DISTRIBUTION INTELLIGENCE · JUNE 2026

Said vs Solved: where allocators are heading, and where the math says they should.

More than a third of advisors are reading from the same script. We set what allocators say against what a consensus of eight capital-market-assumption providers actually rewards, and find the gap. Mispriced demand is the least-competed pipeline a distribution team will find all year.

35.5%
of advisors reading the same fixed-income script

0.53
private equity return-to-risk, the loudest trade

~0.9
direct lending, well above PE, and almost unmentioned

Walk into almost any allocator meeting in 2026 and you will hear a version of the same four sentences. Yields are attractive, so add duration. Growth is slowing, so raise cash. US leadership is fading, so rotate abroad. Private markets are where the returns are, so add private equity. Each is coherent. Each is being said by almost everyone at once. When everyone is positioned for the same idea, the idea is already priced, and the return has mostly been collected by the people who got there first.

> **A word on the data:** the "solved" math is a consensus of eight institutional capital-market-assumption providers, recomputed and verified against our live data. The reading is long-run compound return divided by volatility, a structural signal, not a trading ratio (it does not subtract a cash rate). The "said" side, advisor-commentary theme shares and narrative-flow divergences, comes from our own advisor-commentary and flow-decomposition models (roughly 7,200 commentaries, US-centric). This is distribution-strategy research, not investment advice; asset classes are examples, not recommendations.

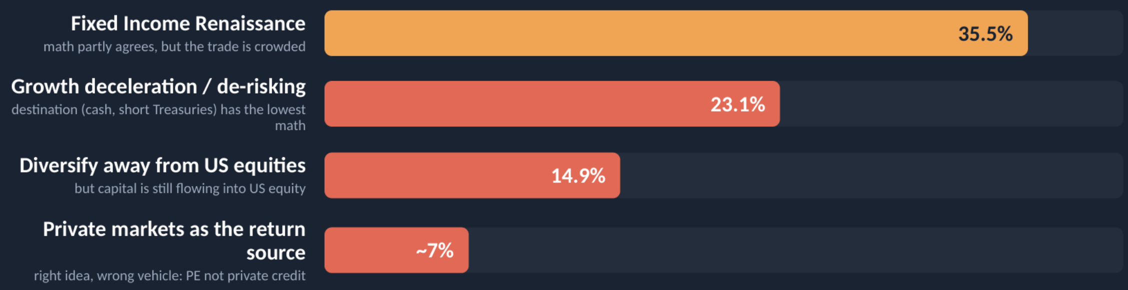
01 · WHAT ALLOCATORS SAY

The consensus script, and why its uniformity is the risk.

Four themes dominate the 2026 to 2027 allocator conversation. The **Fixed Income Renaissance** (35.5% of advisors) lengthens duration into a trade the math partly supports but the crowd already owns. **De-risking** (23.1%) raises cash and short-duration Treasuries, which carry some of the lowest long-run readings in the universe. **Diversify away from US equities** (14.9%) is a fine story, but our flow data shows capital still arriving into US equity. And **private markets as the return source** (5 to 9%) is the right idea pointed at the wrong vehicle.

More than a third of advisors are reading from the same script.

Share of advisor commentary by dominant 2026-27 theme (our advisor-commentary data, ~7,200 commentaries)



✓ When everyone is positioned for the same idea, the idea is already priced. Uniformity is the risk.

Our advisor-commentary model; US-centric, EMEA/APAC lighter. DATA.

