

Q4 2026 WHITE PAPER

The Evolving GCC LP Landscape

How the Gulf's investor base has broadened, moved downmarket and raised its bar – and what it takes to raise capital from it.



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Executive Summary

The GCC has become one of the most sought-after – and most misunderstood – sources of private capital in the world. This paper describes the region's investor base today and what it takes to raise capital from it. The six states of the Gulf Cooperation Council hold roughly \$5.7 trillion in state-owned funds. Their sovereign funds deployed \$119 billion in 2025 – 43% of all capital invested by state-owned investors worldwide – and a record \$54 billion in the first half of 2026, despite the US / Iran conflict. There has been a marked increase over the past decade in the number of private markets managers that want a share of that capital; however, it is vital to understand the nuances of the GCC landscape to position a fund and the manager's proposition as a whole to effectively build relationships with investors in the region.

- 01 The scale is real, but the GCC is six markets, not one.** Each state has a different depth beneath it and disposition towards international manager selection – based on quality of returns, depth of expertise or alternatively, with the longer term intention of building a strategic relationship that goes beyond a pure primary fund commitment.
- 02 The LP base is far broader than simply sovereigns, pensions and family offices.** Asset owners in the region allocate 20.7% of their portfolios to private markets; however, the GCC landscape is often assumed to comprise only the familiar categories of sovereign wealth funds, pension funds and family offices. In fact, many other institutions have emerged in recent years with active international private markets programmes deploying capital at pace.
- 03 The GCC LP landscape is evolving quickly with new programmes constantly coming online.** A large number of new family office programmes, backed by a generational handover of more than \$1 trillion, are coming online and following a four-to-five-year path from semi-liquid vehicles to less liquid large-cap funds and, ultimately, the mid-market.
- 04 Sophistication has taken Gulf LPs downmarket.** Investment teams have been augmented with seasoned professionals from European, North American and Asian allocators that have brought across new ways of thinking as it pertains to manager selection, focusing more minds and attention on the mid-market than ever before, relative to the large-cap space where exit routes and liquidity have failed to materialise.
- 05 One of the most in-demand LP markets globally, creating significant option value.** Four or five GP meetings a day is normal for a GCC LP and there is a huge amount of choice amid the influx of private markets managers travelling across to the region to expand their investor bases.
- 06 The performance bar is high to grasp GCC LP attention.** A 2x net multiple and 20% net IRR is the floor; some LPs have raised the bar to 2.5x net, and most want 1x DPI within five to six years.



What is the GCC?

Six countries hold close to \$6 trillion of state capital, the vast majority of it derived from hydrocarbon exports. There is, however, a concerted effort to change this through meticulously planned national transformation programmes.

Overview of the bloc

The Gulf Cooperation Council was formed in 1981, bringing together six Arab monarchies of the Gulf: Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain, and Oman. Beyond the immediate security trigger driven by the 1979 Iranian Revolution, the GCC's founders had longer-term goals rooted in shared identity and mutual interest. The member states have similar tribal and dynastic political systems and share a deep economic reliance on hydrocarbon exports. Forty-five years on, it is a common market and customs union whose members peg their currencies to the dollar (Kuwait being the one exception), share a language and a legal heritage, and draw around 70% of exports from hydrocarbons.¹

That said, every member is running a national transformation programme to reduce its dependence on oil – Saudi Vision 2030, We the UAE 2031, Qatar National Vision 2030, Kuwait Vision 2035, Oman Vision 2040 and Bahrain Economic Vision 2030 – and each relies on a similar mechanism: deploying state capital to build domestic industries, attract foreign expertise, compound wealth domestically and, increasingly, support international asset allocation for future generations. That mechanism is what makes the region matter to private markets.

Six markets, not one

The six states share a peg, a market and a resource. They do not share an investor base, and there are distinct intricacies in how each GCC country operates and manages state and local wealth. Each have different sovereign anchors, a varied depth and breadth of institutional LP landscape beneath, and a diverse disposition towards international manager selection – as a source of returns, as a source of expertise, or as a strategic partnership to bring capital and capability to the region in return. Where an LP sits between building domestically and compounding abroad governs which of the three it will lean towards more.

¹ BNP Paribas Economic Research, Gulf States: Falling oil prices should not pose a threat to economic diversification, 4 June 2025



SECTION 03

The evolving GCC LP landscape

The GCC has a broader LP landscape than many realise, one that is continually growing and becoming more sophisticated, widening the range of GPs relevant to international investment portfolios.

