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Private Market Talks:
Bringing Private Credit to the Wealth Channel with Nomura Capital Management's Robert Stark

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In our first episode of 2025, we're excited to speak with Robert Stark, CEO of Nomura Capital Management. During our discussion, we discuss the competitive DCA ranges and challenges of building a private credit platform within a large, global financial institution. Robert also talks about how Nomura has been able to tap into its vast network of registered investment advisors to unlock distribution through the private wealth channel. Finally, we look forward and get Robert's outlook for 2025. It's a great start to the New Year!

Peter Antoszyk: Welcome to Private Market talks, a Proskauer podcast. I'm Peter Antoszyk. Today, my guest is Robert Stark, CEO of Nomura Capital Management LLC and head of investment management in the Americas for Nomura Group. As I'm sure most of you know Nomura, is the Japanese Financial services group, an investment bank with a global reach. It has approximately $600 billion of assets under management.

Nomura hired Robert as CEO of Nomura Capital Management, a new asset management company, to be focused in private credit in the United States. Robert has more than 20 years of financial services experience. He was founder and CEO of Alterum Capital Partners, where he built an investment management business focused on the private markets. Prior to that, he was a senior managing director and member of the executive committee at FS Investments. Robert also spent time at JP Morgan and McKinsey.

Today, we discuss what it takes to start a private credit platform from scratch with any large financial institution. We also discuss one of, if not the biggest, trend in private markets, unlocking investment through the private wealth channel.

Nomura has a strong network of registered investment advisors, so I'm particularly interested in hearing Robert discuss the opportunities and challenges of distribution through their RIA Network. Finally, after two years of successfully building the platform in a highly competitive environment, Robert talks about where he sees the potential for growth.

As with all our episodes, you can get a full transcript of this episode and other helpful information at privatemarkettalks.com. And if you enjoy listening, drop us a note. We'd love to hear from you.

And now by conversation with Robert Stark, CEO of Nomura Capital Management. Robert, welcome to Private Market Talks.

Robert Stark: Hello, Peter. Thank you for having me.

Peter Antoszyk: I'd love to start with you telling us about how you ended up at Nomura Capital, your path to Nomura Capital.

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Robert Stark: All right. I joined Nomura two and a half years ago and the idea was I had a private credit startup dedicated to the RIA channel at the time. We were looking for both seed and working capital, and looking for the right institutional partner. Eventually, that became Nomura, but quite frankly, with all these stories, when you look at the end of it, it all looks great and a lot of things had to go wrong for a lot of people and companies involved in order for me to end up at Nomura.

For example, I spent the first part of my professional career at a management consulting company serving asset management firms both across Europe as well as here in the U.S., before then diving into the asset management space and get a real job, as friends of mine would say, and that took me to places such as Russell Investments, JP Morgan Asset Management and FS investments. And I've learned a lot throughout that journey and at the same time always had a desire to do something more entrepreneurial outside of the more traditional corporate structures, and that eventually led me to fund my own private credit endeavor. And that essentially ended up being fully materialized here at Nomura two and a half years ago.

We're going to talk about Nomura later on, but the one thing I would say is that it is another like corporate environment, however, Nomura is particularly attractive because it actually is a very entrepreneurial environment. The firm has been around for almost 100 years, and it really allows me to do the things I need to do as an entrepreneur inside a larger firm.

Peter Antoszyk: I think there have been within the last 12 to 24 months something on the order of 14 partnerships between banks and private credit managers. In fact, today, I read that State Street announced that it is on the search for private credit managers. So, banks are jumping into the private credit business. I'd love to hear the pros and cons of starting up a private credit business within a larger bank financial institution.

Robert Stark: I'm going to give you two pieces to this question. The first one is more about where we are in the landscape. If you go back to look at what happened in the last 20 years almost, many banks got rid of their asset management activities. A lot of that was regulatory driven. And so that was more for traditional equities and fixed-income-type investments. And the focus for the banks was more either on wealth management and retail banking and /or investment banking activities, and the regulatory pressure continues to increase, which in turn, makes it even more difficult for banks to pursue things on the private side.

If you think about leveraged buyouts as just one example, which is, to a significant extent, eaten up by the corporate lending growth over the last 10 plus years or so. And so, that is not going to stop. So the banks, in turn, are wondering, "How can we participate in that given we no longer have an asset management arm?" And the traditional lending functionality is more challenged because of heightened capital requirements. So, them reaching out to private credit managers is a natural extension, even though it's not done in house, but it's done in a partnership.