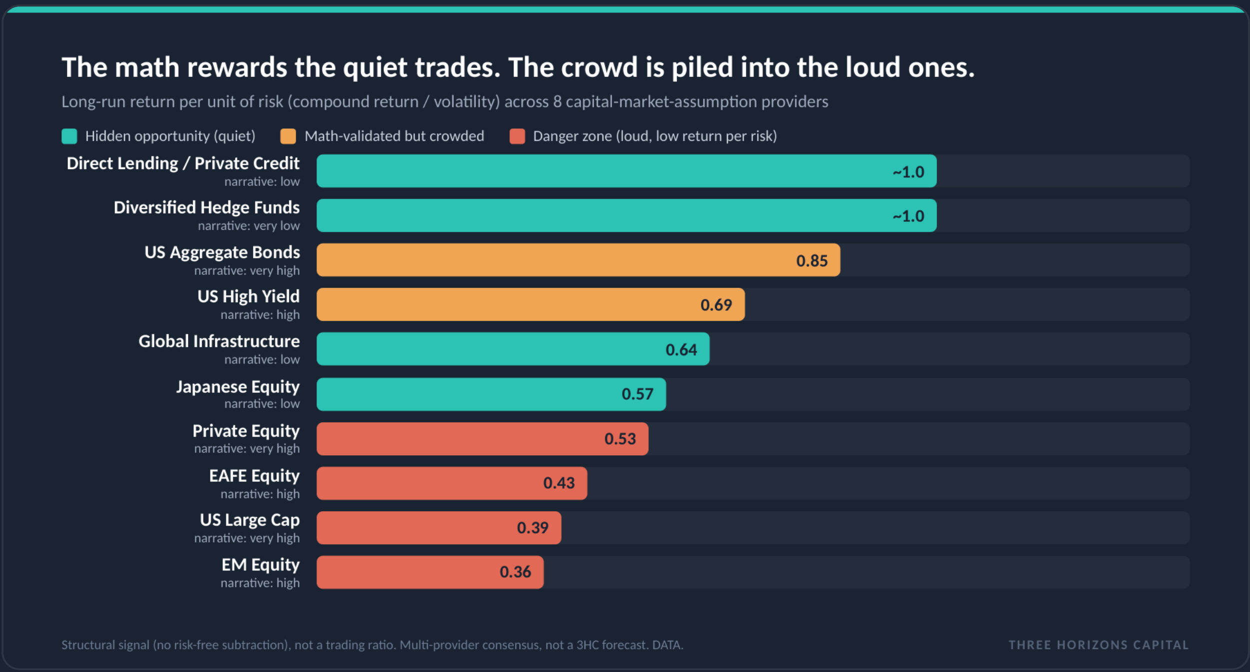
THREE HORIZONS CAPITAL

These four are coherent and well argued. They are also the trailing edge of positioning, not the leading edge of returns. The edge in institutional sales is not finding the loudest narrative. It is finding the next one before it becomes consensus.

02 · WHAT THE MATH SAYS

The loudest trades carry the weakest math.

Read a simple **Structural Return-to-Risk Ratio** across the eight providers, the ten-year compound return divided by volatility, and lay the loudest narratives over it. A pattern appears: the assets allocators talk about most carry the weakest math, and the strongest readings belong to assets almost no one is pitching.



> **Data Framework:** the Structural Return-to-Risk Ratio is an **unweighted geometric mean, across the eight providers, of each provider's ten-year compound return divided by its volatility forecast**, standardised to USD, with strategy definitions mapped to uniform benchmarks to remove provider-specific naming. Providers: JPMorgan, BlackRock, AQR, Northern Trust, BNY Mellon, KKR, Cliffwater, and the Horizon institutional survey. We intentionally omit the cash rate to isolate long-run asset-class structure from short-term central-bank distortions.

The crowd is concentrated in the danger zone: private equity reads about **0.53**, US large cap about **0.39**, broad EAFE and emerging-market equity **0.43** and **0.36**. The opportunities are quiet: diversified hedge funds read around **1.0** and direct lending around **0.9** (roughly 1.7 times private equity, and double at its strongest provider reads), global infrastructure **0.64** with contracted inflation-linked cash flows, and Japanese equity reaches **0.57** at its strongest provider read while advisor commentary on it stays far below the noise on EM and EAFE. Richly valued is not the same as rewarding. The return per unit of risk is thin in the crowd precisely because so many people want in.

03 · WHERE NARRATIVE AND CAPITAL PART WAYS

Saying and doing are different signals. The gap is where timing lives.

Our flow model separates observed exposure into structural, narrative and idiosyncratic components, so we can see when capital is lagging a story and when it is moving against one. Three divergences are commercially actionable now.

United States: a technology attention gap

The technology narrative runs at roughly 46% of the US-equity maximum, but actual flows into it sit near 10%. Allocators are talking about it and have not yet bought it. That is a window to reach advisors while the narrative is still forming, not after the trade is crowded.

Europe: the home-rotation paradox

European investors discuss rotating into home markets, yet capital keeps flowing into US equity, and European domestic equity shows a negative narrative signal despite positive long-run math (Euro Area large cap compounding around 7.5% across providers). A twelve to eighteen month window exists to position before the trade is consensus.

