A Gulf Allocation Menu for Private Banks and External Asset Managers

A practical framework for translating Gulf market opportunities into a structured, suitability-aware menu of exposures for intermediated client books

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ABSTRACT

Private banks, external asset managers and multi-family offices occupy the highest-leverage position in the distribution of any new asset class: they allocate on behalf of many clients at once, and a single decision to add a sleeve can move capital across hundreds of books. The Gulf Cooperation Council region has, over the past decade, matured into an investable opportunity set that spans listed equity and sukuk, private credit, real estate, infrastructure and a deepening private equity and venture market. Yet for an intermediary the difficulty is rarely whether the Gulf merits attention; it is how to package an unfamiliar, heterogeneous opportunity set into something that fits a client book, satisfies a suitability framework and can be explained to an end investor in a single conversation. This paper supplies that packaging. It organises the Gulf opportunity set into a menu of five exposure sleeves, maps each sleeve to a client objective, a risk-return profile, a liquidity profile and an implementation route, and sets out a suitability filter that moves from client mandate to position sizing. It then offers three model client books, an adoption roadmap and a checklist an intermediary can adapt. The paper is an orientation and structuring framework, not investment advice; all figures are illustrative and are used to make the structure legible rather than to forecast returns or recommend any security. The intended reader is the allocator, advisory head or investment committee member at a private bank, EAM or multi-family office who is being asked, with increasing frequency, what the house view on the Gulf should be and how to act on it.

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1. INTRODUCTION

An intermediary that allocates on behalf of many clients faces a different problem from a single institution building one portfolio. A sovereign fund or a large endowment can study the Gulf at length, hire local specialists and construct a bespoke programme. A private bank, an external asset manager or a multi-family office cannot do this client by client. It serves dozens or hundreds of relationships, each with a distinct mandate, risk tolerance, currency base and liquidity need. When such a firm decides to give its clients access to the Gulf, it must turn a large and uneven opportunity set into a small number of exposures that can be selected, sized and explained at scale. The unit of decision is not the individual security; it is the menu.

This is the gap the present paper addresses. A great deal has been written about why the Gulf merits a place in global portfolios, about the depth of its capital, the strength of its currencies and the breadth of its private markets. Far less has been written for the intermediary whose practical question is narrower and more immediate: given that the case for the region is broadly accepted, what should sit on the menu, how should each item be described, and to which client does each item belong. The intermediary is not underwriting a single deal. It is curating a shelf.

The paper treats the Gulf opportunity set as a menu of exposure sleeves rather than a list of products. A sleeve is a category of exposure defined by what it does for a client, its income, growth, real-asset, liquidity or diversification role, rather than by the particular fund or instrument that delivers it. Organising the region this way has three advantages for an intermediary. It maps cleanly onto how client objectives are already framed in suitability and advisory processes. It is stable even as the underlying products change. And it allows a single house view to be expressed once and then applied consistently across many books.

Three caveats frame the analysis. First, this is an orientation and structuring document, not investment advice, and nothing in it is a recommendation to buy, sell or hold any security, fund or strategy. Second, every quantitative figure in the paper is illustrative. The risk-return positions, the model book weights, the liquidity estimates and the correlations are stylised calibrations chosen to make the structure legible; they are not forecasts, not sourced market data, and not representations about any actual product. Third, suitability is the responsibility of the intermediary. The suitability filter set out here is a way of reasoning about fit; it does not replace a firm's own regulatory suitability and appropriateness framework, its product governance, or the classification of its clients.

The paper makes four contributions. First, it sets out a five-sleeve menu of Gulf exposures and a vocabulary for describing each sleeve to an end client. Second, it provides a reference map that positions the sleeves by risk, return and liquidity, so that an allocator can see the shape of the shelf at a glance. Third, it offers a suitability filter and three model client books that show how the menu is composed differently for an income-led, a balanced and a growth mandate. Fourth, it gives an adoption roadmap and a checklist that an intermediary can use to move from a standing start to a live, governed Gulf offering.

It is worth stating plainly why a menu is the right level of abstraction for this reader. An intermediary does not win or lose on the selection of a single manager. It wins by building a shelf that is coherent, that maps to the objectives its clients actually hold, and that can be governed and explained. A menu makes the house view portable: it is decided once at the centre and then applied by every relationship manager without each having to become a Gulf specialist. It also makes the offering defensible, because each item on the shelf carries an explicit objective, an explicit risk profile and an explicit suitability rationale.

