



Multi-asset market outlook  
**Private credit: The good, the bad, and the illiquid**

April 2026

# General overview

## Traditional safe havens fail to give investors diversification in March

Multi asset	1mo	3mo	YTD	1yr	3yr	5yr
Oil Index (USD)	55.3%	83.4%	83.4%	64.7%	25.3%	25.8%
GSCI Commodities (USD)	27.6%	42.7%	42.7%	34.1%	15.9%	20.0%
Cash (EUR)	0.2%	0.5%	0.5%	2.1%	3.2%	1.9%
EMD hard currency (UH, EUR)	-0.9%	0.3%	0.3%	0.9%	5.7%	2.0%
Global inflation-linked bonds (H, EUR)	-1.9%	0.4%	0.4%	1.6%	-0.1%	-2.3%
Global investment grade bonds (H, EUR)	-2.2%	-1.0%	-1.0%	2.4%	3.3%	-0.8%
Global high yield (H, EUR)	-2.2%	-1.3%	-1.3%	5.5%	8.0%	2.6%
Global Gov Bonds (H, EUR)	-2.2%	-0.8%	-0.8%	0.2%	0.6%	-2.0%
EMD local currency (UH, EUR)	-3.6%	-1.3%	-1.3%	2.1%	3.4%	2.1%
MSCI World (UH, EUR)	-4.1%	-1.7%	-1.7%	11.5%	14.5%	10.7%
MSCI World local currency	-5.7%	-3.2%	-3.2%	17.9%	16.7%	10.9%
MSCI World (H, EUR)	-5.9%	-3.6%	-3.6%	15.9%	15.2%	9.3%
Global real estate (UH, EUR)	-6.0%	6.7%	6.7%	4.6%	8.1%	4.9%
Emerging Markets (LC)	-10.5%	2.1%	2.1%	30.6%	17.1%	6.2%
Emerging Markets (UH, EUR)	-10.9%	1.8%	1.8%	21.5%	12.6%	4.1%
Gold (USD)	-11.2%	7.1%	7.1%	47.3%	32.0%	21.2%

### Risk was repriced higher, most leveraged positions hit hardest

- > March 2026 was defined by a 'triple squeeze' of geopolitical conflict, energy shocks, and a hawkish repricing of interest rates, leading investors to reprice risk, with limited traditional safe haven choices available.
- > The escalation of the Iran war and the closure of the Strait of Hormuz on 4 March triggered a historic surge in Brent crude, driving outperformance of the Energy sector. Conversely, global equities suffered their worst month since 2020, with European markets declining over 8% as stagflation fears mounted.
- > In fixed income, the US 10-year yield jumped to 4.3% as investors priced out 2026 rate cuts. And while the US dollar Index strengthened on safe haven demand, the reverse was seen in gold prices as central banks stopped buying and investors tried to take profits. Volatility spiked across all asset classes, including credit, further pressured by private credit stress and BDC fund underperformance

Past performance is no guarantee of future results. The value of your investments may fluctuate.

Source: LSEG Datastream, Robeco. All market data to 31 March 2026 unless mentioned otherwise.

