolio and fund structures are increasingly complex, but you can’t afford to overcomplicate your investment accounting and administration operations, too. Plus, it’s never been more critical to connect your data and your workflows from front to back.

Only a single, standardized back-office platform, fully integrated with front- and middle-office systems, can help you get the best from emerging technologies and manage growing complexities on an industrial scale.



Simplify the complexity of multi-asset accounting with FIS

FIS® Investment Accounting Manager (formerly InvestOne) provides a powerful accounting engine to automate and streamline the processing of the most complex multi-asset portfolios, putting diversified investments to work with resiliency and global coverage.

With one platform to manage all your portfolios and fund structures, and a fully integrated general ledger and accounting features, the solution supports a comprehensive range of fund types, asset classes, transactions, currencies and accounting methodologies.

And with a single solution and common data model for all your regions, it delivers consistent user experiences globally, too. By providing different views of the same data across your organization, pioneering multiple books of record (MBOR) functionality allows you to meet the diverse needs of your direct and indirect operational teams worldwide.

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At the heart of our front-to-back ecosystem of investment operations solutions, Investment Accounting Manager also integrates seamlessly with FIS' private equity, workflow and reporting solutions, so you can manage semi-liquid hybrid funds on a single, highly automated platform. It offers a specialized bank loan processing module for the efficient management of complex loan portfolios. This integrates digital loan data from either FIS' own AI-powered global feed or another third-party loan data service, automates workflows and ensures accurate accounting throughout the lifecycle of a loan.

Our solution currently processes more than \$50 trillion in assets each day, more than a third of global assets under management. For more than 30 years, back-office teams in firms of all sizes have trusted us to keep their operations running smoothly and differentiate the mission-critical services they support.

Future-proof your business foundations

Driven by our clients, including some of the largest fund administrators in the world, FIS constantly enhances Investment Accounting Manager to future-proof your fund accounting and administration operations and prepare you for the next big growth opportunity, investment fund or product type.

Plus, through strategic partnerships and integrations with other leading technology providers, we provide ongoing access to the latest capabilities.

We're also investing heavily in an AI strategy to take the back office to new levels of automated efficiency, with industrial-strength data processing. For example, we'll be iteratively introducing agentic AI to the NAV production process, building on predictive analytics capabilities that will learn from your team's behavior and experience to increase automation and scale user productivity.

Unlock a wider transformation of your investment operations

FIS is committed to helping asset managers and fund administrators support the diversification of their investment funds. But Investment Accounting Manager, our transformative, multi-asset investment accounting platform, can do even more for your business.

With Investment Accounting Manager, data becomes your most valuable asset – drawn from multiple systems to create a single, readily available source of truth. REST APIs make it easy to connect to both internal and external data systems and access the actionable intel you need to make well-informed decisions, while a range of data extraction tools cater to the unique needs of any operating model.

Standing as it does at the heart of our fully integrated, front-to-back ecosystem of investment operations solutions, we've also rebuilt Investment Accounting Manager as a lightweight containerized application to help you increase productivity for less cost. Backed by the latest cloud-native, API-led technology and available on a software-as-a-service (SaaS) basis, the solution is now even more resilient and powerful, but will scale to the needs of firms of all sizes.



Get in touch with us today and learn how we can help you power up your investment back office, so you can scale your operations, grow your business and keep investments hard at work.

Unlock 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.



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