The timing of this question is not incidental. By 2026 the conditions that make a Gulf menu worth building have converged. The region's currencies remain pegged to the United States dollar, which removes a layer of currency risk that complicates many emerging-market allocations and which makes the income sleeves in particular easier to explain to a dollar-referenced or hard-currency client. The local capital markets have deepened, with a broader set of listed instruments, a maturing sukuk market and a private-credit industry that has grown from a niche into an institutional asset class. Sovereign-led programmes have drawn international managers into the region, which has widened the supply of funds and co-investment opportunities an intermediary can actually access. At the same time, end clients, whether resident in the Gulf or holding the region as a diversifier from London, Geneva, Singapore or the wider Gulf diaspora, are asking their advisers about the region with increasing frequency. The intermediary that has a ready, governed menu can answer that question; the one that does not is left improvising deal by deal.

A further reason the menu matters now is competitive. Distribution is the scarce resource in the asset-management value chain, and an intermediary that builds a credible Gulf shelf before its peers earns a durable advantage in client conversations. The first mover does not merely add a product line; it becomes the adviser a client turns to on the region. But that advantage is only durable if the shelf is built well, with the discipline this paper describes, because a shelf assembled hastily from whatever products happen to be pitched is as likely to damage a client relationship as to deepen it.

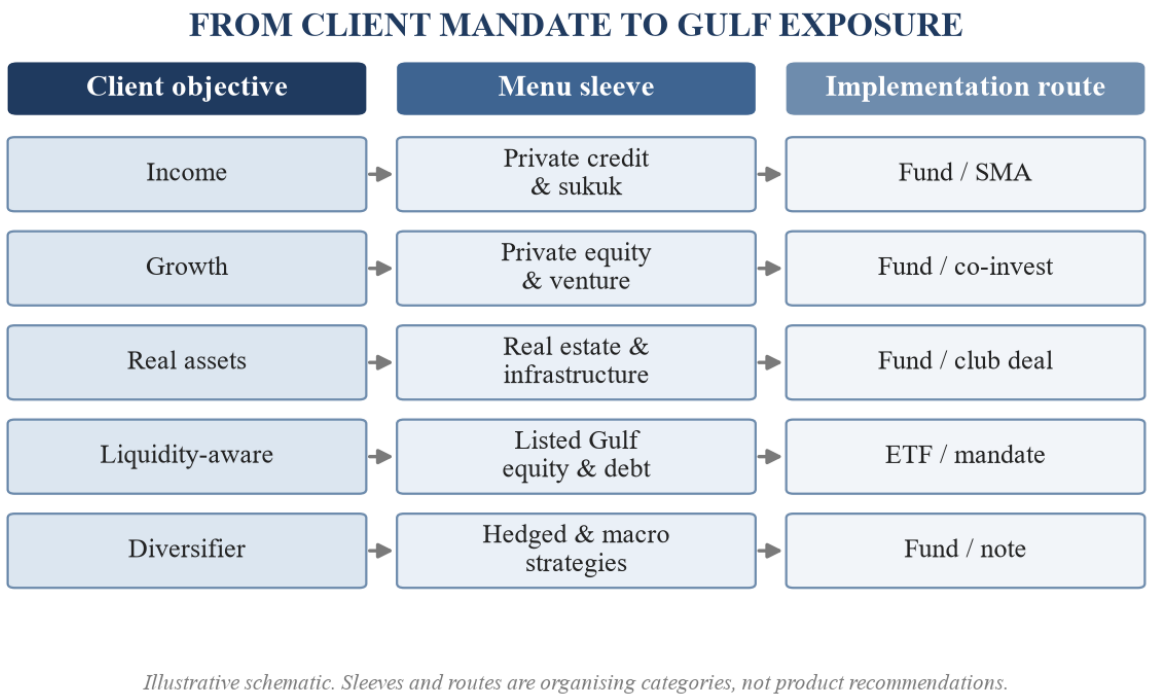

Figure 1. From client mandate to Gulf exposure: the menu structure

Figure 1 sets out the structure the rest of the paper develops. A client objective on the left is mapped to a menu sleeve in the centre and then to an implementation route on the right. The intermediary's task is to make these mappings once, well, and then to apply them consistently. The remainder of the paper is organised as follows. Section 2 reviews the relevant literature on asset allocation, intermediation and product governance and states the propositions that follow from it. Section 3 sets out the data and method, which are analytical and illustrative rather than empirical. Section 4 presents the menu, the reference map and the suitability filter in detail. Section 5 sets out three model client books. Section 6 gives a twelve-month adoption roadmap. Section 7 addresses risks, caveats and limitations, and Section 8 concludes. Three appendices provide the illustrative calibrations, a suitability and onboarding checklist, and a glossary.