A broader landscape than meets the eye

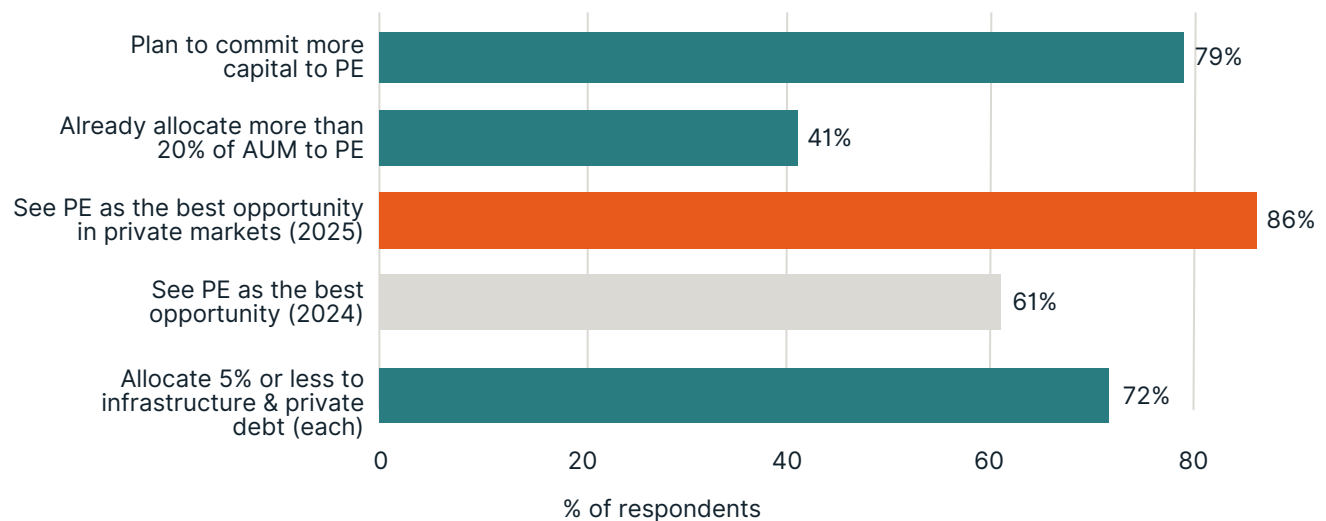
There is a common misconception that the GCC LP landscape is comprised of three distinct LP types: sovereign wealth funds, state pension funds and family offices. It is true that this trio makes up a meaningful proportion of the investor universe; however, there is a plethora of investors that exist between this, spanning endowments and foundations, development finance institutions, insurers, corporate investment arms, bank-affiliated asset managers and multi-family office aggregators, all of which are actively deploying capital into the private markets ecosystem.

90% of Middle East asset owners invest in private markets, at an average allocation of 20.7%, twice the US level; 79% plan to commit more to private equity, and 86% name it the best opportunity in private markets.²

CHART 1

Middle East LPs are committed to private equity: 86% see it as the best opportunity, 79% plan to add

Share of Middle East investors surveyed, %



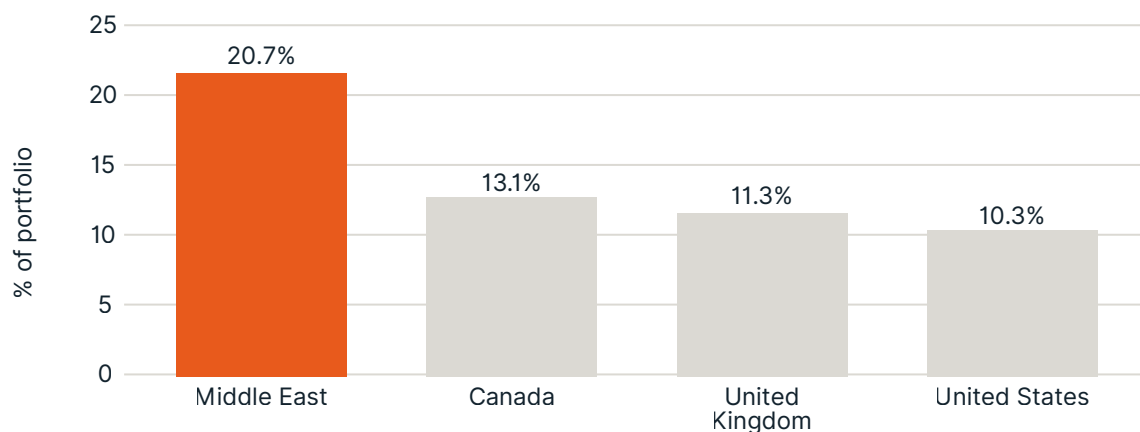
² Northern Trust, Private market allocations in the Middle East: Accessing opportunity amid complexity, January 2026; Preqin, Middle East Investor Survey 2025



CHART 2

Middle East asset owners run twice the private markets allocation of their US peers

Average allocation to private markets, % of portfolio



Newly active international programmes increase at pace

Brand-new international private markets investment programmes in the GCC continue to be established at a record pace, particularly within the family office community. Many of the Gulf's merchant families built their wealth in trading, contracting, distribution and property, and for decades invested it in the businesses they knew well. Four forces are changing that together:

- 01 Wealth creation:** Forecasts suggest ultra-high-net-worth numbers to rise 63% in Saudi Arabia and 36% in the UAE by 2031.³
- 02 Generational change:** GCC family enterprises control more than \$1 trillion of assets, much of which will change hands within a decade. With fewer than 30% of family businesses surviving into the third generation, the handover is being institutionalised through constitutions, independent boards, and professional Chief Investment Officers, while adopting a more institutional approach to international investing than previous generations.⁴
- 03 Liquidity:** The region's own exit market now returns capital that families redeploy internationally.⁵
- 04 Infrastructure:** Family-related entities in the DIFC rose 61% in 2025 and a further 36% in the first half of 2026.⁶ The result is a growing population of family offices that behave more like institutions. UBS finds 82% of Middle East family offices planning strategic changes to their allocations, the highest share in the world.⁷

³ Knight Frank, The Wealth Report 2026

⁴ Family Business Council Gulf estimate and McKinsey & Company research, as reported by Khaleej Times, May 2026

⁵ Alvarez & Marsal, The centre of gravity of Middle East private equity is shifting, 12 December 2025