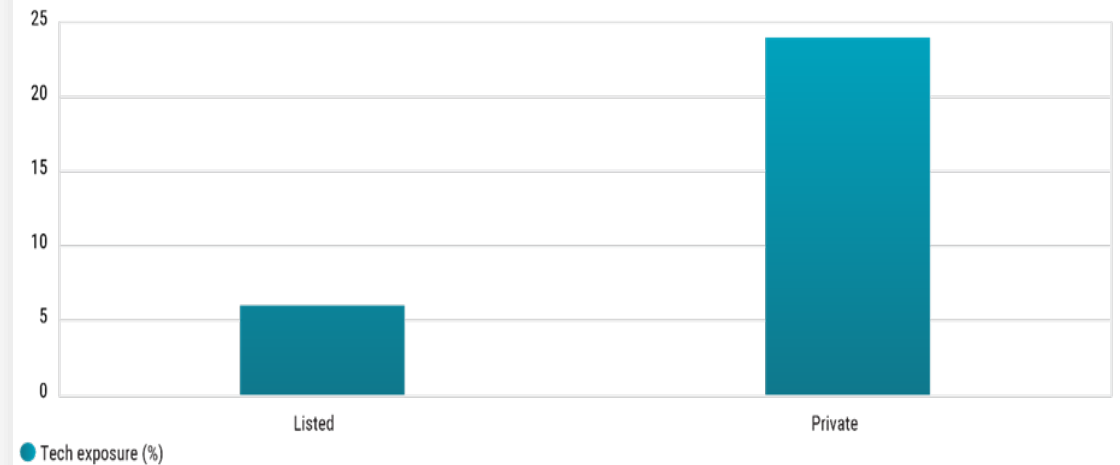
# Theme of the month

## Private credit: The good, the bad, and the illiquid

### What is private credit?

- > Private credit covers direct lending and middle market financing provided by non-bank lenders such as private debt funds. It is a market worth roughly USD 2.1 trillion that sits largely outside traditional bank balance sheets.
- > This kind of lending typically finances sponsor-backed companies through privately negotiated loans with less public disclosure than syndicated loan or bond markets.
- > For investors, private credit has offered higher yields and apparently smoother reported returns than listed credit, in part because assets are valued periodically rather than continuously.
- > The trade off is that the market is structurally tilted toward sub-investment grade borrowers and fast-growing sectors on bespoke terms. The chart shows how private credit is more skewed towards Tech than the listed market.

### Tech exposures of the public and private credit markets



Source: Absolute Strategy Research, April 2026

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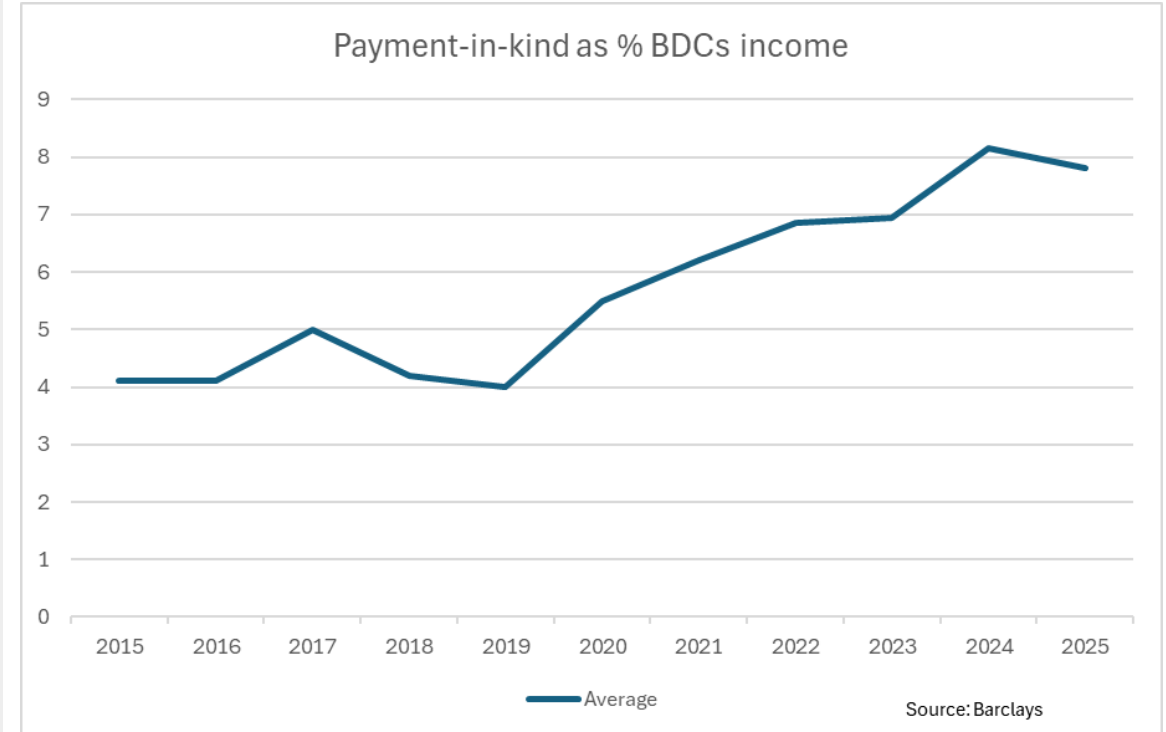
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## Private credit: The good, the bad, and the illiquid

### Opacity, incentive alignment, and default risk

- > While private credit could deliver higher returns than listed credit, valuation opacity and fee incentives are key risks. The US SEC has noted conflicts of interest when advisers value private fund assets and use those valuations to calculate fees and performance – echoing incentive problems seen in parts of structured credit before the Great Financial Crisis.
- > Currently, headline default rates (about 2.1%) may understate stress. When adjusted for liability management exercises and ‘shadow’ distress, the implied real distress rate may be nearer 5.4%.
- > One indicator to watch is the payment-in-kind, which reflects unpaid interest payment swapped for future payments against the earnings of the borrowers. This allows the sponsor and the borrower to avoid default clauses that may be triggered in a listed debt issuance.

