LUMO INSIGHTS

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EY and Apollo put AI value on fees and workflows

Executive Summary

EY and Apollo gave value-creation teams a sharper AI test: LPs want AI to show up as lower fees, while Apollo's portfolio examples put it in pricing, selling and products. The FCA added a UK regulatory benchmark for AI adoption in financial services, and Bain's new survey reinforces that results follow workflow redesign rather than tool rollout.

EY survey raises the AI fee test for managers

EY reported on 18 November that investor scrutiny of private markets value is tightening as AI spending rises. Its 2026 Global Private Markets Survey, based on 425 private markets participants, found that 48% of institutional investors believe AI should let managers reduce fees, while 45% of managers reported only modest returns so far from operational AI investment.

For PE leaders, the read-through is direct: AI adoption is no longer enough as a capability story. Each use case needs a baseline that the deal team agrees - cost to serve, conversion, cycle time, churn or working capital - and a measured result that can stand up to LP questions and buyer diligence.

Apollo puts AI into Univar and Shutterfly workflows

Apollo said on 19 November that nearly 80 leaders from Apollo funds' portfolio companies met at its fourth annual CEO Conference to discuss growth, technology and culture. In its examples, Univar Solutions moved from asking for a better pricing tool to rethinking how the chemical distributor prices, sells and delivers, with AI built into those processes.

Apollo also cited Shutterfly applying AI to the core customer product rather than the edge of the business, with AI assembling a photobook, card or gift from a customer's photos before the customer edits or approves it. The value-creation point is that the sponsor is framing AI as workflow and product redesign, supported by coherent data, domain expertise, documented processes, engineering capability and controls.

FCA launches an AI adoption map for financial services

The FCA launched its AI Spotlight Observatory on 19 November, saying the platform draws on practical use cases from more than 200 organisations across 150 areas of activity. It is intended to help firms compare how AI is being applied in financial services, including compliance, financial crime, agentic payments and newer AI techniques.

The FCA's AI approach page, updated on 18 November, says it does not plan extra AI-specific regulation and will rely on existing frameworks, including Consumer Duty, accountability and governance. For FCA-regulated managers and financial-services portfolio companies, that means AI value creation needs a register of use cases, accountable owners, testing, monitoring and evidence of customer and market outcomes.

Bain links AI results to workflow redesign

Bain published a survey on 18 November that is not a PE-only sample, but it is useful for portfolio value-creation teams because it measures where business results are appearing. Bain's Q3 2026 AI readiness survey of 200 respondents found that 33% of companies had seen measurable revenue uplifts or cost decreases from AI in at least one use case, and that respondents said AI had met or exceeded expectations in about 76% of deployed use cases.

The control point is redesign. Bain reported that only 25% of companies were substantially rebuilding workflows, while firms doing deeper redesign were more likely to exceed goals. For an operating partner, that makes workflow redesign a gating question before funding the next AI build.

Key Statistics

- 48% - institutional investors expecting AI to lower fund manager fees, EY survey answer
- 45% - managers reporting only modest returns from operational AI investment to date, EY survey answer
- 33% - companies reporting AI revenue uplifts or cost decreases in at least one use case, Bain survey answer
- 22.7% - global PE deployment captured by HALO assets in the first three quarters of 2026, PitchBook analysis
- 31x - median revenue multiple for level-four PE-backed companies in McKinsey's 2023-2025 analysis

KEY TAKEAWAY

Before the next board cycle, list the two AI use cases tied to the value-creation plan, name the baseline metric, and decide what proof a buyer or regulator would accept.

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