

Private debt continues to gain popularity among institutional and private wealth investors

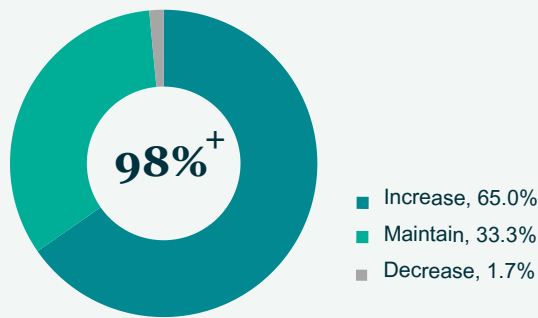
Q4 2024 pulse on private debt survey

In September 2024, Churchill conducted a survey of 74 investors, comprising 82% institutional investors and 18% private wealth investors, the latter represented by Registered Investment Advisors (RIAs) and financial advisors. Our goal was to gain deeper insights into the role and growing significance of private debt within today's dynamic investment landscape.

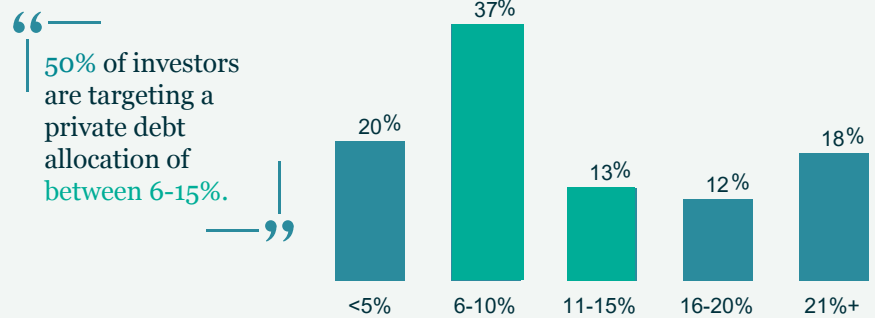


Over 98% of investors plan to maintain or increase allocations to private debt in 2025, up from 96% in 2022

Q: Do you expect to change your allocation to private debt in the next 12 months?

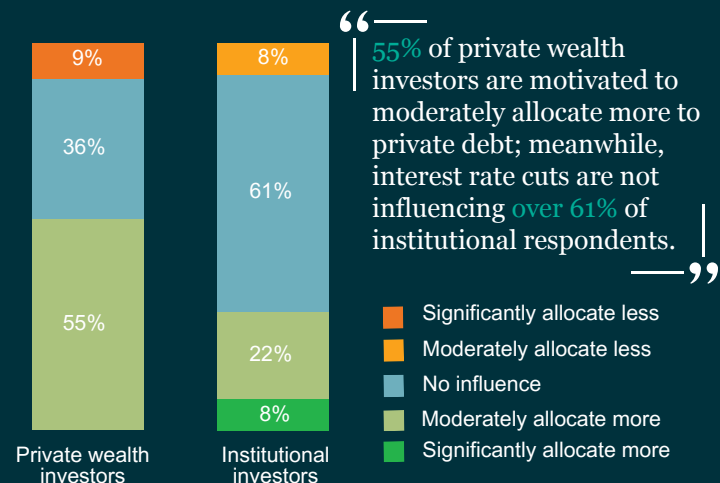


Q: What is your target private debt allocation in 2025?



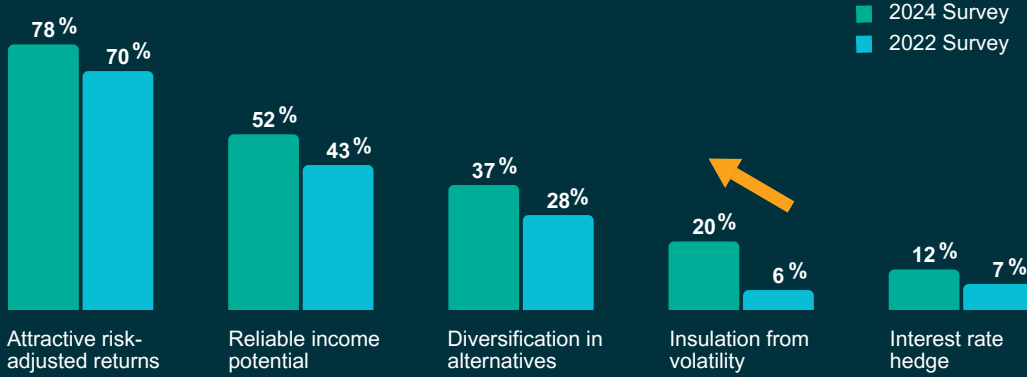
While 57% of respondents say interest rate cuts are not influencing private debt allocation decisions, 35% are planning to allocate more

Q: To what extent are potential interest rate cuts influencing your decision to allocate more or less to private debt in the next 12 months?