### Income due today if it is termed out



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# Theme of the month

## Private credit: The good, the bad, and the illiquid

### Investor implications

- > The key test arrives over the next 18 months as 25% of private debt matures. Many loans were originated earlier in the decade at valuations and interest rates that no longer exist.
- > The private credit market is not facing an imminent collapse, but rather a maturing and more fragile part of the cycle. The new cohorts of private credit investors should be less likely to overpay for a business. Existing debt holders may have a rockier ride.
- > We expect that 2026 and 2027 will become the years where performance is generated through restructuring expertise and rigorous manager selection by sponsors with deep pockets, at expense of the retails and minority lenders. We continue to monitor the outlook for private credit.

### Risk dashboard

Risk dimension	Signal	Status	Key read-across
Market pricing	BDC discounts to NAVs, BDC returns	<b>RED</b>	Public markets pricing future private losses
Liquidity	Redemptions, gating	<b>RED</b>	Retail-facing structures under pressure
Credit quality	PIK income, non-accruals	<b>AMBER</b>	Market to market stability masking stress
Sector Concentration	Software / AI exposure	<b>RED</b>	Private credit more exposed than public credit
Rates & Leverage	Rates sensitivity, bank funding	<b>AMBER</b>	Higher-for-longer, and withdrawal of bank funding increases fragility

Source: Robeco, April 2026

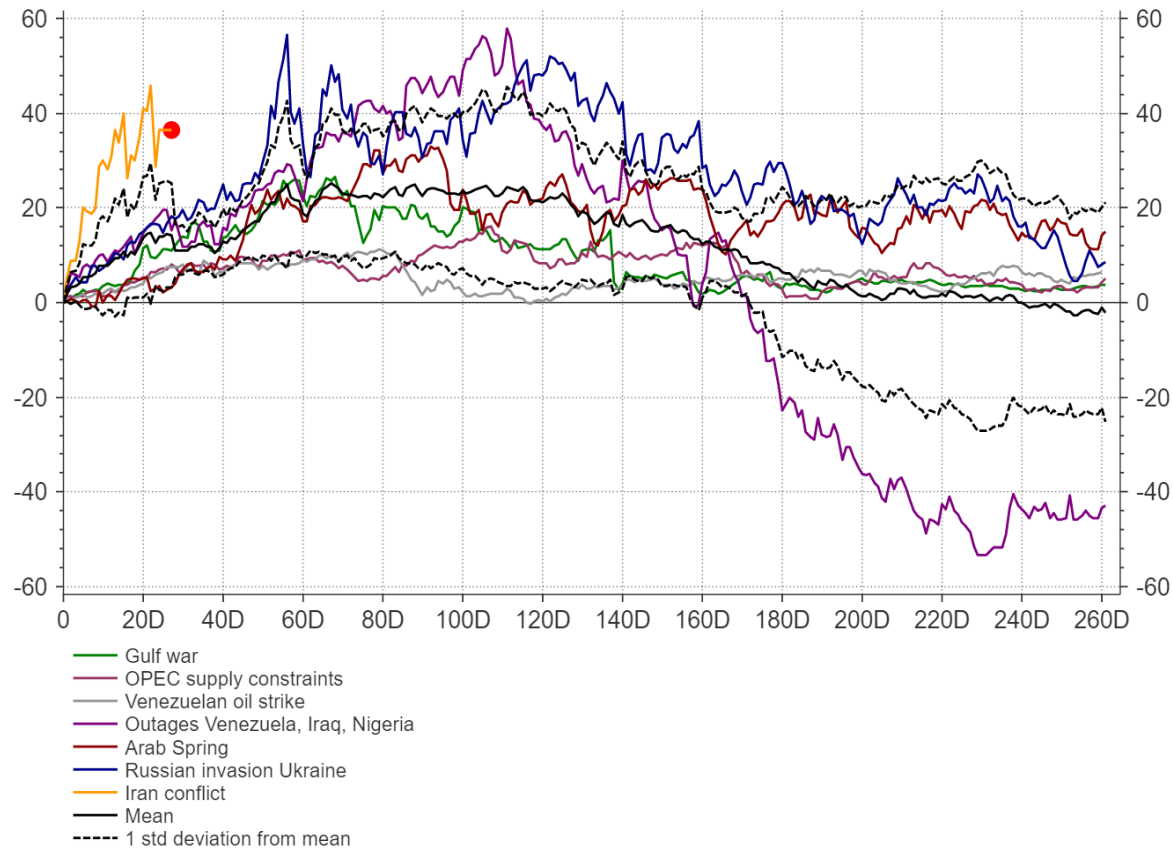
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# Economy