2. LITERATURE REVIEW AND PROPOSITIONS

The framework in this paper draws on three bodies of work: the literature on strategic asset allocation and the role of alternatives in multi-asset portfolios; the literature on financial intermediation and the economics of distribution; and the literature on suitability, product governance and choice architecture. Each contributes a building block, and together they yield the propositions the rest of the paper develops.

2.1 Strategic Asset Allocation and the Role of Alternatives

The modern theory of portfolio choice begins with the insight that the relevant question is not whether an individual asset is attractive but what it contributes to a portfolio. Markowitz (1952) established that an asset should be judged by its covariance with the rest of the book rather than by its standalone return, and Sharpe (1964) extended this into a theory of how risk is priced. For an intermediary the lesson is direct: a Gulf sleeve earns its place not because its expected return is high but because of what it adds to a client's existing exposures. A region that is imperfectly correlated with a client's core developed-market holdings can improve the portfolio even where its standalone risk is non-trivial.

A second strand concerns the place of illiquid and alternative assets in long-horizon portfolios. The endowment literature, associated with Swensen (2009), argues that investors with genuinely long horizons are paid an illiquidity premium and should accept lock-ups in exchange for it, provided they size the illiquid sleeve to their actual spending and liquidity needs. Ang (2014) formalises the idea that liquidity is itself a factor for which investors are compensated. For an intermediary serving many clients with different horizons, the implication is that the same Gulf opportunity set must be offered at different points on the liquidity spectrum, deep and illiquid for the patient client, listed and liquid for the client who may need the capital back.

2.2 Financial Intermediation and Distribution

A distinct literature examines what intermediaries actually do. The classical account, from Diamond (1984), is that intermediaries exist to economise on the cost of information and monitoring: it is wasteful for every end client to underwrite every exposure, so the intermediary does it once on behalf of many. This is precisely the value an allocator at a private bank or EAM creates when it curates a Gulf shelf. The end client does not have the time, the access or the local knowledge to assess Gulf private credit; the intermediary assembles that judgement once and distributes it.

The distribution literature also stresses that an intermediary's product range is not a neutral list. Inderst and Ottaviani (2012) show that the design of a product shelf and the incentives around it shape what clients end up holding, and that a well-governed shelf with clear objectives protects both the client and the firm. The practical consequence for a Gulf offering is that the menu must be built deliberately, with each item carrying an explicit purpose, rather than accreting opportunistically as individual products are pitched to the firm.

2.3 Suitability, Product Governance and Choice Architecture

The third strand concerns how choices are presented and how suitability is assured. Regulatory product-governance regimes in the principal jurisdictions an intermediary serves require that a product have a defined target market and that distribution be consistent with it. The academic counterpart is the literature on choice architecture, in which Thaler and Sunstein (2008) show that the way options are organised and presented materially affects the decisions people make. A menu is choice architecture: by grouping the Gulf opportunity set into a small number of objective-led sleeves, the intermediary makes it easier for a relationship manager and a client to reach a suitable decision and harder to reach an unsuitable one.

This literature also cautions against a menu that is too long. The work on choice overload, following Iyengar and Lepper (2000), finds that an excess of options degrades the quality of decisions and reduces the likelihood that any decision is taken at all. The design implication is that a Gulf menu should be short and legible, a handful of sleeves rather than a catalogue, with depth provided within each sleeve rather than by proliferating the number of headline choices.

2.4 Home Bias, Unfamiliarity and the Cost of Access

A final strand explains why an intermediary adds value precisely where a market is unfamiliar. The home-bias literature, from French and Poterba (1991) onward, documents that investors systematically over-weight their home markets and under-weight unfamiliar ones, not because the unfamiliar markets are unattractive but because the cost of becoming comfortable with them is high. This unfamiliarity premium is an opportunity for an intermediary: by doing the work of familiarisation once, the intermediary can give its clients access to a market they would otherwise avoid, and capture for them the return that other investors leave on the table out of unfamiliarity rather than analysis.

The same literature warns that the cost of access is not only informational but practical. A foreign or first-time investor in the Gulf faces real frictions in custody, settlement, currency, vehicle selection and local relationships, and these frictions deter allocation independently of the merits of the underlying assets. An intermediary that has solved these frictions once, and built them into a menu, lowers the cost of access for every client at once. This is the operational counterpart to the informational role of intermediation, and it is a large part of why a curated shelf is worth more to a client than the sum of the products on it.