And so, if you then go to the second piece, you realize that, at the end of the day, private credit is a lot about origination channels and having lots of them. And so, the private credit managers find it very attractive to have particular access to middle-market-type lending opportunities. And so, it makes sense for the private credit managers to then in turn partner with the banks.

But I will say that the level of cooperation we have in this market has never been anything like it, at least not during my professional time. I mean, if you would have told me even six months ago that a traditional firm and an alternative firm would partner on creating products together, which are then sold into the wealth management channel, I would have said that that is likely not going to happen. And so, I do find the level of cooperation that you see, whether it's traditional firms with alternative firms, whether it's banks with alternative firms, and then on top of that, the M&A activity, again, traditional firms buying alternative firms, alternative firms buying other alternative firms and private credit firms buying even more specialized private credit managers. All of the above is happening in lightspeed time, and if this trend continues, which I'm pretty sure it will, the overall landscape of what we used to call the banks, the traditional asset managers and the alternative asset managers, I think is going to blur even further. A lot more than what we have seen in the last 20 years.

Peter Antoszyk: It's certainly an evolving landscape, and it's moving fast.

Robert Stark: It's extremely fast. So, my journey of eventually ending up at Nomura started even earlier than that as I was thinking through what could be done in private credit specifically for the RIA markets because the RIAs are true fiduciaries towards their clients. As you know, they only charge their clients an asset-based fee.

Peter Antoszyk: That's distinguished for an investment broker.

Robert Stark: That's correct. That's exactly right. There's no commission, no trading, etcetera. No kickbacks from the managers to the RIAs. And we, in turn, as the investment advisor, we also are an RIA. We also have fiduciary responsibility on the assets we manage on behalf of all clients. So, I do feel that the incentives between us, the investment advisor, and the RIA as our clients are fully aligned. And the goal really is, at the end of the day, to ensure that the end clients, be it individuals, households or institutions, receive the advice and the investment results that they are striving towards. And to me, the incentive system is very well aligned between an RIA and the investment advisor, in this case, us.

Peter Antoszyk: What level of sophistication are you seeing within the RIA Market as to their knowledge and understanding of private investments and private credit in particular?

Robert Stark: It's all over the place, and the average level is clearly not where the institutional space is today. So, what is interesting though is, you meet one RIA, you've met one RIA. Every RIA is different. You can meet an RIA that manages 400 million in assets and is super sophisticated and a lot of the assets are alternative in nature. Then you meet a $5 billion RIA, and basically, they are passive only. We only buy ETFs and maybe we have a handful of mutual funds. We don't believe in alternatives, it's too complicated, we don't have the client sets for that. So, you can't even make the argument that the larger the RIA, the more sophisticated they are, because it very much depends on who are the founders behind these RIAs.

And I think one interesting development is that, obviously, there is a lot of deal activity in the RIA space, so you have RIAs buying other RIAs. You have private equity money forcing that, creating more firms, and some of these firms are trying to centralize investment manager due diligence and research and what type of products are available on the platform, essentially becoming mini wire houses. Which, on the one hand side is interesting, and could be a good outcome, because you have more consistency. You have maybe a more rigorous process by which your due diligence, different managers and funds and their structures. But on the other hand, it kind of defeats the purpose of why people became RIAs in the first place, which is, they wanted to be independent.

And so that's going to be an interesting development. But I wouldn't be surprised if in the next couple of years, at least, we see more in multiple attempts of firms to try to centralize investment manager research and due diligence, similar to what we have seen in the wire houses. And then you have a more centralized, top-down view, like a CIO view, and that sort of trickles down onto the portfolio level. That's one side, and fully bifurcated from that is the exact opposite. "No, we don't want this. We want our advisors to do whatever they have done in the past, and we're not going to interfere with that," so that's going to be an interesting development in this space because I can see and argue for both. And then maybe, I don't know, if we look at this space in 10 years' time, it looks like the wire houses, and then people are leaving those again, forming real independent RIAs yet again. I wouldn't be surprised if the cycle keeps repeating.

Peter Antoszyk: That’s a really interesting observation. And I’ve been speaking to a number of asset managers and just trying to get a handle on that market that you’ve just described, because that too, in addition to the private markets, the investment advisor market is evolving and changing at the same time.

