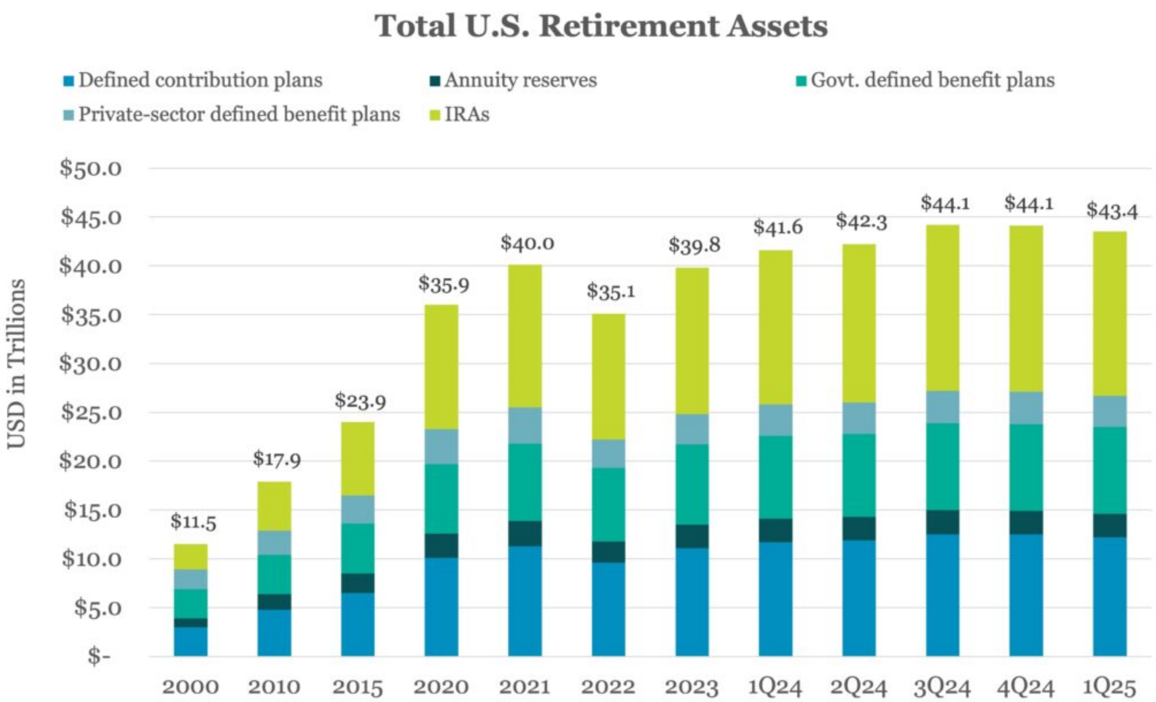
THE LEAD
https://theleadleft.com/middle-market-private-credit-7-28-2025/

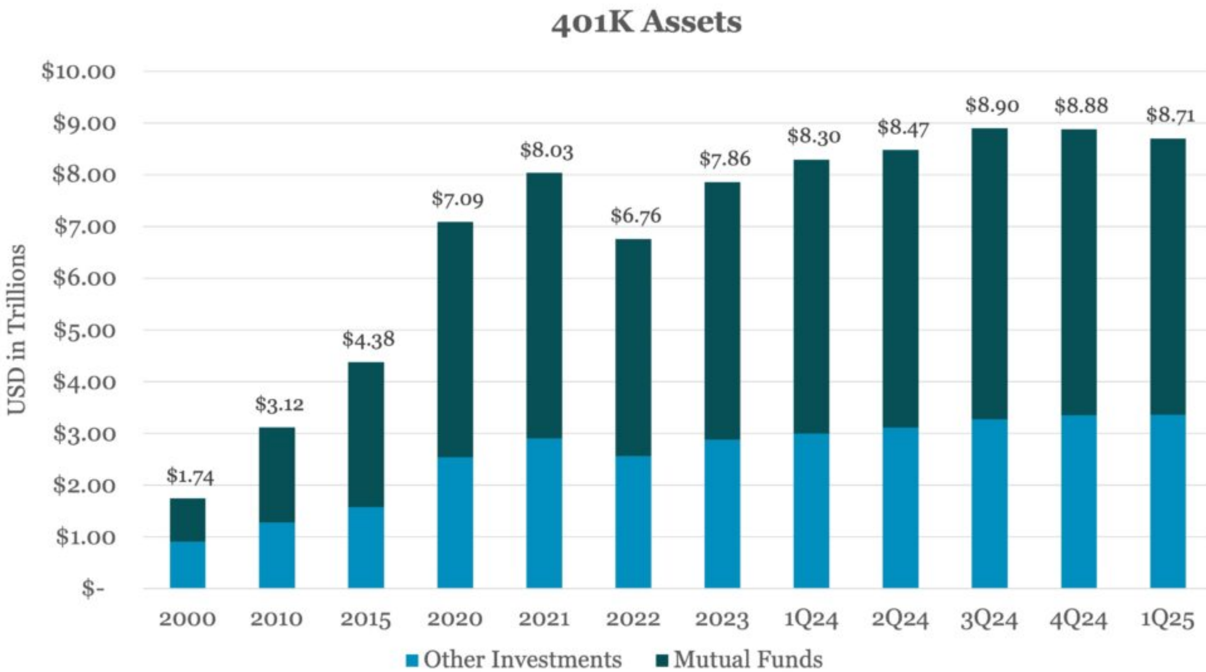
Private Asset 401(k) Offerings Increase US Alt IMs' Growth, Complexity

Fitch Ratings | July 31, 2025



Note: Defined contribution plans at 1Q25: $8.7b in 401(k) plans, $735b in other private-sector DC plans, $1.4t in 403(b) plans, $477b in 457 plans, and $936b in the Federal Employees Retirement System's Thrift Savings Plan.

Source: Fitch Ratings, Investment Company Institute



Note: Defined contribution plans at 1Q25: $8.7b in 401(k) plans, $735b in other private-sector DC plans, $1.4t in 403(b) plans, $477b in 457 plans, and $936b in the Federal Employees Retirement System's Thrift Savings Plan.

Source: Fitch Ratings, Investment Company Institute

Click here to learn more.

A potential presidential executive order to facilitate investment in private assets for U.S. retirement plans, including 401(k)s, would provide alternative investment managers (Alt IMs) an additional avenue of growth from the $12.2 trillion defined-contribution market.

While sustained increases in the size and diversity of AUM can be positive for Alt IM rating profiles, Fitch would weigh these against the accompanying potential regulatory, legal and reputational risks. Alt IMs are facing heightened disclosure requirements pertaining to liquidity, fees, valuations and potential conflicts of interest given the increased regulatory and political scrutiny of the size and interconnectedness of the private credit market.