2.5 Synthesis and Propositions

Taken together, these literatures yield five propositions that the remainder of the paper develops and illustrates.

Proposition 1. The right unit of decision for an intermediary is the sleeve, an objective-led category of Gulf exposure, rather than the individual product. Organising the region by what each exposure does for a client maps onto existing suitability processes and keeps the house view portable across many books.

Proposition 2. The menu must span the liquidity spectrum. Because an intermediary serves clients with different horizons, the same opportunity set must be offered in both liquid and illiquid form, and liquidity must be priced into how each sleeve is positioned and sized.

Proposition 3. The value an intermediary adds is the one-time, centralised underwriting and curation of an unfamiliar opportunity set on behalf of many clients. The menu is the vehicle through which that judgement is distributed.

Proposition 4. A Gulf menu should be short and objective-led. A small number of legible sleeves produces better and more frequent decisions than a long catalogue; depth belongs inside the sleeves, not in the number of headline choices.

Proposition 5. Suitability is a filter, not an afterthought. The menu should be coupled to an explicit filter that moves from client mandate through classification and risk capacity to sleeve selection and sizing, so that fit is established before a product is ever named.

3. DATA AND METHODOLOGY

This study is analytical and descriptive rather than empirical. It builds a structuring framework, a menu of sleeves, a reference map and a suitability filter, and illustrates that framework with stylised calibrations. It does not estimate returns, test a hypothesis on market data or evaluate any actual product. The contribution is the organisation of a complex opportunity set into a form an intermediary can use, not a measurement of that opportunity set.

3.1 The Menu and the Suitability Framework

The framework has four components. The first is the menu itself, a set of five exposure sleeves that together span the investable Gulf opportunity set: income, listed liquidity, real assets, growth, and diversifiers. The second is the reference map, which positions the sleeves against one another by risk, return and liquidity so that the shape of the shelf is visible at a glance. The third is the suitability filter, a sequence that moves from a client's mandate and classification through risk capacity and liquidity need to sleeve selection and position sizing. The fourth is the set of model client books, which show how the same menu is composed differently for different mandates.

3.1a What the Framework Does and Does Not Do

It is important to be clear about scope. The framework is a tool for reasoning about how an intermediary turns the Gulf opportunity set into a governed, suitable offering. It does not select managers, does not size positions for any actual client and does not constitute a suitability assessment. The model book weights in Section 5 are illustrations of how a mandate shapes a mix, not target allocations. The reference map in Section 4 positions sleeves relative to one another using stylised inputs; it is a teaching device, not an estimate of any sleeve's true risk or return. Where the paper uses numbers, it does so only to make relationships legible, and every such number is labelled illustrative.

The choice of an analytical and illustrative method rather than an empirical one is deliberate. The aim is to give an intermediary a durable way of thinking that survives changes in the underlying products and in market conditions.

An empirical calibration to a particular month would be precise but perishable and would risk being read as a forecast or a recommendation, which it is not. A structural framework, clearly labelled as such, is more honest about what can and cannot be known in advance and more useful as a basis for governance.

3.2 Assumptions and Their Justification

The stylised inputs used in the figures, the relative positions of the sleeves, the model book weights and the indicative liquidity and correlation values, are set out in Appendix A so that a reader can see exactly what has been assumed and substitute their own house view. The assumptions are chosen to be conservative and broadly consistent with the qualitative consensus about the region: that private credit offers an attractive yield for the illiquidity taken, that listed sukuk sit at the lower-risk end, that venture sits at the higher-risk end, and that Gulf exposures are imperfectly correlated with global developed markets. None of these inputs should be treated as a quantitative claim about any specific product.

Table 1 below summarises the base-case calibration; the full set is in Appendix A.

Input	Illustrative value / basis	Used in
Number of menu sleeves	Five objective-led sleeves	Whole framework
Private credit positioning	Mid risk, high illustrative yield	Figs 2, 3
Listed sukuk positioning	Low risk, low illustrative yield	Figs 2, 4
Venture positioning	Highest risk and return on the map	Figs 2, 3
Illustrative lock-ups	0 to 9 years across sleeves	Fig 4
Gulf-global correlation	0.10 to 0.55, illustrative	Fig 6
Model book archetypes	Income, balanced, growth	Fig 3, Sec 5

Table 1. Base-case assumptions for the menu and the reference map. Indicative, illustrative calibrations used to make the structure legible; not forecasts or sourced data. See Appendix A.