⁶ DIFC, 2025 annual results; DIFC, H1 2026 results

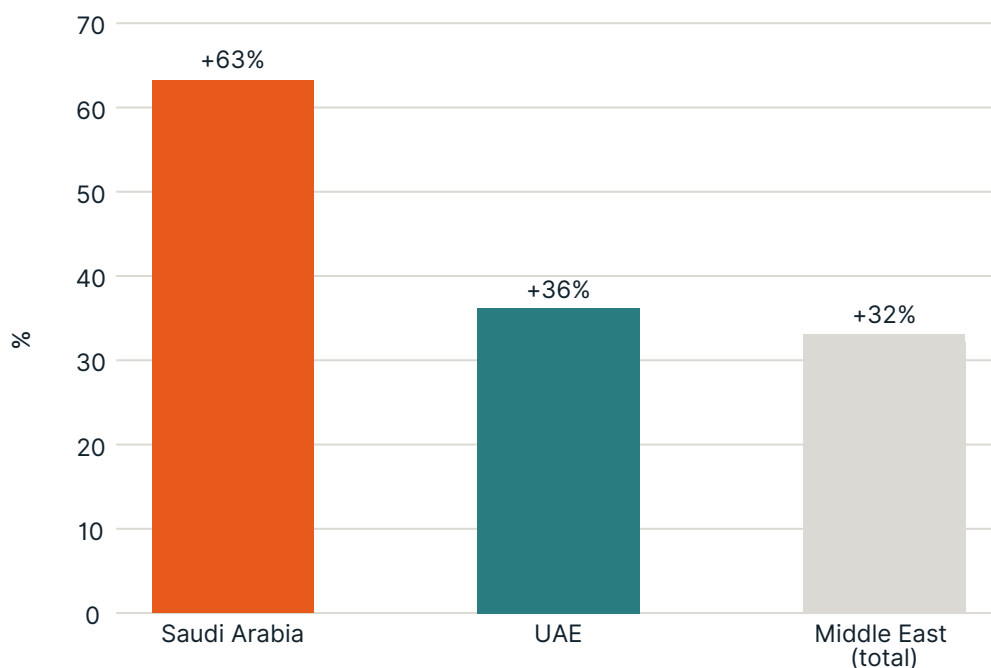
⁷ J.P. Morgan Private Bank, Global Family Office Report 2026; Citi Wealth, Global Family Office Report 2025; UBS, Global Family Office Report 2026.



CHART 3

The pipeline of new family offices: Gulf ultra-wealthy populations forecast to grow fastest in the world

Forecast growth in ultra-high-net-worth individuals, 2026-2031, %



Typically, newly formed international investment programmes in the GCC follow a recognisable deployment path in the early innings of their portfolio build-out. Most begin with public markets, semi-liquid vehicles and secondaries funds, where liquidity is retained, whilst conviction is built. They move next to the large-cap brands, and then, typically four to five years in, the mid-market and lower mid-market become a priority. For fund managers, it is critical to understand this deployment path to capitalise commitments at the optimal time.



Programme sophistication and the pivot downmarket

Over the past several years, international investment programmes across the GCC have undergone a marked evolution in sophistication, driven in part by the build-out of investment teams staffed with seasoned expatriate professionals from European, North American, and APAC allocators. This influx of talent has imported best practices and rigorous investment thinking, honed in regions with decades of private markets experience, and has proven particularly influential in shaping how GCC LPs approach deployment to the mid-market. Five to ten years ago, attention was concentrated almost exclusively on large- and mega-cap managers; however, as the focus on alpha generation has intensified, coupled with rapidly expanding education around the merits of investing in the mid-market, nearly all LPs in the region have loosened minimum fund size thresholds accordingly.

The extent of this downmarket pivot varies by institution: ticket size constraints and concentration limits mean that funds \$1-2 billion in size remain the practical floor for most LPs, though a number of more sophisticated family offices and other institutions are now willing to consider managers raising funds as small as \$500 million. At the other end of the spectrum, large-cap managers and beyond continue to maintain existing relationships, particularly with large GCC allocators (i.e., sovereign wealth funds and pension funds) where the partnership goes beyond a pure primary fund commitment, and is anchored around a strategic relationship – specifically sizeable co-investment agreements and inward investment to the GCC. However, the sharp pivot downmarket by the vast majority of investors in the Gulf has resulted in deployment to new large-cap managers slowing down considerably.

First-time funds and emerging managers continue to remain the exception for most GCC LPs, typically gaining consideration only where there is strong institutional familiarity with the team's predecessor firm. Even here, however, sentiment is gradually shifting, with growing attention being paid to this segment of the market, which will continue to evolve rapidly in the near term.



SECTION 04

A booming LP market – and the option value it creates

There has been a marked increase over the past decade in the number of private markets managers seeking a share of GCC capital; however, this has also created a considerable choice for LPs in the region.

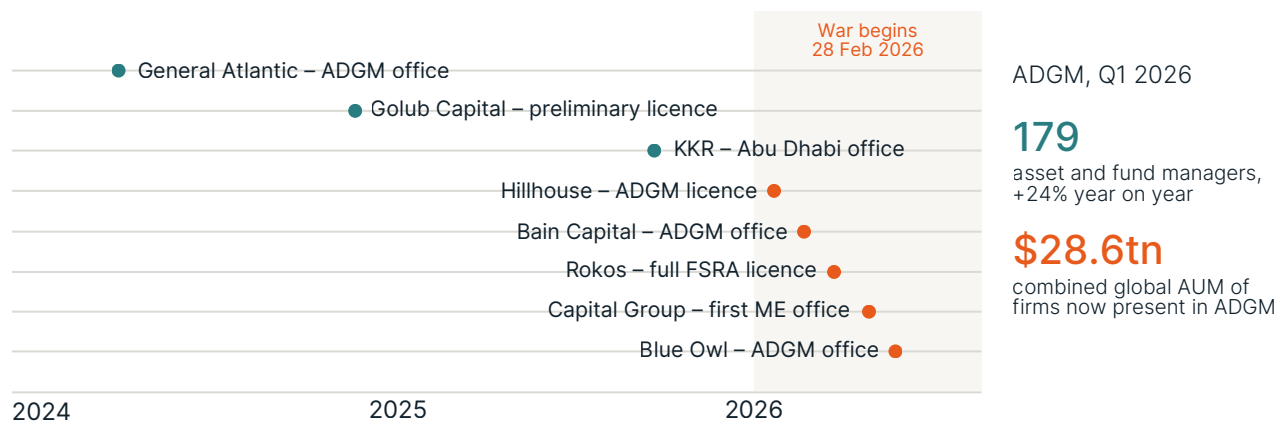
One of the most in-demand LP markets in the world