Robert Stark: Yeah, agreed. Now, one thing I would like to touch upon, as you mentioned, is doing this inside a larger bank. And I had exposure to other bank institutions. What I would say is, doing this inside a larger institution definitely comes with its own set of challenges, but also with significant room for entrepreneurial freedom. So, Nomura, as I was alluding to earlier, has been around for almost 100 years, so we’re celebrating our hundred-year anniversary at the end of the year. And the firm was quite remarkable. If you go back almost a century, the firm was founded in Japan by serving households and families in Japan and, to this day, that's around 30% of the firm's revenue globally. But it's the wealth management businesses that is, by and large, the Japan only, endeavor. But we are one of the larger, wealth management firms in Japan, serving 5 million clients, for example, and pretty sizable, and still growing, business. But then we have our wholesale banking business that's around 60% of the firm's revenues. It's a truly global business. It encompasses sales and trading and investment banking activities. And then last, but certainly not least, we have the asset management business, which globally is around 600 billion in assets under management. And, again, a lot of that is in Japan. So, we are one of the top, asset management firms in Japan.

But then outside of Japan, the U.S. is actually our second largest market. And so here in the U.S., we manage around 40 billion in AUM. It's all credit strategies from public high yield all the way down to the private credit space, serving both institutional as well as intermediary clients. And it's not only that this market is the second market for us in terms of size and investment capabilities, but it also happens to be the largest asset management market in the world where we see significant opportunity for someone like us to step in. And the firm actually has over its 100 years of existence, over and over again proven that it has sort of a very-long oriented time horizon and provides a very fertile ground in essentially creating startups inside its own four walls and give those startups enough time to evolve.

So, for example, in 1991, the firm brought in a small team to build out a high yield business. It's one of the larger institutional, client-focused high yield managers out there. It's called in NCRAM that stands for Nomura Corporate Research Asset Management. Back in ‘91, they were a startup and it took them quite some time to grow further beyond Japan-based clients into the U.S. market. And if you look at them today, they have done a remarkable job. But it took time to get there, and Nomura has that long-term-oriented timeline. And so, Nomura did all the right things in providing the resources necessary, but also providing the entrepreneurial freedom for NCRAM to thrive. And we're doing this again now on the private credit side of things. So, it's new to the firm, so we don't do much private credit here in the U.S. on the investment management side. We do it on a lot of that on the on the sell side of things, but on the investment management side, we don't. And we also haven't sold into the RIA space. So essentially, we're just another startup and we're doing it all over again, but this time on the private credit side with a particular emphasis on the registered investment advisor channel.

Peter Antoszyk: You talked a lot about the pros of starting the private credit business within Nomura Capital, that global reach, etcetera. What would be some of the cons? Because you had choices in terms of where to end up, and you weighed the pluses and minuses. So how did you think about some of that?

Robert Stark: Yeah, I was afraid you were going to ask that question. So, look, I sugar coated, but the reality is if you’re building something completely new, it’s not that we have an existing infrastructure, or we had one in place and it’s just plug and play. That clearly was not the case, but quite frankly, this is also what attracted us to Nomura in that we had an opportunity to build this from scratch.

The challenge then is that, if you don’t have that in house already, you need to find people that come with a breadth and depth of experience in different areas, whether it’s on the operations side, on the distribution side and, quite frankly, most importantly on the investment side of things.

So, we don’t have the luxury to bring in a bunch of junior analysts and say “Don’t worry, we’ll train you overtime and come into the nest,” so to speak. We will have to build the nest from scratch, and that takes time and effort. And so it took us almost two years to hire 25 individuals, and I’m very proud of the team that we were able to assemble, but it clearly wasn’t that easy to find the right people, convince them that Nomura is in it for the long run, and that Nomura is the right opportunity for them. And so, I’m very proud of what we have accomplished, but it took quite some effort to get to where we are today.

And then second, not only finding the right people but also building the right operating model to, in our case for example, run products on the private credit side which are more geared to towards the wealth management space. So, think interval funds, drawdown funds and the likes. The legal advice you need means also you need to find the right partner to do that with.

Same is true for marketing activities, and it’s different if the end client or if the client base is an RIA as opposed to the hedge fund that we trade with on our sales and trading side. And so, the marketing requirements are different, and the types of conferences we need to get to are different. If we do a search engine optimization that’s totally not relevant for wholesale business, but it’s very relevant for our asset management business, but no one was doing it here.

