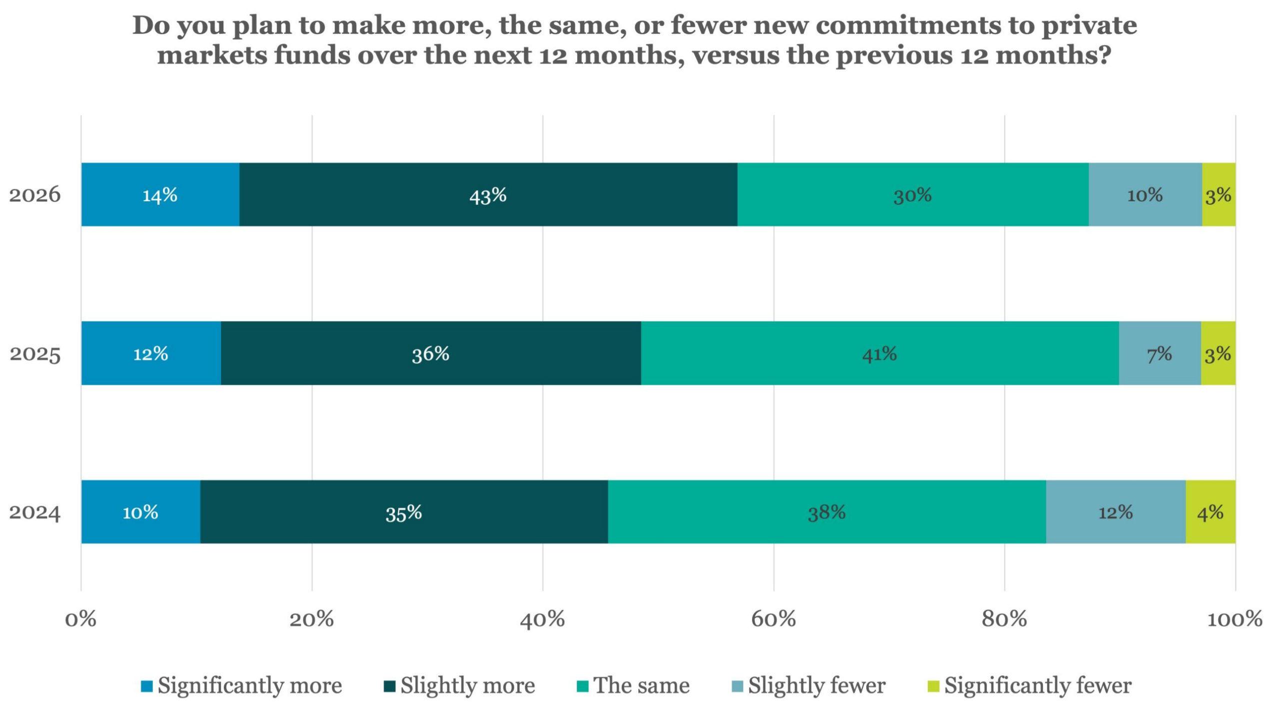
THE LEAD
https://theleadleft.com/pdi-picks-11-10-2025/

An investor vote of confidence

Private Debt Investor | November 12, 2025



Amid some mixed headlines, private markets appear to be as popular as ever with those who provide them with their capital.

In last week's column, we reflected on some of the outcomes from our latest *LP Perspectives* study. Continuing our examination of some of the key findings this week reveals a strong investor appetite for private markets in general – and private credit specifically – as we head towards the end of 2025.

While headlines have been made by private equity's exit struggles, the relative strength of public markets and bankruptcies affecting asset-backed firms in the private debt space, our study indicates that investor confidence has rarely been stronger.

The study found 57 percent of investors either expecting to make significantly more or slightly more commitments to private markets funds over the next 12 months – compared with 48 percent a year ago and 45 percent two years ago (see chart). Only 13 percent of investors are expecting to make significantly fewer or slightly fewer commitments.

When it comes to private credit, more than half of investors (52 percent) say they plan to invest more in the asset class in the next 12 months versus the last 12. This is slightly down on the 55 percent figure a year ago but still more than any other yearly figure going back as far as 2020.

When it comes to allocation targets, the proportion saying they are over-allocated to private debt has edged up from zero a year ago to 5 percent. But the 49 percent who now say they are under-allocated is also higher than last year's figure (46 percent). Back in 2023, nearly a fifth of investors (18 percent) said they were over-allocated.

While the results we reported last week indicated some concern over performance on a forward-looking basis, private credit has impressed investors over the last 12 months – with 93 percent saying it has either exceeded (31 percent) or met (62 percent) benchmarks. This is quite similar to the view of performance a year ago – and strikingly better than in 2021 when 33 percent of investors said the asset class was falling below benchmarks.