4. THE MENU, THE MAP AND THE SUITABILITY FILTER

This section presents the framework in the order an intermediary would build it. It first sets out the five sleeves and what each does for a client. It then places the sleeves on a reference map of risk, return and liquidity. It then sets out the suitability filter that connects a client mandate to a sleeve and a size. Throughout, the emphasis is on language an intermediary can reuse with an end client.

4.1 Sleeve One: Income

The income sleeve is the natural anchor of a Gulf menu for most private-client books, because income is the objective most clients articulate first and because it is where the region's structural strengths are most legible. Its core components are private credit and sukuk. Gulf private credit lends to the region's growth, of real estate, infrastructure and corporates, at a yield that compensates for illiquidity and for the work of underwriting an unfamiliar market. Sukuk, the region's Shariah-compliant fixed income, provides a lower-risk, more liquid income stream and a natural complement.

For an end client the income sleeve is described simply: it is the part of the Gulf allocation that pays a yield. The intermediary's task is to be explicit about the trade the client is making. The private-credit component pays more because it is illiquid and because the manager is doing real underwriting; the sukuk component pays less because it is more liquid and lower risk. Offered together, the two let a client dial the income sleeve from conservative to enhanced without leaving the objective. The income sleeve is the one most books will adopt first and size largest.

The income sleeve also carries the clearest internal gradation, which is useful for an intermediary because it allows a single objective to be offered at several risk levels without multiplying the headline choices on the menu.

At the conservative end sit listed sukuk and investment-grade instruments, which a client can think of as the Gulf equivalent of a high-quality bond allocation. In the centre sit senior secured private-credit strategies, where the lender holds collateral and ranks ahead of equity, and where the yield reflects illiquidity more than credit risk. At the enhanced end sit junior, mezzanine and special-situations strategies, where the return is higher because the lender takes more risk in the capital structure. By describing the income sleeve as a ladder rather than a single product, the intermediary lets the relationship manager place a client at the rung that matches their risk capacity while keeping the conversation anchored to the one objective the client actually expressed, namely income.

4.2 Sleeve Two: Listed Liquidity

The listed sleeve exists to give clients Gulf exposure that can be entered and exited quickly. It comprises listed Gulf equity and listed sukuk and investment-grade debt, accessed through funds, exchange-traded products or segregated mandates. Its purpose on the menu is not primarily return; it is liquidity and accessibility. For a client who wants Gulf exposure but may need the capital back, or for a relationship that is taking its first step into the region, the listed sleeve is the low-friction entry point.

The listed sleeve also performs a governance function for the intermediary. It allows a house to express a Gulf view immediately, in liquid form, while the slower work of selecting private managers proceeds. It is the sleeve that can be turned on first and the sleeve a client can be moved out of without penalty. An intermediary should be candid that the listed sleeve carries the market risk of the underlying exchanges and that its diversification benefit against global developed equity is partial rather than complete.

There is a second, subtler use for the listed sleeve, which is as a sizing and pacing tool for the illiquid parts of the menu. A client who has decided to build a meaningful private-credit or growth allocation cannot deploy it instantly; private-market commitments are drawn over years. The listed sleeve can hold the capital that is destined for the illiquid sleeves but not yet deployed, giving the client Gulf exposure in the interim and avoiding the drag of holding cash while the commitment programme builds. Used this way, the listed sleeve is not only an objective in its own right but a piece of machinery that makes the rest of the menu work smoothly, a point an intermediary can use to good effect when explaining how a larger Gulf allocation will actually be built over time.

4.3 Sleeve Three: Real Assets

The real-assets sleeve gives clients exposure to the physical economy of the Gulf: real estate, principally income-producing core and core-plus property, and infrastructure, including the energy-transition and digital-infrastructure build-out that is reshaping the region. Its role on the menu is to provide an inflation-aware, hard-asset return that sits between the income and growth sleeves in both risk and horizon.

For an end client the real-assets sleeve is intuitive in a way the others are not: it is bricks, land, power and pipes. That intuitiveness is an advantage for the relationship manager, but it carries a risk the intermediary must manage, namely that clients underestimate the illiquidity and the cyclicality of the underlying assets. The sleeve is best positioned as a medium-to-long-horizon holding, sized for clients who do not expect to need the capital quickly and who value the real-asset character of the return.