A typical GCC LP may have four to five in-person GP meetings a day; some investors receive 40-60 meeting requests per week, and a family office with three or four investment professionals can screen 150 private markets fund requests in a quarter. Large, global brand name GPs have moved away from the fly-in-fly-out model and have set up dedicated offices in GCC countries, staffed with fundraising (and selectively investment) professionals to enhance their ability to form partnerships with LPs in the region. ADGM licensed 179 asset and fund managers by March 2026, 24% more than a year earlier, with firms managing a combined \$28.6 trillion present; the DIFC reached 592 wealth and asset management firms, up 35%.⁸ KKR, Hillhouse, Bain Capital, Rokos, Capital Group and Blue Owl have arrived in the past eighteen months, several of them during the Iran conflict, rather than after it.⁹

CHART 4

Global managers kept opening in Abu Dhabi through the war

Selected office openings and licenses in ADGM, 2024-2026



⁸ Abu Dhabi Media Office, ADGM Q1 2026 results; DIFC, H1 2026 results

⁹ ADGM announcements (KKR, November 2025; Rokos, 1 May 2026); The National, 2 April 2026 (Hillhouse) and June 2026 (Blue Owl); Bain Capital press release, 15 April 2026; Bloomberg, 12 August 2024

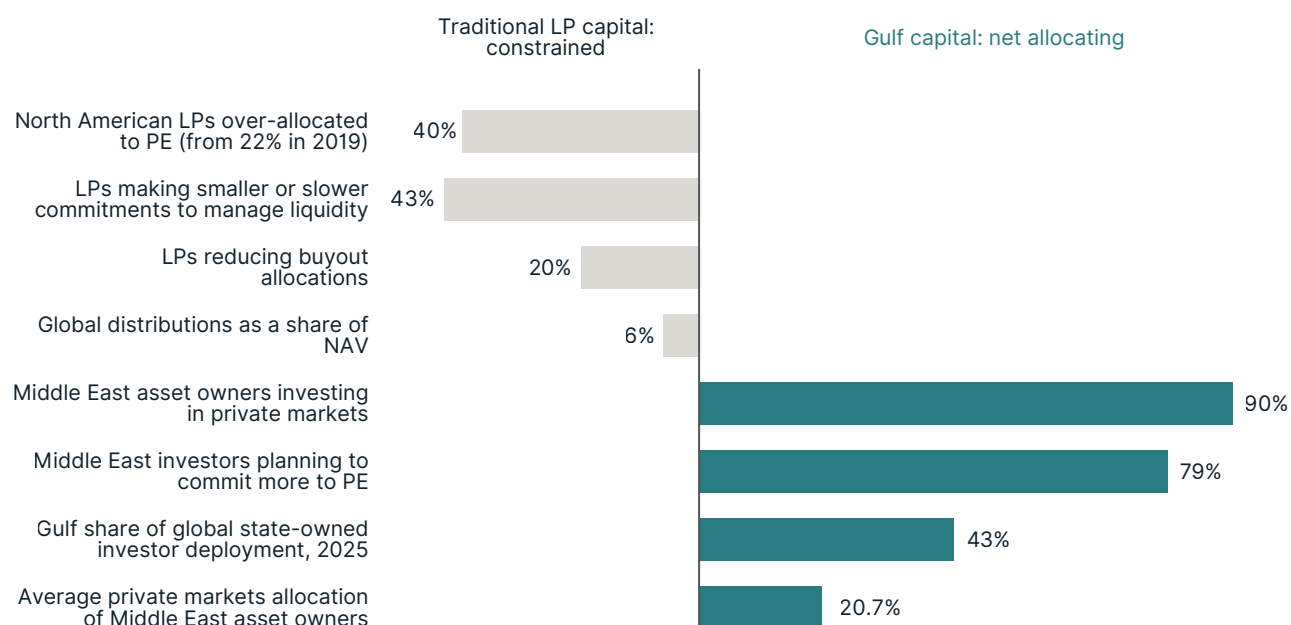


The queue for GCC capital is structural, and it has two ends. At one, the traditional sources of private markets capital are constrained in ways that will not clear quickly: global fundraising fell for a third year in 2025, to \$616 billion; 40% of North American institutional LPs report being over-allocated, up from 22% in 2019; distributions have fallen to around 6% of net asset value; 43% of LPs are managing liquidity by making smaller or slower commitments. ¹⁰ At the other end, Gulf institutions are net allocators with no denominator problem: their sovereign funds deployed 43% of all state-owned investor capital in 2025, 79% of the region's investors plan to commit more, and LPs in EMEA and Asia-Pacific are twice as likely as their US peers to be increasing commitments. ¹¹ Every GP with a US-heavy LP base needs diversification, and many managers view the Gulf as the considerable pool of unconstrained institutional capital left to diversify into.

CHART 5

Constrained there, unconstrained here: why the queue for Gulf capital is structural

Selected indicators, %



Choice creates option value

A market with this much inbound demand hands its LPs something rare in private equity: the ability to wait without cost. A Gulf institution that turns down a fund this year will be shown a comparable one next month, and that option – to defer, to compare, to demand more – has resulted in GCC allocators becoming increasingly selective when considering both re-ups with existing relationships and commitments to new ones.