So, you need to bring in experts that know how to do this, that have seen it elsewhere, but those experts need to work inside a startup organization. And I cannot emphasize enough the fact that, even though it says Nomura, inside, it is a start-up. And I also often get the joke that, “Yeah, but your offices look so nice, and you have these conference rooms there.” That’s all true, but that’s the infrastructure that convinced us it’s the right fertile grounds and Nomura’s providing an enormous amount of resources to help us, but at the end of the day, where no one is going to help us is building the business in its own right because it is new to the firm.

And both sides are new, investing in the private credit space as well as distributing and operating in that space vis-à-vis the RIA community. And that is something that I find the most challenging because Nomura is a great brand name, and so it helps us. And what I mean by that is people have heard the name Nomura before. That’s the good part. But they don’t necessarily understand the full breadth, the history of Nomura.

So, we have a lot of work to do in the early conversations with every financial advisor and firm that we meet with — who is Nomura, the heritage, the entrepreneurial aspect of it. Global firm, Japan-based, etcetera. So, it takes a while until we've established that. Once that is established, then we have the opportunity to really drill down into what are the client needs. What we think about private markets and private credit in particular before we then eventually go down and talk about our product capabilities as well. But it takes a few meetings to get there. So, brand is great. But we're not Apple, right? So, like everyone knows us, etcetera. But people do have a general sense of Nomura. But it's upon us to then really spend a significant amount of time educating advisors and companies in our space on who Nomura is and what we're trying to accomplish.

Peter Antoszyk: Sure. I mean, listen, everybody is looking to tap into the private wealth channel that could be tectonic shift within the private market industry, given the amount of investable capital that is potentially available there, but I'm curious. In your discussions with RIAs, what is the role of private credit in a diversified portfolio?

Robert Stark: Quite frankly, it very much depends on who the end client is. What's your level of wealth? What's your risk tolerance? And also, not only the stated risk tolerance, but the actual perceived risk tolerance, especially in when the markets are in a stress situation. Do you still have the same risk tolerance that you stated or is that going to change? And so, advisors need to really understand and test that with their clients.

And once you have determined that, then you can go from the portfolio construction perspective and see, does it make sense to carve that out of the fixed income bucket or the equity bucket or both? And then, once you have that, then it's deciding for this particular client should it be a 1% allocation, or should it be a 10% allocation or even more? It's very dependent on the client situation. The exact proportions and what to fund it from is very much dependent on the individual client situation, and the advisors that we talk to are best suited for that.

We get this question all the time, and I always give the same answer. It depends. That being said, our first product that we brought to market was specifically designed with the accredited investor in mind. So an accredited investor being anyone, either an individual or a couple, that has $200,000 to $300,000 of annual income and/or $1 million of net investable assets. And so, an easier way to think about that: anyone that is, call it, between half a million and $5,000,000 at least of investable assets, should look into a fund like ours, and the fund is called the Nomura Alternative Income Fund (NAIFX). That is a publicly registered, closed-end interval fund.

Similar to how you would buy a mutual fund or an ETF. But you can only redeem once a quarter, so the gates are more hedge-fund-like.

Peter Antoszyk: Subject to limitations.

Robert Stark: That is correct. And typically, that's where the word "interval" is coming from. The interval is not on the way in, it's on the way out. And most interval funds have a quarterly redemption window. So, once a quarter you can redeem at a certain time. And most interval funds, by law, have to redeem at least 5% of the outstanding shares. And then it's 25% on an annualized basis as the minimum. So, there are definitely ways out, and it's a lot more liquid from that angle than, let's say, a six to eight-year lock up GP/LP drawdown fund. But I cannot emphasize enough the fact that these fund structures should not be considered as liquid or semi-liquid, because they are not at the end of the day. So that's an important piece coming back to portfolio construction. It's not only risk return and risk tolerance, etcetera.

And the idea is that we capture the private credit risk premium for you over a cycle, and that means it's diversified by sub sectors. So, there's asset-based lending, real estate lending, specialty finance and corporate lending in it. It's diversified by origination channel, whether we originate the deals ourselves, whether we co-invest alongside other managers, for example. It's diversified by vintages, all of which are net of fees, with no leverage attached. So that is attractive to anyone that is looking for income in their portfolios.

Peter Antoszyk: Are you looking at other structures, fund structures or products, to address some of the liquidity concerns that private wealth investors might have as they're considering investing in the private market?