The internal composition of the real-assets sleeve deserves attention because its two principal components behave differently. Income-producing core real estate behaves like a hybrid of the income and real-asset objectives: it pays a yield from rent and offers a degree of inflation protection, and it suits a client who wants real-asset exposure without the development and construction risk of building from the ground up. Infrastructure, by contrast, is increasingly where the region's growth is concentrated, in the energy-transition build-out and in the digital infrastructure that supports the region's technology ambitions, and it tends to offer longer-dated, contracted cash flows that can be attractive to a client seeking duration. An intermediary that distinguishes these components within the sleeve can match each to the client for whom it is genuinely suitable rather than treating real assets as a single undifferentiated block.

4.4 Sleeve Four: Growth

The growth sleeve is where a client takes equity risk in the Gulf's expansion: private equity in established regional companies and venture and growth capital in the technology ecosystem that the region has built deliberately over the past decade. Its role on the menu is to provide the highest expected return and, necessarily, the highest risk and the longest lock-ups. It is the sleeve that most rewards local access and manager selection, and the one where the gap between a good and a poor implementation is widest.

For an end client the growth sleeve must be described with discipline. It is the part of the allocation that aims for capital appreciation rather than income, that the client should not expect to access for years, and that may return little or nothing from any single position even where the sleeve as a whole performs. It belongs to clients with genuinely long horizons and the risk capacity to bear illiquidity and dispersion. For most private-client books it is a satellite rather than a core holding; for endowment-like and patient family-office books it can be sized more heavily.

The growth sleeve is also the one where the intermediary's curation matters most and where co-investment can change the economics for a client. Returns in private equity and venture are highly dispersed: the gap between top-quartile and bottom-quartile managers is far wider than in the more liquid sleeves, which means that access to good managers, and the ability to assess them, is the whole game. This is precisely the kind of judgement an intermediary is positioned to make once on behalf of many clients. Where the intermediary can also secure co-investment rights alongside its chosen managers, it can offer clients exposure at a lower blended cost than a pure fund route, which improves net returns in the sleeve where fees bite hardest. The intermediary should be candid, however, that co-investment concentrates risk in single assets and suits only clients with the capacity to bear that concentration.

4.5 Sleeve Five: Diversifiers

The diversifier sleeve comprises hedged and macro strategies that aim to deliver a return with low correlation to the other four sleeves and to the client's global book. Its role is not to maximise return but to smooth the path of the whole allocation, dampening drawdowns and providing a degree of liquidity and flexibility. It is the smallest sleeve on most menus and the most specialised.

For an end client the diversifier sleeve is the hardest to explain and should be positioned honestly as the part of the allocation whose job is to behave differently from the rest, accepting a more modest return in exchange. It suits more sophisticated clients and books that already hold the other sleeves and want to manage the risk of the whole rather than add to any single objective.

4.6 Implementation Routes and Vehicles

Each sleeve can be implemented through more than one route, and the choice of route is itself part of the menu the intermediary curates. The principal routes are commingled funds, segregated managed accounts, exchange-traded products, co-investments and club deals, and structured notes. They differ in cost, in the minimum commitment they require, in the control they give the client and in the operational burden they place on the intermediary. Matching a route to a sleeve and to a client is a distinct decision from selecting the sleeve, and getting it right is much of what separates a credible offering from a merely well-intentioned one.

Commingled funds are the workhorse of the private sleeves. They give a client diversified access to a manager's strategy at a manageable minimum, they spread the operational load across many investors, and they are the natural route for a client building a first position in private credit, real assets or growth. Their drawback is the layer of fees and the loss of control: the client holds what the manager chooses to hold. Segregated managed accounts reverse this trade, offering a larger client a bespoke mandate with more control and often better economics, at the cost of a higher minimum and more work. An intermediary will typically offer funds as the default and accounts to its larger relationships.

Exchange-traded products and listed funds are the route for the listed liquidity sleeve and for any client who values daily dealing above all else. Co-investments and club deals are the route through which an intermediary can offer its larger and more sophisticated clients direct, lower-cost exposure alongside its chosen managers, principally in the growth and real-asset sleeves; they improve net economics but concentrate risk and demand more of both the intermediary and the client. Structured notes can wrap a Gulf exposure in a form that fits a particular client's tax, reporting or liquidity needs, but they introduce issuer credit risk and complexity that the intermediary must weigh and disclose. The table below summarises the routes and the sleeves to which each is best suited.