¹⁰ McKinsey & Company, Global Private Markets Report 2026; Ropes & Gray, Global Private Capital Report 2026; Goldman Sachs Asset Management, 2025 Private Markets Diagnostic Survey

¹¹ Global SWF, 2026 Annual Report; Preqin, Middle East Investor Survey 2025; Goldman Sachs Asset Management, 2025 Private Markets Diagnostics Survey



While performance remains the first and most fundamental filter, GPs that can demonstrate a genuine edge – whether through value creation capabilities, deep sector expertise, or a differentiated sourcing approach – command the greatest attention in the Gulf. McKinsey's conclusion is that outcomes in a mature industry will be shaped by deliberate choices about entry price and operational improvement; ILPA's investors name a long-term track record, a repeatable alpha model and alignment as the three things needed to take a fund to committee; only about 30% of managers stay top-quartile from one fund to the next, so selection is where the return is made.¹²

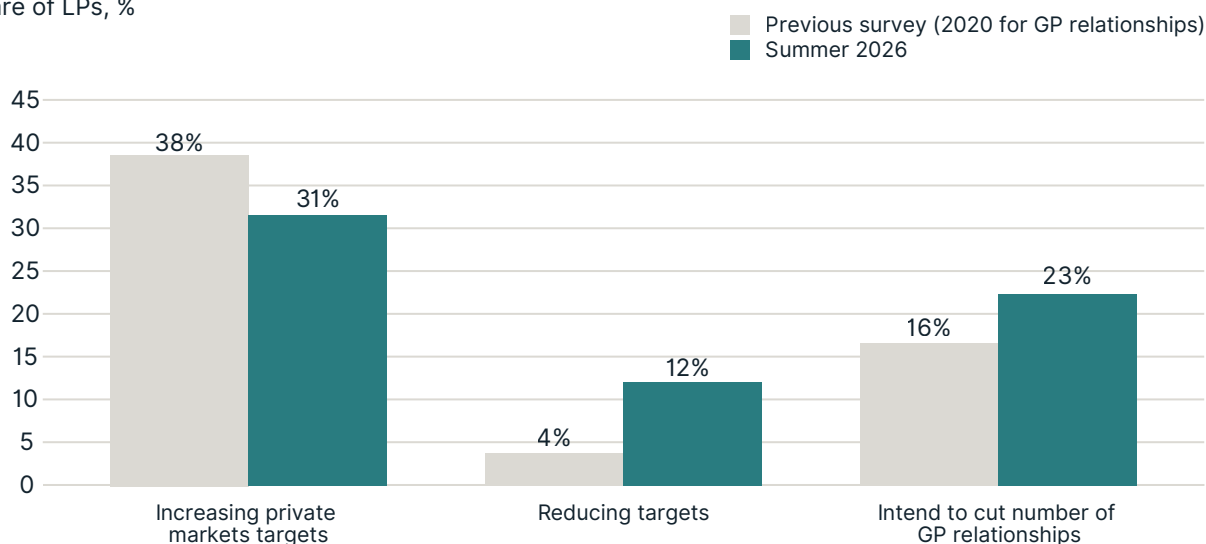
Many GCC LPs note that the mid-market is crowded with managers that look largely indistinguishable from one another and are actively seeking out those who bring something distinctive and, critically, something that resonates with investment committees and family principals alike. There is also a candid acknowledgment that lengthy fundraising processes can be off-putting, with GCC LPs instead drawn to managers who are harder to access and oversubscribed, as this scarcity tends to galvanise interest among senior decision-makers.

Beyond commingled funds, LPs in the region also have the privilege of being shown considerable exposure to direct and co-investment opportunities, as well as GP-led secondaries dealflow – much of which arrives without any accompanying expectation of a fund commitment.

CHART 6

LPs everywhere are getting choosier – and the Gulf, with the most choice, most of all

Share of LPs, %



12 McKinsey & Company, Global Private Markets Report 2026; ILPA, LP Sentiment Survey 2025/26; Preqin data cited in KKR, Why Private Equity? Why Now?, February 2026

What Gulf LPs are looking for

Performance: the bar has been raised

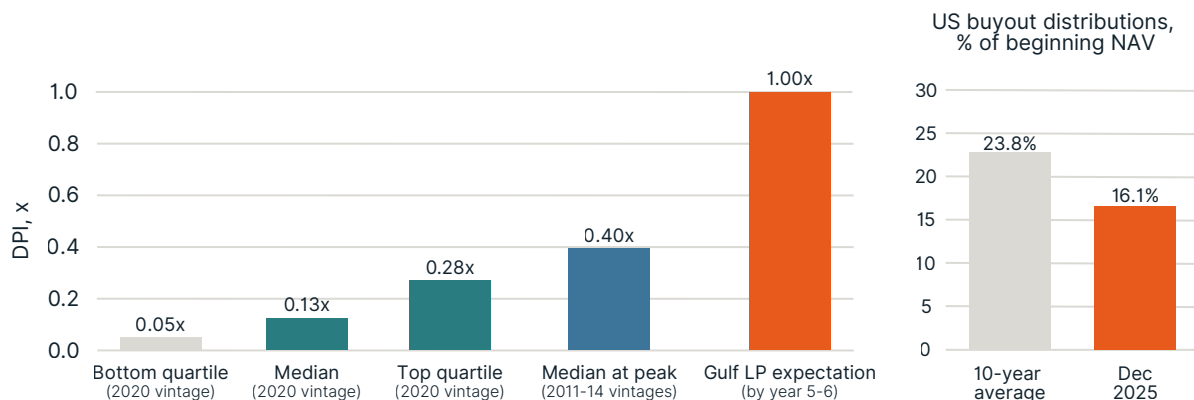
Against this backdrop of abundant choice, the performance bar for new commitments has risen considerably. The trusted 2x net multiple and 20% net IRR is now regarded as the bare minimum, and a number of LPs have pushed their TVPI threshold up to 2.5x or higher. Returns and benchmarking have become the first filter many GCC LPs apply before even agreeing to a meeting, and we have witnessed a number of investors decline a manager after a single meeting because of a shortfall of just a few basis points against the benchmark.

