

# Fundraising Concentration and Competitive Dynamics

This report is excerpted from the *First Quarter 2026 Fixed-Income Sector Views*.

## Manager selection is key to navigating competitive market dynamics.

Private debt fundraising has reached record levels, largely driven by private wealth inflows. This has intensified deal competition and compressed spreads, particularly in the upper middle market, where deal sizes often exceed \$1 billion. These dynamics highlight the critical role of manager selection, favoring those who have raised an amount of capital that is appropriately sized for the opportunity set. Such alignment enables managers to navigate competitive pressures effectively while optimizing investment outcomes amid heightened competition for deals.

### Sector Commentary

- Perpetual private wealth vehicles raised \$86.4 billion in the first half of 2025, up over 50 percent year over year. Approximately 55 percent (\$47.5 billion) was allocated to private debt strategies, including nontraded business development companies and interval funds.
- Mega-alternatives managers are increasingly targeting retail inflows, which commonly account for 25 percent of total inflows. In some cases, mega-alts managers have seen inflows from the private wealth market make up 50 percent of total new capital raised.
- Policy tailwinds, such as new pathways into 401(k) plans, are broadening access to private credit. Collaborations between alternative-focused managers and large traditional managers are being explored to capture additional inflows from the private wealth channel, enhancing private debt distribution.

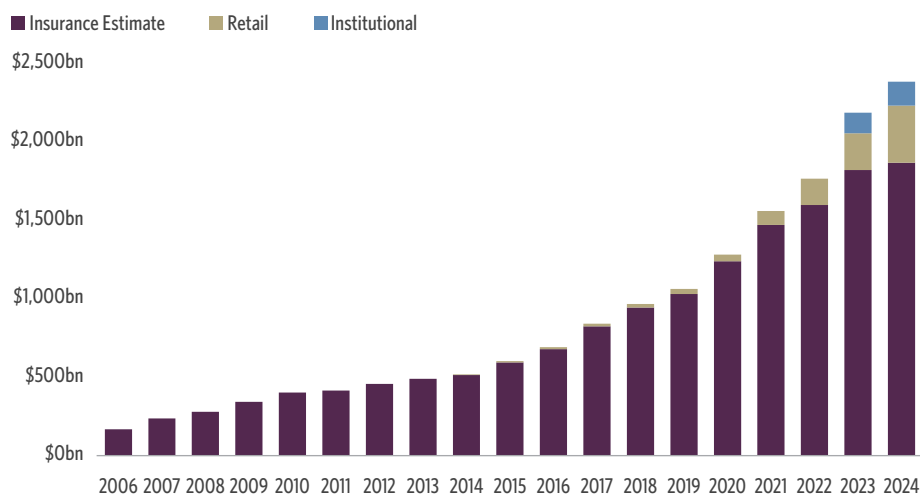
### Investment Themes

- We continue to seek opportunities with strong risk-adjusted returns, supported by competitive pricing and robust documentation standards.
- Strategic patience in capital allocation enhances portfolio quality and mitigates risk, ensuring disciplined investment execution.
- Amid heightened competition, we are prioritizing breadth, depth, and discipline in deal sourcing to identify high quality investments.
- We believe our focus on disciplined execution and strategic patience positions our private debt platform to outperform peers in delivering compelling investment outcomes.

By Joe McCurdy, Joe Bowen, Mark Pridmore, and Zac Huwald

Mega-alternatives managers increasingly target retail inflows, with some aiming for 25 percent or more of total inflows. Outliers have seen inflows from the private wealth market close to 50 percent of total new capital raised.

### Retail Channel Flows Are Increasingly Prominent in Private Debt



Source: Guggenheim Investments, Pitchbook. Data as of 12.31.2024. Note: retail and insurance figures are as of 6.30.2025.

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One **basis point** is equal to 0.01%.

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