Robert Stark: Yeah. So, the answer is yes. However, the fund structure comes at the very last step of the process. In fact, you have to start with “What is the client need?” and “Is there a client need?” and “Do I have the investment capability to serve that need?” So that’s when we started our process, we sat down with around 50 RIA’s, either the CIO and/or the founder, depending on the size of the firm — sometimes it’s the same person — and we try to understand what they were doing already in private credit and whether they wanted something, highly specialized — think aircraft leasing — or whether they wanted something that’s much broader, much more diversified across the various asset classes within private credit. And to my surprise, quite frankly, every single person we spoke to opted for the latter, as opposed to the former. And so that was the epiphany for us to say “there’s a real demand for…”

Peter Antoszyk: For the diversified —

Robert Stark: Correct, exactly. And most opportunities for investing in private credit were driven by the BDCs, for example, so it was more of a corporate lending play. And even today private credit and corporate lending are very often used the same way. I would argue private credit is so much more than just direct lending, especially if you think about other sub asset classes such as real estate lending, asset-based lending, specialty finance, so a lot of that is still living on the balance sheets of the banks, but the banks are looking for opportunities to reduce that exposure, and that is in a lot of instances floating into the private credit space. So, if you are going to look at private credit in the next 5 or 10 years, I believe these areas are going to experience significant growth compared to direct lending, which is also going to continue to grow as we were alluding to earlier.

But I do feel that these other areas are going to grow even more, and so our value proposition is to help advisors and their clients navigate that and there is a single ticker solution that allows them to allocate across private credit. You don't have to worry about when to go in and out of asset-based lending versus real estate lending versus corporate lending. We do that for you, and that is resonating very well with the clients that we are talking to, and essentially, led us to designing the product the way it looks like today. And then the question was, "Who's the right client, end clients, to consume a product like that, and how can we make it easy to access a product like this?" And that eventually led us down to vehicle structures. And then you think about, "Should it be a BDC, should it be a tender offer fund, should it be an interval fund?"

And looking at the investment strategy and what we're trying to accomplish at the end client, it became clear that an interval fund this the ideal structure with a daily NAV which allows the advisor to buy the product similar to a mutual fund, an ETF, which is called 'point and click.' So, they go in the custodian, whichever custodian they're using, and just buy the fund similar to a mutual fund and ETF. The difference is the way out, and again, just to be fully on the record here, these funds are not liquid products and they shouldn't be viewed as liquid products. But then again this comes back to "Who is the end client? What's the risk tolerance? What are the return assumptions here? And what's the liquidity profile and the capacity to withstand a lack of liquidity if markets are in distress?"

Peter Antoszyk: Do you put any high yield, more liquid credit products in the fund or is that completely separate?

Robert Stark: No, there is a, call it five to 15% liquid buckets in the fund. And so, liquidity management and cash management are actually very important pieces of the investment strategy. So, you want to be very thoughtful to make sure that on the one hand you have the cash when you need it, especially when you have redemptions or redemption windows once a quarter. You even need to have that in cash equivalent at the time of the redemption period. That's by law. But at the same time, you can't have everything in treasury bills because that's going to hurt your yield, ultimately.

So, we have a team assembled that actually does that and that includes a whole variety of opportunities on the liquid space. In fact, we have two liquid buckets. One is really liquid-liquid, and the other one is liquid but it's probably going to take a few days or a week or so before that's fully liquified. And we also have an opportunity to partner with our own high yield team. And so those are things that are of utmost importance on the liquid side of things, as well as applying the same rigor, obviously, on the private side of things. So, it's a very holistic approach to how one manager fund manages a fund like this.

Peter Antoszyk: It must help with the managing the liquidity and aspect of the fundraise.

Robert Stark: Absolutely, but let's also not to confuse managing the liquid portion of the fund versus "Is it a liquid fund?," which it is not. Right? So this goes back to we on our end as the investment advisor to the fund, we need to make sure that we manage the liquid portion of the fund in an optimized way, balancing the need for liquidity with avoiding a cash drag, but at the same time, we also need to make sure that our clients and their clients understand that this fund is not a liquid fund.

Peter Antoszyk: So, pivoting a little bit to growth, where do you see you taking this platform over the next five years?

Robert Stark: Our starting point could not be any better. Nomura Capital Management and its affiliates manage around 40 billion in assets under management, all credit related. We serve institutional clients such as pension funds, corporate and public endowments, foundations, insurance companies, we cover obviously all the investment consultants. And on the intermediary side we have a particular emphasis on the RIA space.

