

Middle Market Buyout Specialist Launches Alts Fund for 401(k) Plans

Constitution Capital has launched a collective investment trust focused on middle market buyouts, planting a flag for specialist alts exposure in retirement plans.

By **Tom Stabile** | September 2, 2026

Constitution Capital Partners is jumping into the swirl of managers aiming to deliver alts to the retirement plan marketplace with a new collective investment trust that would offer exposure to middle market private equity.

The CIT – with SEI as trustee and Principal Financial Group as recordkeeper – would fit into target date funds and other multi-asset offerings for 401(k) plans and other defined contribution programs, echoing a model most alts managers are following as they explore ways into the retirement marketplace.

A manager focused on mid-market private equity stepping in to offer alts products to plan sponsors is notable, as it joins an early scrum that has mostly featured big players making or planning moves, such as Apollo Global Management, Blackstone, Brookfield Asset Management, KKR and Carlyle.

The new vehicle – dubbed the Constitution Capital Horizon CIT – has launched with more than \$58 million in assets already spread across thousands of participants in 18 retirement plans that have total assets exceeding \$1 billion. That jump start is thanks in part to Constitution tapping Principal as recordkeeper, which has already added the new product to its "featured partner program."

Offering access to middle market private equity will be an early point of differentiation for the product, as most early offerings targeted at retirement plan sponsors appear to have a broader scope across entire asset classes or multiple asset classes. Boston-based Constitution Capital is a fund of funds and co-investment specialist focused on the lower middle market, and would deliver the buyout exposure through underlying North America region managers it has invested in historically through its private funds for institutional investors

and through a tender offer fund. The \$7.6 billion manager also invests in private credit deals.

The Constitution Capital model already offers diversification across vintage year, deal size and sector focus, with most investments in healthcare, consumer, financial segment, industrial and business services funds. The new product's multi-manager approach is a great fit for retirement plans aiming to offer diversification to underlying investors, said Daniel Cahill, CEO of Constitution Capital.

"We think that is a really compelling advantage," he said.

Diversification was a top attribute for advisors in a recent Ignites Research survey to support their interest in alternatives within 401(k) plans, with 62% of respondents citing it as a reason to seek out such investments. Nearly 60% of advisors also said having access to investments not available in traditional defined contribution plans was another plus for alts, while only 21% cited potential returns as a driver of interest.

Managers offering narrower slices of alts exposure have an opening in the retirement plan market, said Ravi Venkataraman, managing partner at Chestnut Advisory Group, a strategic consulting firm.

"[T]here is room for specialist alts managers to enter the retirement market," he said in an email. "It's pretty smart to partner with experienced, top-tier providers for custody, transfer agency and record keeping and bring out institutional quality vehicles, presumably at attractive price points."

Investment focus won't be the main determinant of success across the market, however, Venkataraman said. The retirement market must solve more basic structural and support issues before managers will see great results from alts offerings.

"[T]he biggest challenges facing the individual retirement market is not investment choice," he said. "Rather, it's not enough saving, access, investment education, etc., that has room for improvement."

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The new product's design would fit the CIT within diversified target date funds, managed accounts and other multi-manager formats built for defined contribution plan sponsors, essentially serving as the alts sleeve in vehicles otherwise heavily invested in public markets.

Constitution Capital has been eyeing the retirement market for five or six years as it scouted how to expand its offerings beyond institutions and ultra-wealthy investors and into the private wealth market, Cahill said. It decided to focus first on the semi-liquid format, introducing the tender offer fund in 2022 that invests in underlying middle-market funds and co-investment deals, and that vehicle now has about \$900 million, according to XA Investments data.

"We looked at the 401(k) market, but it wasn't ready then for prime time," he said.

But when the Trump administration issued an executive order last year aiming to facilitate alts investing in retirement plans, Constitution Capital revisited the idea, relying on its law firm, Ropes & Gray, as well as longstanding relationships with SEI and Principal to design the new product, Cahill said.

"We said 'This is the time to put together a product,'" he added. "We studied the market pretty hard... and talked about how we wanted to approach this."

All 18 of the product's initial plan sponsor clients use the Principal platform, and Constitution Capital intends to keep working through it to grow the product, Cahill added.

As fund trustee, SEI also is the principal fiduciary overseeing investments in the CIT. It will primarily invest proceeds into semi-liquid vehicles that Constitution Capital built specifically for the CIT, which will be in addition to its existing tender offer fund.

The new evergreen vehicle will invest in its own set of primary middle market buyout funds and co-investment deals, with a small portion also from the manager's private credit team, which originates direct lending deals. As with most semi-liquid funds, it will have a dedicated liquidity sleeve to facilitate transactions and cash flow needs.

Middle market buyout managers that Constitution Capital has invested in through its existing products include Blue Wolf Capital, L. Catterton, Nautic Partners, CenterOak Partners, Revelstoke Capital Partners, SK Capital Partners and Morgan Stanley's North Haven platform.