TVPI, IRR and DPI are assessed together, but liquidity is king: most Gulf LPs want a DPI of 1x within five to six years of a fund's life. The global LP consensus is shifting in this direction too – 21% of LPs worldwide now call DPI a critical metric, up from 8% three years earlier – but GCC LPs express this priority more bluntly. S&P Global's survey of managers draws the conclusion from the other side of the table: those unable to distribute are more likely to experience prolonged fundraises.¹³

CHART 7

The DPI gap: Gulf LPs want 1.0x back by year five or six; the median fund returns 0.13x

Five-year distributions to paid-in capital (DPI), multiple



This heightened set of standards is driven in no small part by the calibre of dealflow now reaching the region, and access has become something of a competitive sport in its own right, with an increasing premium placed on being able to secure allocation to the hardest-to-access funds across the globe.

¹³ McKinsey & Company, Global Private Markets Report 2025; McKinsey & Company, Global Private Markets Report 2026; Asante Capital, Market Pulse Q2 2026; S&P Global Market Intelligence, 2026 Private Equity and Venture Capital Outlook Survey

Strategy: sectors and geographies

Most Gulf institutions have diversified across the full spectrum of private markets, with infrastructure and private credit the clearest beneficiaries of current sovereign intentions – a tilt J.P. Morgan expects to strengthen as core infrastructure enters a period in which capital expenditure outpaces depreciation for the first time this century.¹⁴ GCC investors remain more private-equity-centric than their peers – 72% allocate 5% or less to each of infrastructure and private debt, which leaves room for both to grow.¹⁵ Secondaries funds are front of mind for many as the flight to liquidity intensifies, and venture capital, despite not commanding a large proportion of investment portfolios, has a place in most GCC LPs' books – although brand-name VC specialists continue to take the lion's share of wallet.

Domestic investment is the foundation on which many GCC LP investment programmes were built and persists – operating-company synergies for family offices, local development for sovereigns – but international investment portfolios have been built out considerably over the past decade and continue to grow as the flight to alpha intensifies.

Technology, industrials and business services make up a large part of most Gulf portfolios, and a significant proportion of the large allocators (i.e., sovereign wealth funds) view healthcare and artificial intelligence as strategic sectors, not just for outward deployment of capital but also for forming partnerships and joint ventures with global specialists to support the development of these sectors within the region. Despite software experiencing a slight recalibration in H1 2026, it still occupies a significant standing in GCC LP investment portfolios, although many are taking a wait-and-see approach before redeploying to new managers in the sector. The Aerospace and defence sector, particularly in the US, has become increasingly attractive, and many LPs across the region have spent time and deployed capital to the sector over the past year.

North America is the go-to market for Gulf international investment programmes, typically accounting for 40 to 70% of allocations. Mubadala holds 44% of its portfolio there, Middle East family offices around 55%, and nearly half of Gulf sovereign deployment in the first half of 2026 went to the US.¹⁶ The bar for other continents has been raised by the returns US GPs have generated. ICs and families have also grown considerably more educated on the US market, driven by the volume of GPs passing through the region and a growing cohort with a permanent local presence. That said, recent geopolitical and macro developments have prompted many GCC LPs to turn their attention towards Europe, a market historically neglected in favour of the US.

¹⁴ Invesco, Global Sovereign Asset Management Study 2026; J.P. Morgan Asset Management, 2026 Global Alternatives Outlook

¹⁵ Preqin, Middle East Investor Survey 2025

¹⁶ Mubadala, 2025 Annual Review; UBS, Global Family Office Report 2025; Global SWF, as reported by Semafor, 2 July 2026



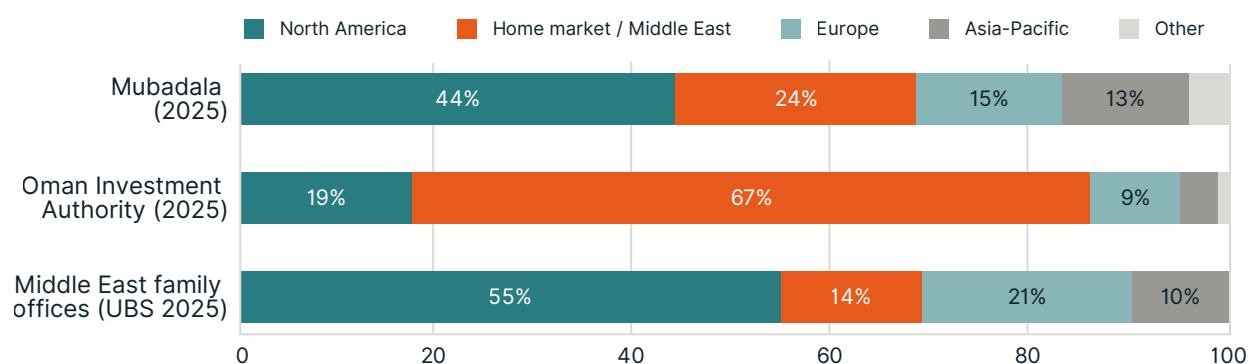
Demand for European GPs amongst the GCC LP community has ticked up considerably since President Trump started his second term. The US remains the benchmark from a performance standpoint, but many LPs are overexposed to the US dollar and are mindful of this. Preference sits with pan-European and pan-regional managers in Western Europe, though country-specific strategies are increasingly considered where performance is compelling. The Nordics, Benelux and DACH are in highest demand; sentiment on the UK is mixed and generally requires a premium, while interest in Southern Europe remains limited.

APAC occupies a much smaller place in GCC LP investment portfolios relative to North America and Europe. Some smaller, nascent LPs don't deploy to the continent at all, whilst larger, more sophisticated allocators gain the lion's share of their exposure through global or pan-Asian funds (e.g., CVC Asia, EQT Barings Asia). That said, there has been a marked increase in GCC LP appetite towards the region in recent years, particularly country-specific managers within Asia. India, driven by its economic tailwinds and GDP growth trajectory, and China, amid the outflow of US capital / opportunity set as a result and cutting-edge technology developments, are two examples of countries in Asia that have commanded a good degree of GCC LP attention over the last couple of years. Broader emerging markets are approached only opportunistically, requiring a significant premium and standout performance to justify a commitment.