## Macro data still holding up, but situation on the ground spells more trouble ahead

### Previous oil shocks only dissipated past 140-day window in conflict



Source: LSEG Datastream, Robeco

### US has lost escalation dominance, Iran aims for war of attrition

- > While macro data over March confirmed ongoing expansion in global services and manufacturing, headwinds are mounting. All eyes are still focused on the latest developments around Iran. The Strait of Hormuz is effectively closed, with Iran's strategy shifting towards endurance over escalation. In controlling the Strait, Iran has a powerful lever encompassing about 15% of global oil supply.
- > Outlasting the US economically and militarily is now a dominant strategy for Iran, as the domestic political pressure on President Trump is rising. With gasoline prices in the US now well over USD 3 per gallon – at the breakeven point above which households start to feel the strain and voluntary energy rationing starts to take place – Trump's polling numbers are weakening.
- > There is still high noise, low signal around US-Iran negotiations, with a low probability of a clean near-term offramp that restores pre-war flows. The aftermath of the 2023 Houthi attacks around the Bab al-Mandeb Strait near Yemen are illustrative in this respect, with tanker traffic through the Red Sea dropping more than 50% in subsequent years.

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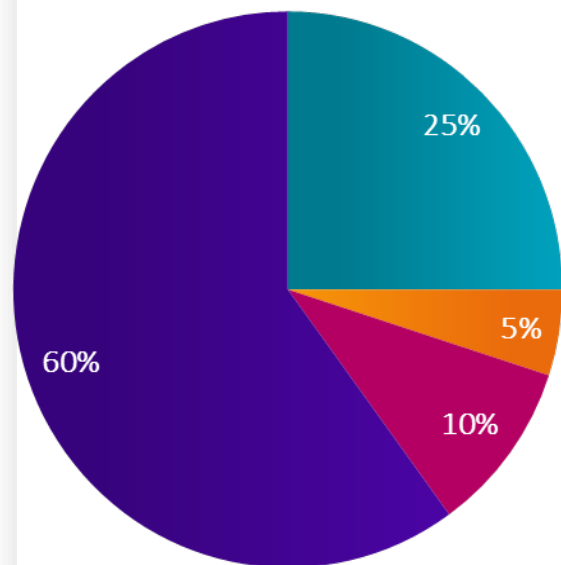
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# Economy

## Raising odds of a stagflationary outcome, yet synchronized shift still our modal view

### Navigating through the fog of war

Scenario probability



	Oil price
Deal/de-escalation	80
Uncontrolled escalation	130
Limited strikes	95
Hormuz closure	120
<b>Scenario weighted</b>	<b>108</b>

### Monitoring intensity, duration and propagation of historic oil shock

- > While leading producer confidence metrics across the globe did signal a 'synchronized shift' in upward momentum during the first months of 2026, the escalation in the Middle East conflict in March 2026, particularly with Iran's involvement, has clearly tilted the risks around our constructive outlook to the downside.
- > Because oil market shocks can produce non-linear effects, our scenario analysis concentrates on the intensity, duration and propagation of these shocks.
- > We observe that persistent geopolitical tensions have amplified volatility in energy markets, dampened risk sentiment, tightened liquidity conditions and raised inflationary pressures. Every 10% increase in oil prices raises inflation by roughly 0.3% and lowers GDP growth by 0.4%. We have raised the probability of our stagflation scenario to 40%.

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