And from an investment perspective, given all we do is credit, we want to further double and triple down on the credit space. So, filling the holes that we have from managing public high yield and emerging market debt all the way down to the private credit space. We want to add more investment capabilities over time. So, think, on the public side, this can be things such as bank loans, CLOs, structured credits, and then if you move further into the private credit side of things, areas such as asset-based lending, real estate lending, infrastructure debt, just to name a few examples, to really become a fully diversified, multi credit investment firm. And we're going to do that through some combination of continual organic efforts, but also adding in inorganic efforts. And there can be a team lift out here and there all the way down to small acquisitions. So, that's what you should expect us to do. The strategy is set and we're just executing along that path, and I would hope that over the next five to 10 years, we can significantly grow. We feel the opportunity set is there. We feel we've built the right foundation that allows us to scale in the appropriate way. So, all the pipes are built, the distribution team is ready, the marketing team is ready, operations is ready, the investment team is ready, and so we're ripe for further growth.

And there's a desire for the firm to further invest in the fee-based businesses and so, in Nomura that means asset management and, in particular in the U.S., both organically and inorganically, so I think, you can, over the next couple of years, expect a lot more from us, but again that is going to be some combination of organic and inorganic efforts.

Peter Antoszyk: What about outside the U.S. in terms of growth? It sounds like the concentration is primarily, if not exclusively, focused on the U.S. currently. You see that expanding outside the U.S.?

Robert Stark: Yeah, definitely. First and foremost, we also have our own efforts in place in Japan. And so, a lot of our activities on the private market side are Japan-focused activities, including private credit. Smaller in size given where those markets are compared to the U.S., which arguably is a lot further advanced. But I also see significant opportunities across EMEA and that will happen over time. My focus here at the moment is U.S. based, and we have a ginormous opportunity ahead of us and we want to benefit from that and execute along those lines. But I wouldn't be surprised if over time, we'll find ways to do similar things across EMEA and continue further drilling down in Japan.

Peter Antoszyk: I just have a couple of final questions. I would love to get your view on where you see shifts in trends for 2025.

Robert Stark: To me, it's obvious that we see continuous shift from active to passive. In fact, to me, we see a shift towards lower cost investment vehicles, and that is true from active to passive. That's even true with inactive. It's true within passive. And even on the alternative side, the fees are coming down as well. And then on top of that you see more growth driven by a change in the regulatory framework. And so, to me, that is not going to stop anytime soon. I do feel that we have to be careful with where the economy is going, and if there is going to be a soft landing or whether we will have a recession. That's definitely at the forefront, as it has knock-effects around potential defaults, etcetera. So that's what, obviously keeps us up at night, thinking about these things, the Fed policy, etcetera. I don't expect any material change in any of that, but I do feel that there is a chance that we will see heightened and/or even increased volatility in next year. I wouldn't be surprised by that.

And the good news is, you're a little bit shielded in private credit because of the illiquidity component. That's also where some of the risk premium comes from. But you have to be very mindful and diligent and consistent in your underwriting process. And so, we're not chasing the next enhanced yield opportunity. You have to stick to your underwriting standards, and once you have that in place and don't deviate from it, I think that that is the true mindset you need to have. Because we don't manage assets on a daily or annual basis. We manage assets with a through cycle view.

So, our view is really that we have to deliver to end clients something across the cycle. The last couple of years have been very good, and you just have to be mindful that things could change. But the one thing that must never change is how you approach your underwriting standards, your due diligence process. Because at the end of the day, we have fiduciaries on behalf of our clients and we must never forget that.

Peter Antoszyk: Certainly, there's a lot of competition and credit is a confidence game and I get the sense right now investors are exhibiting a lot of confidence.

Robert Stark: I'm definitely optimistic about the future. And I'm German, that tells you something. So, I would say it's clearly that we see plenty of opportunities, but at the end of the day, we are mindful stewards of our investors' capital. We fully understand and embrace that responsibility. You mentioned competition. Clearly, this space is highly competitive already and will continue to increase.

However, I actually see that as a good thing, because at the end of the day, especially in the wealth channel, more competition helps educate more advisors and their end clients around "What is private credit, even? How does it fit in anyone's portfolio?" So, at the end of the day, you have a more and better educated investor base and that can only be a good thing.

Peter Antoszyk: Well, listen, thank you very much. This was really, really interesting. I appreciate you taking the time.

Robert Stark: Likewise, Peter, I appreciate your interest, and giving us the opportunity to be on your podcast. Very excited about this. I really appreciated the dialogue.

Peter Antoszyk: And thank you listeners for listening to this episode of Private Market Talks.

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