CHART 8

North America first: how Gulf investors allocate by region

Portfolio allocation by region, % – the three disclosed programmes





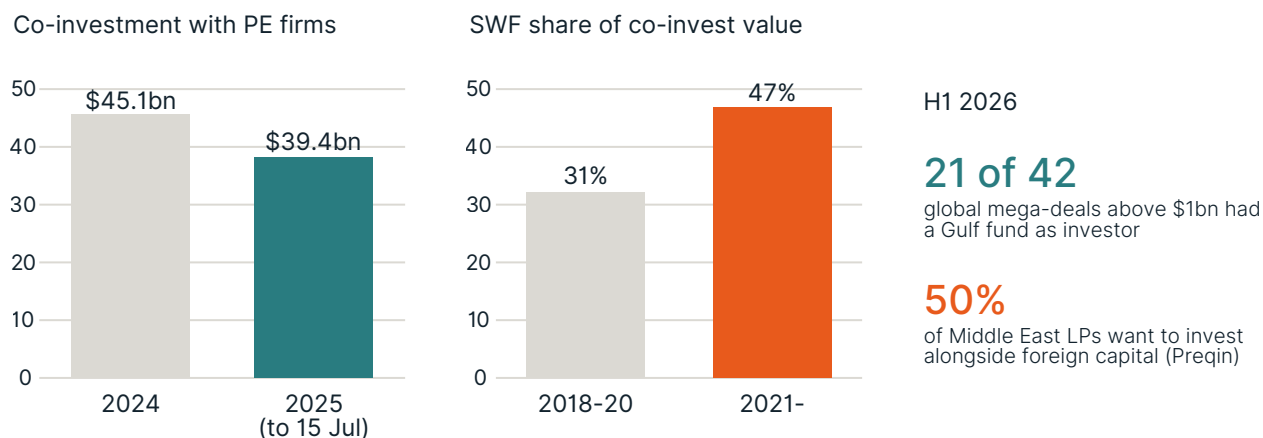
Co-investment and fees

Co-investment has become a near-prerequisite to unlock the largest LPs in the Gulf, particularly UAE sovereign wealth funds, many of which expect to see a deal either ahead of, or alongside, a primary commitment. Some LPs have struggled to meet co-investment quotas over a fund's life and have pivoted towards mandating sidecar vehicles with existing managers to de-risk this, and most remain highly fee-sensitive, rarely engaging unless terms are fee- and carry-free. Sovereign wealth funds have accounted for 47% of co-investment value among the major LP groups since 2021, up from 31%; GCC sovereigns co-invested \$45 billion alongside private equity firms in 2024, with minimum cheques around \$300 million.¹⁷

CHART 9

Co-investment: the price of admission for the largest Gulf LPs – and increasingly for all

Middle East SWF co-investment with PE firms, \$bn (left); SWF share of co-investment value, % (right)



That said, co-investment is not a must-have for all investors in the Gulf. A meaningful portion of the region's sovereign wealth funds, pension funds, family offices, endowments, DFIs and insurance companies remain comfortable operating purely as fund investors, without the same demands on co-investment access.

¹⁷ S&P Global Market Intelligence, May 2023 and July 2025

The war in Iran and its impact on GCC allocations

More than seven months on, the war in Iran has had varying impacts on GCC countries but, for most, LP investment programmes have largely stayed steady despite the disruption.

Impacts on GCC countries

The conflict that began on 28 February 2026 is one of the most serious tests the Gulf's economies and LP investment programmes have faced since the region's private markets came of age, and it is unresolved as this section is written.

The war has landed unevenly across the region: countries with limited alternatives to the Strait of Hormuz, weaker fiscal buffers, or greater direct exposure to strikes have fared markedly worse than those with more diversified economies, deeper capital reserves, or geographic optionality.

Kuwait and Bahrain have emerged among the hardest hit. Both states have limited alternative export routes to the Strait of Hormuz, leaving their oil and gas shipments exposed to the closure, coupled with direct infrastructure damage from Iranian strikes.¹⁸ IMF projections from April 2026 pointed to outright economic contraction in both countries, in contrast to the more resilient trajectories elsewhere in the bloc.¹⁹ Bahrain's position is further complicated by a fiscal starting point that leaves little room to absorb the shock: gross government debt sat at over 150% of GDP heading into the conflict, constraining the kingdom's ability to bridge the gap through additional borrowing or spending in the way that less-indebted states such as Kuwait or Saudi Arabia can.¹⁹ Kuwait, for its part, has also faced substantial disruption to tourism and aviation, with visitor arrivals down materially against the prior year and reduced flight volumes across the region compounding the pressure on non-oil revenue.¹⁸

The UAE, by contrast, has weathered the conflict with considerably greater resilience, notwithstanding having absorbed more direct attacks than any other GCC state.²⁰ Dubai's hospitality and aviation sectors were not spared. Hotel occupancy fell sharply and flagship carriers faced material cost pressure from elevated jet fuel prices – yet the UAE's more diversified economic base, deeper capital markets and existing investment in technology and logistics infrastructure have provided a stronger buffer than its smaller neighbours possess.²¹ IMF growth projections from April 2026 placed the UAE among the GCC's better performers, alongside Saudi Arabia and Oman, both of which benefit from greater geographic optionality and reduced reliance on Hormuz for their energy exports.¹⁹

¹⁸ Stimson Center, Iran Conflict Hits Foundations of Gulf Economies, May 2026

¹⁹ Middle East Council on Global Affairs, Gulf Sovereign Wealth Funds and the Cost of Crisis Resilience, May 2026