Attractive risk-adjusted returns and reliable income potential continue to drive private debt allocations

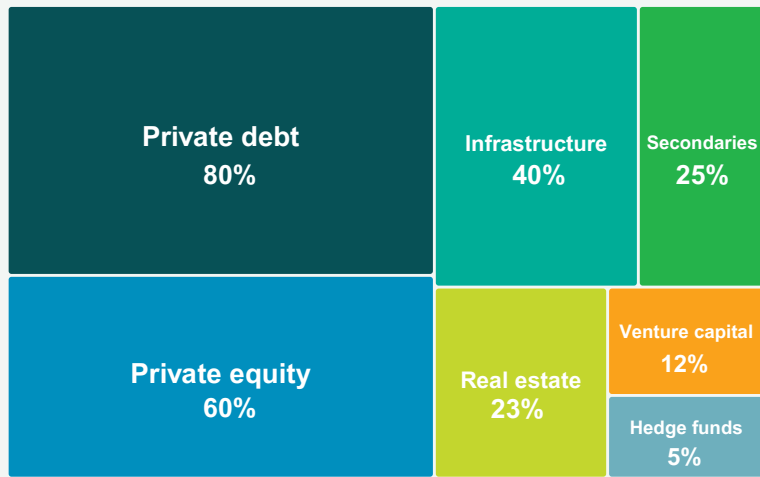
Q: What are your main reasons for investing in private debt?



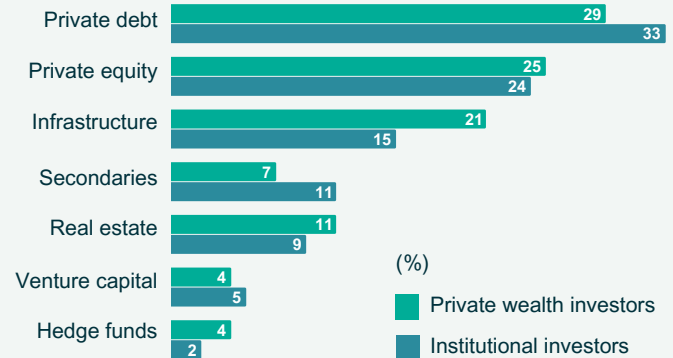
“ A notable increase in investors prioritizing **insulation from volatility** was observed, rising from ~6% in 2022 to 20% in 2024, reflecting the recognized value of the asset class during uncertain market conditions. ”

Private debt and private equity are the top two alternative strategies investors plan to allocate the most capital to in 2025

Q: Which alternative strategies do you plan to allocate the most capital to over the next 12 months?

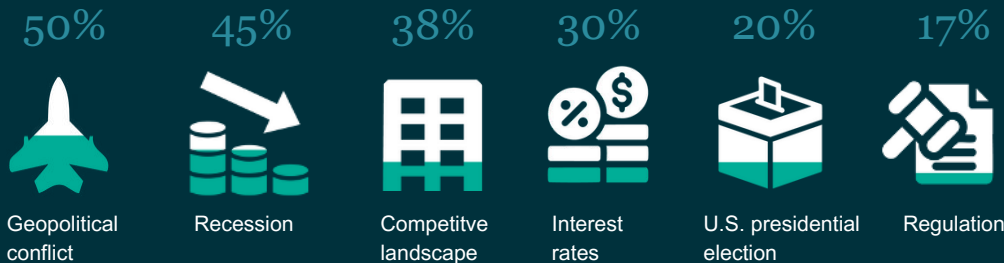


“ Private wealth investors prefer **real asset-backed** strategies, while institutional investors are more focused on **corporate credit** strategies. ”



Geopolitical conflict and recession ranked as the top concerns for investors in 2025

Q: Which of the following do you view as the top challenges that most concern you and any plans you might have to deploying capital over the next year?



“ Private wealth investors are more concerned about **geopolitical conflict and interest rates**, while institutional investors are focused more on **recession risk and the competitive landscape**. ”

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