Asia Pacific: a contrarian confirmation

In Hong Kong, the technology narrative signal is deeply negative while actual flows are strongly positive. Sophisticated allocators are buying against the prevailing story, a reason to validate an Asia-technology thesis rather than retreat from it.

04 · THE PLAYBOOK

Point the engine at durable demand.

The conclusion is not a market call, it is a redirection of effort. Stop competing for the crowded narrative, and concentrate the pipeline where the math is strong and the noise is low. The single sharpest mismatch shows how.

The clearest mismatch of 2026: the crowd buys private equity; the math favours private credit.

Long-run return per unit of risk, 8-provider consensus

WHAT ALLOCATORS ARE BUYING

0.53

Private Equity

Narrative intensity: very high. 10.4% return at 21.2% volatility. The loudest private-markets trade, and the weakest math.

WHAT THE MATH FAVOURS

~1.0

Direct Lending / Private Credit

Narrative intensity: low. Nearly double the return per unit of risk, at meaningfully lower volatility. One conversation away, and almost unmentioned.

✓ **Every "we want more private-market exposure" is an opening to redirect toward where the math points.**

Direct Lending shown at the verified cross-provider read (~0.94 to 1.0). Structural signal, not a forecast. DATA.

THREE HORIZONS CAPITAL

On the obvious objection: private-market volatilities here follow standard institutional reporting, which smooths quarterly appraisals. Even after de-smoothing, direct lending typically retains a structurally superior return-to-risk profile over leveraged private equity across the eight-provider consensus, because its return is shorter-duration and senior, income-driven cash flow rather than leveraged and equity-like. The ranking survives the adjustment.

One framing matters before the steps. The goal is not to find a permanent home in private credit; the quiet trade becomes a loud one once everyone arrives. The goal is a repeatable engine that captures the alpha of quiet pipelines before they compress into the next consensus script. Run it every quarter, not once.

01 Map the shelf to the gap

Place every strategy on the grid of narrative intensity against long-run math. Loud-but-weak needs a defensive brief that pivots to the adjacent opportunity. Quiet-but-strong needs proactive pipeline now. A boutique can buy a twelve-month head start by entering these conversations early.

02 Reframe private equity toward private credit

When an allocator wants private-market returns, the eight-provider math gives an independent basis to answer: here is where the largest institutional assumption-setters show the best risk-adjusted case, and it is direct lending, not private equity. The conversation moves from narrative-chasing to math-anchored positioning.

03 Carry a regional said-versus-solved brief

Each desk walks in with a one-page picture of where narrative and capital are misaligned in its geography: the US technology attention gap, the European home-rotation window, the Japan reform story and the contrarian Asia technology signal. A local, data-specific edge beats a global pitch deck.

The honest part: we deliberately omit the risk-free rate, because we are measuring the raw structural efficiency of each asset class over a ten-year horizon, independent of macro cyclicality or central-bank policy, not a trading Sharpe ratio. It is a long-run signal, not a forecast. Direct lending is shown at the verified cross-provider read, around 0.9 to 1.0, comfortably above private equity rather than the most optimistic single number. And our advisor-commentary coverage is strongest in the US, lighter in Europe and Asia, and not yet available for Latin America. We would rather name the gap than imply a coverage we do not have.

LTCMA figures are multi-provider consensus estimates, not Three Horizons forecasts, recomputed and verified against our live data. The advisor-commentary and flow figures are our own model outputs. This is distribution-strategy research, not investment advice, and asset classes are examples, not recommendations.

Sources: Three Horizons Capital consensus of eight long-term capital market assumption providers (2025 to 2026 vintage, USD, 10-year horizon), recomputed and verified against our live data; Three Horizons Capital advisor-commentary and narrative-flow-decomposition models (roughly 7,200 commentaries; flow data through Q1 2026 for US and Europe, late 2025 for Asia Pacific). For research and platform-demonstration purposes; not investment advice.

Want this run for your distribution team?

We read what allocators are saying across thousands of advisor commentaries, set it against a consensus of eight capital-market-assumption providers, and turn the gap into a coverage map, a set of reframes and a one-page brief per region, so the sales engine spends its time where demand is mispriced rather than where the crowd already is.

READ THE FULL PIECE ONLINE

www.threehorizonscapital.com/insights/said-vs-solved