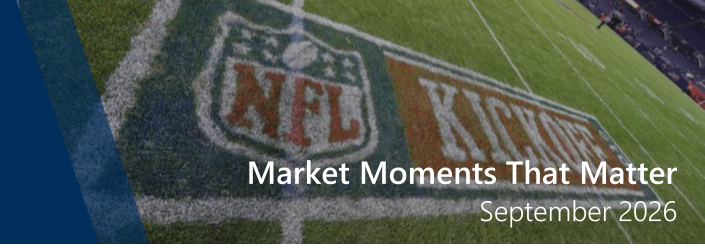


Intrepid Capital Advisory Group

Market Moments That Matter

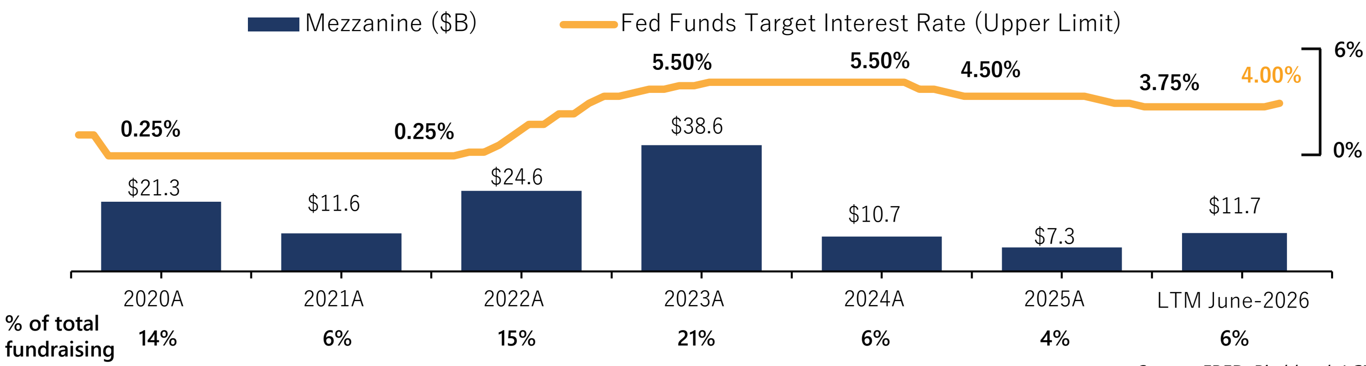
September 2026

The Extra Yard: Every roster has a player who is quietly working back into the rotation. As interest rates surged in 2022-2023, so did mezzanine fundraising, a fixed-rate market segment that typically sees a boost of activity when interest rates rise. In the subsequent 2+ years, mezzanine funds have felt sidelined, as fundraising shifted toward senior debt strategies. With markets expecting a more hawkish Fed, mezz funds are gearing up for a comeback.

- **Still on the Sidelines:** Mezz funds' share of U.S. private debt fundraising spiked to 21% in 2023 and bottomed out at 4% in 2025, as the Fed reduced rates from 5.5% to below 4%.
- **But off the Practice Squad:** Over the past 12 months, fundraising activity has bounced off the lows (now at 6% market share), a trend likely to continue after the Fed hiked rates this month for the first time since July 2023.

The Creative Play Is Getting Called Again

U.S. Mezzanine Fundraising vs. Federal Funds Interest Rate

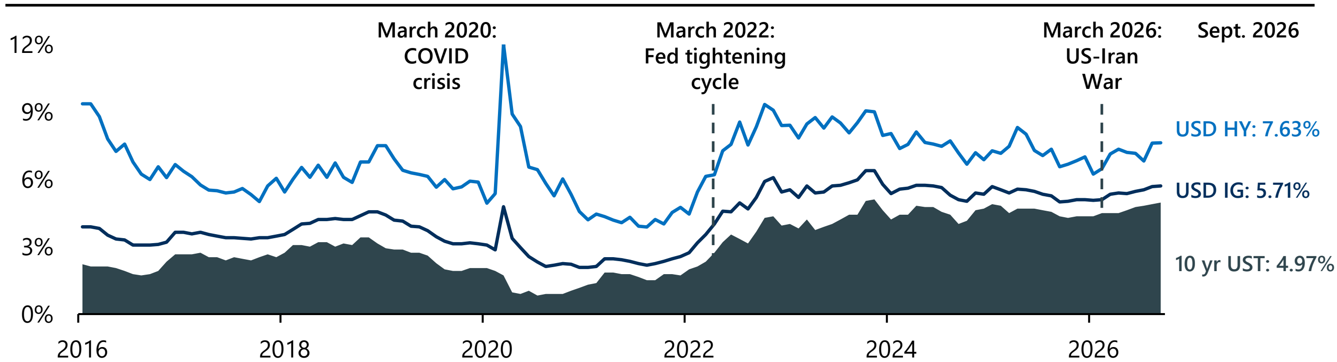


Source: FRED, Pitchbook LCD

Key Insights from Our Colleagues at MUFG

Though UST yields remain elevated, credit spreads do not need to be wide to pull capital away from Treasuries. The absolute yield cushion of corporate paper allows institutional managers to better absorb short-term rate volatility, encouraging them to move down the credit spectrum rather than hold lower-yielding Treasury benchmarks. With all-in yields above 7%, high yield debt is competing with two asset classes at once: Treasuries and equities."

USD IG & HY Bond Yields vs. 10 yr UST



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