Institutional Investors and Financial Advisers Overwhelmingly Say Private Credit Is a Key Source of Income

Private credit has dominated headlines in recent months. Media coverage of the industry has focused less on structural aspects of private credit and instead centered on speculation around investor sentiment. But those same reports often overlook **the perspectives of those with the most at stake**: the institutional investors who allocate on behalf of pension beneficiaries, endowments, and foundations, and the investment advisers who build portfolios for individual savers.

To understand how these stakeholders see the asset class, the American Investment Council (AIC) commissioned a national survey of 200 investment decision-makers: 100 institutional investors (LPs), including CIOs and heads of alternative investments at pension funds, endowments, foundations, and family offices, and 100 Registered Investment Advisers (RIAs) at firms with at least $1 billion in assets under management. The results are clear: **the investors closest to private credit view it as a durable source of income and diversification and are backing their convictions with capital.**

KEY TAKEAWAYS

More than eight in ten investors say private credit is an important source of income and diversification.

- Across both audiences, 85% agree that private credit is an important source of income and diversification within a portfolio, including 88% of institutional investors and 81% of RIAs.
- Investors credit performance, not hype. Three-quarters (75%) agree private credit offers attractive risk-adjusted returns relative to other asset classes, a view held by 80% of RIAs and 70% of institutional investors.
- Nearly three-quarters (74%) of institutional investors describe private credit as a core component of a resilient portfolio, and 62% of all respondents would recommend higher private credit allocations to their peers.
- Investors point to the same fundamentals when asked what drives that performance: an attractive yield premium over public credit (69%), added portfolio diversification (56%), and access to differentiated markets and borrowers (54%).

Investors are backing their convictions with capital

- 86% of investors are confident in private credit's ability to deliver value over the next three to five years.
- That conviction is showing up in allocations: 85% of respondents plan to maintain or increase their private credit exposure over the next three to five years.

- The asset class is delivering on investors' expectations: 62% say private credit is a moderate or better contributor to overall portfolio performance, and 73% view current private credit valuations as fair or undervalued relative to underlying risk fundamentals.

METHODOLOGY

This survey was conducted on behalf of the American Investment Council between May 28 and June 26, 2026, among 200 U.S.-based investment decision-makers: 100 institutional investors - including CIOs, heads of alternative investments, and senior investment professionals at pension funds, endowments, foundations, and family offices - and 100 Registered Investment Advisers at firms with at least $1 billion in assets under management.

For more on how investors view private credit, visit www.privateinvestmentworks.com.