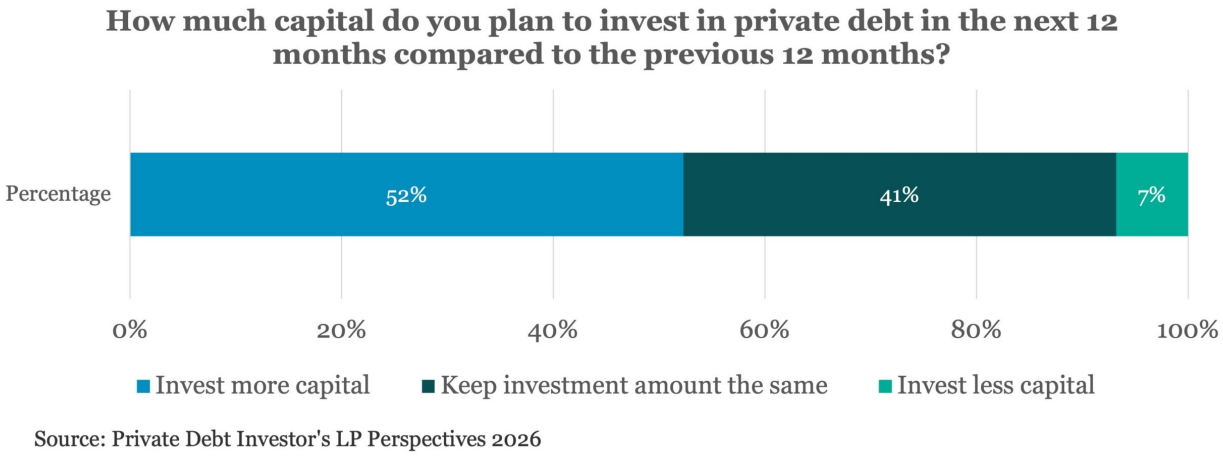
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Investors still warming to private credit

PEI Private Credit | January 28, 2026



Source: Private Debt Investor's LP Perspectives 2026

Our research finds more than half of LPs are wanting to increase their investment into the asset class.

With the economic and geopolitical backdrop in 2026 continuing to be volatile – and, in some ways perhaps, becoming even more turbulent than last year – is there a danger of investors losing their nerve?

When it comes to private credit, it seems, the answer is no. In last week's column, we reflected on some of the findings from *Private Debt Investor's* latest *Investor Report* and found that 65 percent of all institutions canvassed considered themselves under-allocated to the asset class.

What the report also found was that more than half of investors (52 percent) plan to do something about it by investing more capital into private credit this year (see chart). Forty-one percent said they would keep their pace of investment the same and only seven percent said they were planning to invest less.

When it comes to individual private credit strategies, direct lending remains the most popular, with 42 percent of investors expressing appetite to invest more capital into it in 2026 and 40 percent saying they would keep their investment level the same.

If there's one strategy that's been demanding attention in recent times, it's asset-based finance – and its growing significance is born out in our report, which finds 35 percent of investors wanting to invest more into it this year and another 35 percent keen to maintain the same level of investment.

In complex times, complex strategies are likely to flourish and – in third place in the popularity stakes – is distressed debt and special situations, with 22 percent of investors looking to ratchet up their investment into the space.

In terms of regional appetite, Western Europe is the number one target with 42 percent of investors saying they have greater interest in investing there in 2026. North America, meanwhile, finds its popularity declining as just

17 percent of investors say they have a greater interest in it this year – with 20 percent saying they have either less interest or no interest.