²⁰ Congressional Research Service, The Arab Gulf States, the Iran Conflict, and U.S. Relations, June 2026

²¹ ORF Middle East, Beyond Conflict: Fiscal and Digital GCC Resilience



What this means for GCC LP investment programmes

Whilst the path forward remains difficult to predict and developments in the war remain volatile, GCC LP investment programmes have largely remained resilient throughout the escalations to date. Gulf sovereign wealth funds invested \$53.9 billion across 108 transactions between January and June, the highest total for any half-year, and more than a third of all sovereign capital deployed worldwide.²²

Despite working arrangements and locations shifting during the early innings of the disruptions, the response from investors in the region to the conflict has generally been measured rather than alarmist. A small minority of investors have adopted a more cautious approach, factoring in cuts to their 2026 budgets, though this is rarely attributable to the war in isolation – liquidity constraints and broader caution around a potential energy crisis have played an equally significant role in shaping this stance. There are also important nuances across LPs and countries, particularly among family offices whose wealth is tied to operating businesses negatively affected by the conflict and which may therefore face greater challenges than other allocators.

LP travel out of the region has picked up since Q2 2026, with relevant investors attending private equity conferences such as SuperReturn Berlin and McGuireWoods Dallas. Inbound GP travel has also increased since late May, though it has yet to return to the peak volumes experienced prior to the war.

For all the disruption the conflict has caused, there are credible grounds for cautious optimism. The war has not undermined the diversification logic that has underpinned Gulf economic strategy over the past decade – if anything, it has sharpened it, accelerating investment in non-Hormuz energy routes, domestic defence capability, and digital and physical infrastructure designed to withstand future shocks. The region's sovereign wealth funds give Gulf ruling families substantial firepower to fund reconstruction and continue funding long-term national transformation agendas without derailing them. The prevailing view among regional analysts is that the conflict, while costly, represents a disruption to be managed and absorbed rather than a structural break in the Gulf growth story, with the ruling families of the region well capitalised and positioned to steer their economies back towards the trajectory they had charted before the war began.

²² Global SWF, H1 2026 data as reported by The National, 1 July 2026, and Semafor Gulf, 2 July 2026; Global SWF June update as reported by The National, 1 June 2026



Conclusion: The Middle East after 2026

**The region's investors have changed faster than the industry's picture of them.
The next cycle will reward the managers who have noticed.**

The Gulf's investor base is broader, more sophisticated and evolving far more quickly than its reputation suggests. As LP investment programmes have expanded, investment teams have hired high-quality allocators from forward-thinking, brand-name institutions across the globe, bringing best practices that have made the pivot downmarket more prevalent than ever.

The Gulf has become one of the most in-demand LP markets anywhere in the world, as GPs increasingly look to the region both to diversify their investor bases and to tap into the sheer volume of capital it commands, drawing intense competition for access, mindshare and allocation from a relatively concentrated group of investors which, in turn, creates a huge amount of option value. Managers preparing to penetrate the region for an upcoming fundraise must demonstrate that their proposition stands out from the crowd and, in some cases, extends beyond a primary fund relationship and into the realms of strategic partnership.

Three forces are changing that altogether:

- 01 The downmarket pivot deepens.** Record entry multiples for large deals, a distribution record bifurcated by segment and the expectation that the mid-market is home to higher alpha than the upper end all explain why GCC LPs have loosened fund size thresholds and pivoted downmarket. We expect this trend to continue as the flight to alpha intensifies in a liquidity-constrained environment.
- 02 The LP base keeps broadening.** Wealth creation, the >\$1 trillion handover, the institutionalisation of family offices and reactivated programmes in Oman, Qatar and beyond mean the number of relevant institutions rises every year.
- 03 Liquidity remains the lens, with strategic partnerships continuing to be front and centre.** DPI will hold its position as the most important return metric, co-investment the entry condition for the largest institutions, and for some LPs, the relationship on offer will be judged across primaries, co-investment, secondaries and a holistic strategic partnership, rather than on a fund alone.



Notes and Sources

Chart Notes

Chart 1 – Preqin, Middle East Investor Survey 2025 (Data Drop).

Chart 2 – Northern Trust, Asset Owners in Focus – Private Market Allocations in the Middle East, January 2026

Chart 3 – Knight Frank, The Wealth Report 2026

Chart 4 – ADGM announcements (General Atlantic; KKR, November 2025; Rokos, 1 May 2026); Reuters (Golub Capital, December 2024); The National (Hillhouse, 2 April 2026; Capital Group, May 2026; Blue Owl, June 2026); Bain Capital, Bain Capital opens office in Abu Dhabi, 15 April; Abu Dhabi Media Office, ADGM Q1 2026 results

Chart 5 – Ropes & Gray, Global Private Capital Report 2026; Goldman Sachs Asset Management, 2025 Private Markets Diagnostic Survey; Bain & Company, Private Equity Midyear Report 2026; Northern Trust, Private market allocations in the Middle East, January 2026; Preqin, Middle East Investor Survey 2025; Global SWF, 2026 Annual Report

Chart 6 – Coller Capital, Global Private Capital Barometer, Summer 2026 (108 LPs surveyed; fieldwork February–April 2026)

Chart 7 – MSCI Private Capital Solutions data, as published in McKinsey & Company, Global Private Markets Report 2026, Exhibit 9; PitchBook data, as published in Neuberger Berman, Private Markets Outlook 1H 2026

Chart 8 – Mubadala, 2025 Annual Review; Oman Investment Authority, 2025 results; UBS, Global Family Office Report 2025

Chart 9 – S&P Global Market Intelligence, May 2023 and 31 July 2025; Global SWF data as reported by The National, 1 July 2026; Preqin, Middle East Investor Survey 2025



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