Route	Best-suited sleeves	Typical client	Main trade-off
Commingled fund	Income, real assets, growth	Most private-market clients	Diversified access vs fees and control
Managed account (SMA)	Income, real assets	Larger relationships	Control and economics vs minimum and effort
ETF / listed fund	Listed liquidity	Liquidity-aware, first-step	Daily dealing vs market risk
Co-investment / club	Growth, real assets	Sophisticated, high-capacity	Lower cost vs single-asset concentration
Structured note	Diversifiers, tailored income	Specific tax / reporting needs	Tailoring vs issuer risk and complexity

Table 3. Implementation routes and the sleeves to which each is best suited. Illustrative and generic; route choice depends on the client and the firm's own governance.

4.7 The Reference Map

Having defined the five sleeves, the intermediary needs to see them in relation to one another. Figure 2 positions the sleeves, and their principal components, on a map of illustrative risk against illustrative return, with the breadth of investable supply shown by the size of each marker. The map is a teaching device. Its purpose is to let an allocator and a relationship manager hold the whole shelf in mind at once and to make the trade-offs between sleeves visible.

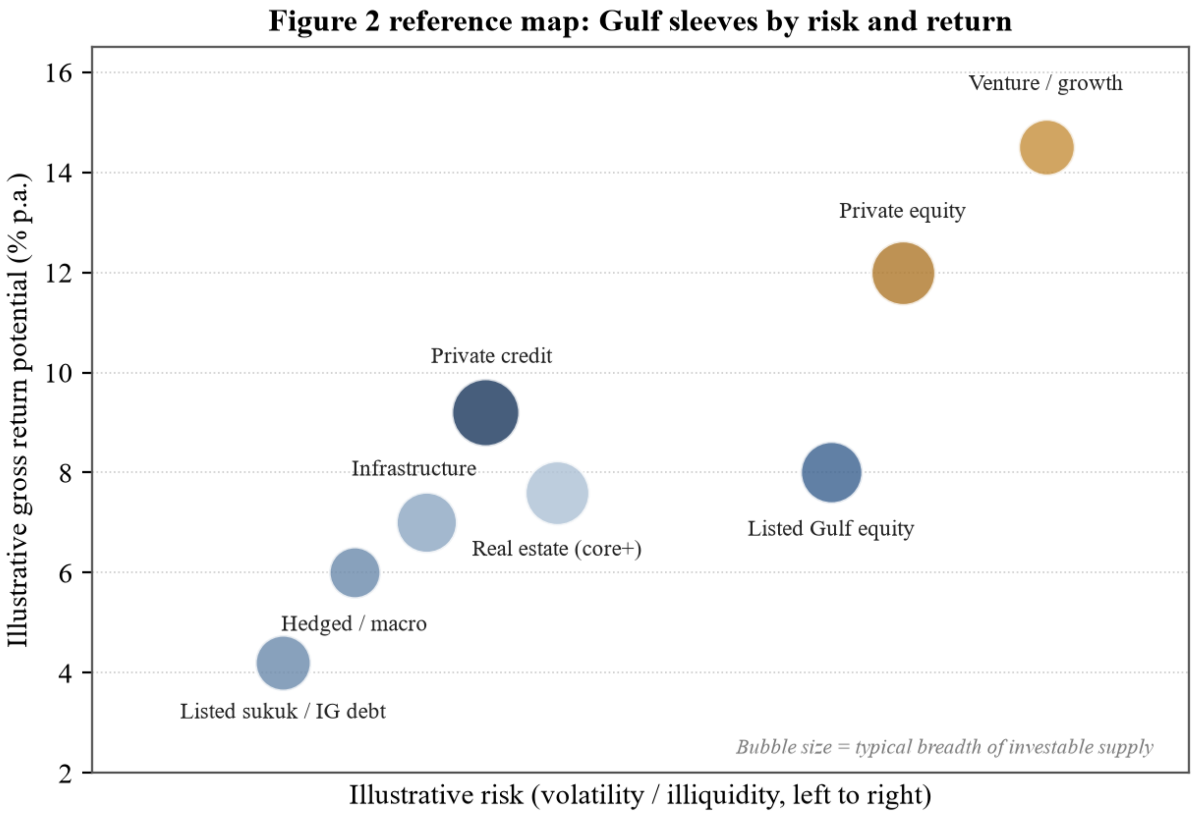

Figure 2. Reference map of the Gulf menu by illustrative risk and return

The map makes several relationships legible. Listed sukuk and investment-grade debt sit at the low-risk, low-return corner; private credit sits higher on return for a moderate increase in risk and illiquidity; real estate and infrastructure occupy the middle; private equity and venture sit at the high-risk, high-return frontier. The breadth of supply, the marker size, matters as much as the position: a sleeve with deep, varied supply is easier to implement well and to diversify within than a sleeve with thin supply, even at the same point on the map.

