

Arcmont's CIO: US pullback a fresh boost for European credit

Sitting down with *Alternative Credit Investor*, Arcmont's Mattis Poetter (pictured) discusses how the retreat of US players from Europe is creating openings for domestic managers.

“WE ARE BACK IN A STATE where Europe is dominated by Europeans”, as US players pull back from the market, says Mattis Poetter of Arcmont Asset Management, one of the continent's biggest direct lenders.

Over the past year, some of the largest European managers have seen record fundraises inking more than €10bn (£8.6bn) in some instances, representing a recent trend of investors looking to the continent to gain exposure to direct lending amid US firms battling numerous headwinds.

While also acknowledging this trend, Poetter, partner and chief investment officer at €46bn Arcmont, argues that a less-discussed phenomenon is also at play: US peers pulling back from the European market.

“The reality is for the last six months, they [US BDC players] have barely invested any meaningful money in Europe, while the Europeans had a very good fundraising

period,” Poetter says.

Despite European managers raising significant amounts of money, Poetter says less capital is actually competing for deals in the continent, especially in the middle to upper mid-market, where UK-headquartered Arcmont focuses.

“There is less competition for every investment we're making, which is why we're often getting extra spread, better terms and

better than last year, with a much better risk-return profile.

The pullback of US players from the European market can be partly explained by recent redemptions from BDCs, which has reduced available liquidity for these lenders.

The increased presence of US managers in Europe followed a surge of interest in the continent between 2024 and 2025, intensifying competition,

“There is a lot of noise in Europe but if you cut through it, the underlying economy is very stable, and that is good for credit.”

less leverage,” Poetter adds.

For Arcmont, which was founded in 2011 and is part of investment manager Nuveen, the less competitive environment has meant that deal volume in 2026 has been

particularly in the large-cap space.

“That has shifted back,” says Poetter. “We are back in a state where Europe is dominated by the Europeans, which is of course competition. But, it is much tamer and much more



disciplined competition than we saw last year,” he says.

Diverging markets

Poetter also highlights that the US and European markets are fundamentally different, with some of the challenges experienced by the former driving some investors to look elsewhere.

In Europe, Poetter argues that private credit activity is more

driven by borrower demand, which is currently outpacing the growth of institutional capital. While the US, especially in the large-cap space, has attracted so much capital that lenders are competing harder for deals, compressing returns and weakening terms.

“In Europe, it is actually driven by an overhang of demand,” he says.

“The institutional fundraising [in Europe] cannot fully catch up with demand.”

He explains that the demand from borrowers in the continent shifted after Covid-19, as private equity sponsors could no longer rely on public markets for financing, leaving private credit to fill that gap.

Overall, the competition for deals in the US has been driving more investors to Europe over the last two years, Poetter explains, as “they realise the US has become very efficient”.

“The institutional fundraising [in Europe] is working well but actually cannot fully catch up with demand,” he says.

On top of this, European direct lending has also been given a boost by geopolitical events such as tariffs and a more stable economy, he argues.

In 2022, following the Ukraine war, a lot of investors were afraid that Europe was fragile and took their hands off the region. But fast forward to 2024, Poetter says investors have changed their view.

“In 2024, investors realised that while there is a lot of noise in Europe, if you cut through it, the underlying economy is very stable, and that is good for credit.”

Overall, a lot of the scepticism that surrounded the European private credit market has been put to bed over the last two or three years, Poetter adds. ■