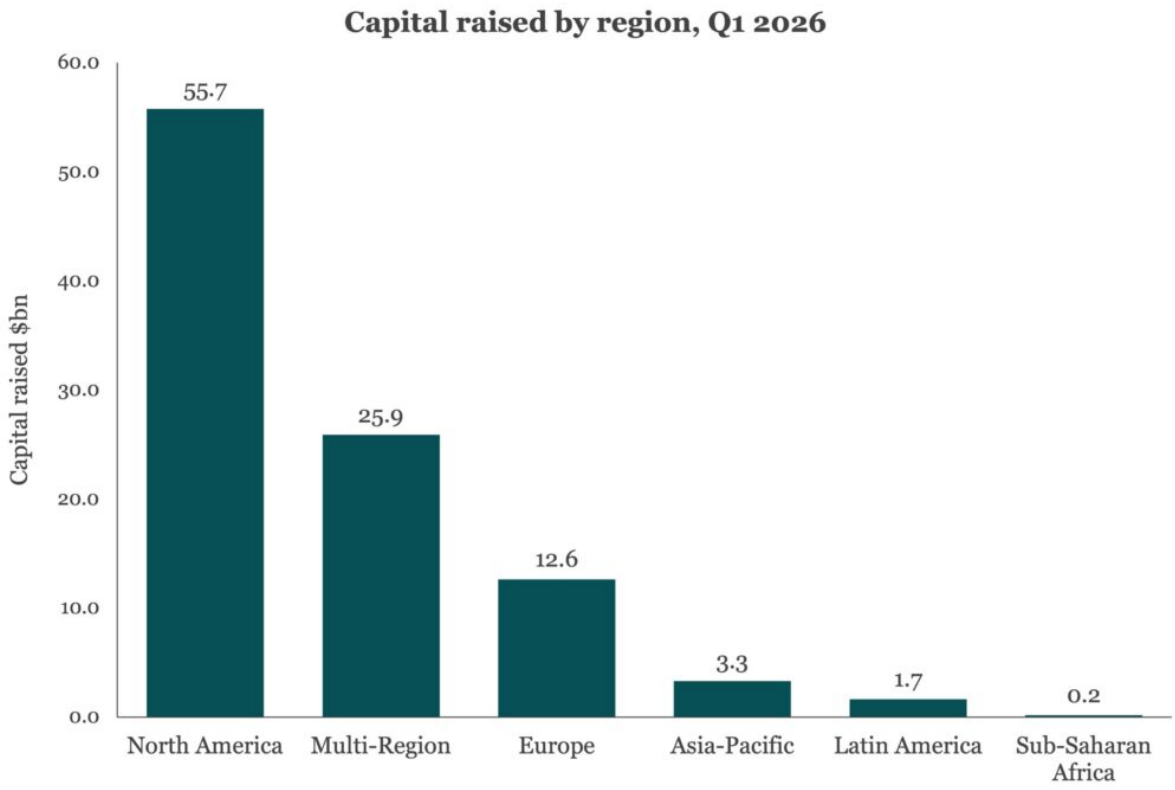
Heads turn to Europe

PEI Private Credit | April 29, 2026



There is renewed investor interest in the region even though it's not yet becoming evident from the fundraising data.

Next week *Private Debt Investor* welcomes the private credit community to London for our annual Europe Summit. There won't be any shortage of conversational items on the agenda.

Perhaps the biggest topic is to do with capital flows and whether Europe can take advantage of the "noise" around US private credit to claim a larger share of investor allocations.

As yet, as our chart indicates, there is little sign of North American support collapsing. In Q1 2026, $55.7 billion was raised for fund managers targeting the region, compared with $25.9 billion for those investing on a multi-regional basis and just $12.6 billion for those targeting Europe.

These totals are broadly in keeping with what has been witnessed in recent years, with North America staying well ahead of the fundraising pack. It will be interesting to hear what delegates at our event think of prospects going forward. After all, the redemptions/gating issue for semi-liquid funds and heavy exposure to a software sector seen as vulnerable to AI disruption are largely seen as US – rather than European – issues.

Furthermore, many investors are reported to be seeking geographical diversification – and that's regardless of the headwinds facing the US market. While our surveys have revealed investors to be overwhelmingly under-allocated to private credit in general, the issue is particularly acute when it comes to Europe.

Heads are also being turned by the prospect of hugely increased government spending on the defence sector in Europe. It may not yet be a major part of most fund managers' portfolios, but that could change over the coming years and decades as the need to protect the region's sovereignty creates plenty of deployment and exit opportunities within the supply chain.