Two cautions attach to the map. First, the positions are illustrative and relative; they are chosen to show the ordering of the sleeves, not to estimate any sleeve's true risk or return. Second, a two-dimensional map cannot show liquidity, which is a third dimension that an intermediary must weigh as heavily as risk and return. Figure 4 addresses liquidity directly.

The composition of a sleeve is itself a choice. Figure 3 shows how the five sleeves might be combined into a Gulf allocation for three different client books, an income-led book, a balanced book and a growth or endowment book, expressed as the share of the Gulf sleeve devoted to each component. The point of the figure is not the specific weights, which are illustrative, but the principle that the same menu yields very different mixes once a mandate is applied.

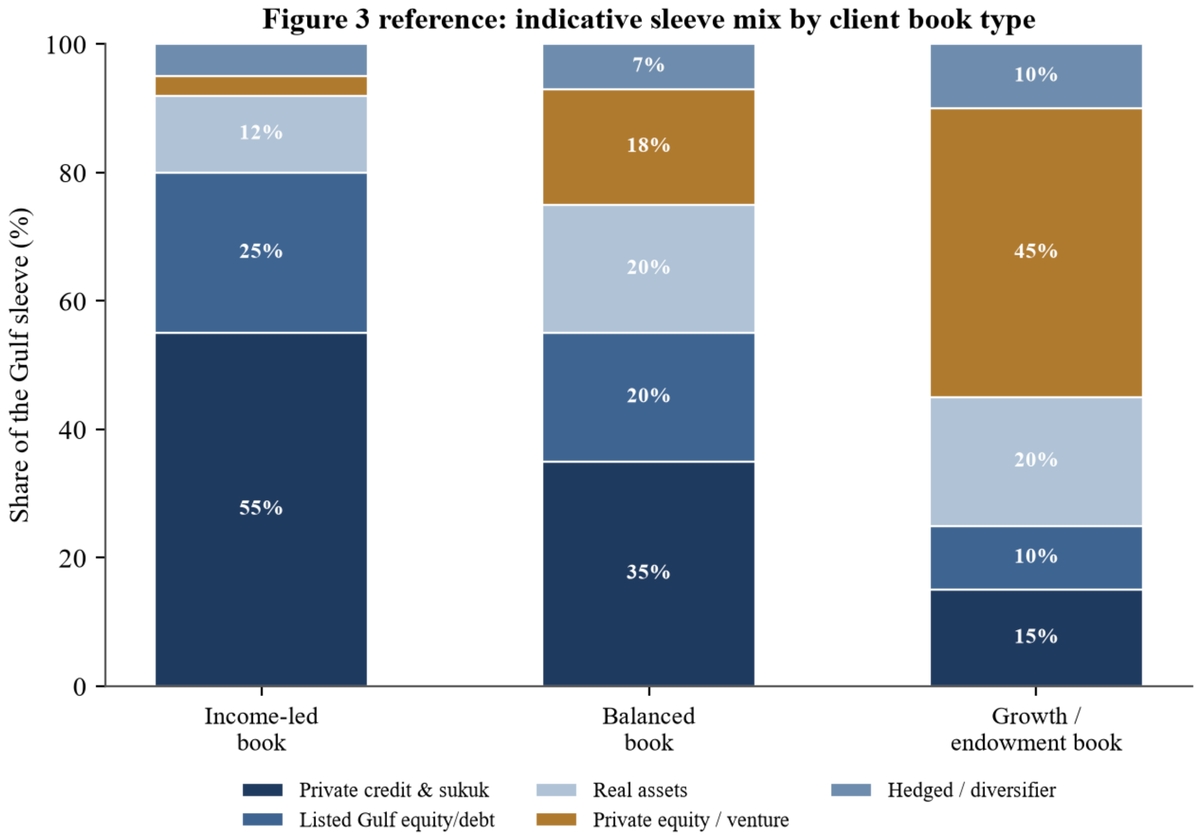

Figure 3. Indicative sleeve mix by client book type (illustrative shares of the Gulf allocation)

4.8 The Liquidity Profile

Liquidity is the dimension an intermediary mismanages most easily and regrets most painfully. A client placed in an illiquid sleeve beyond their genuine horizon is a client who will be unhappy at exactly the wrong moment. Figure 4 sets out the illustrative time to liquidity across the menu, from the listed sleeve, which is effectively daily, through private credit at a few years, real assets and infrastructure at the middle of the range, to venture at the far end.

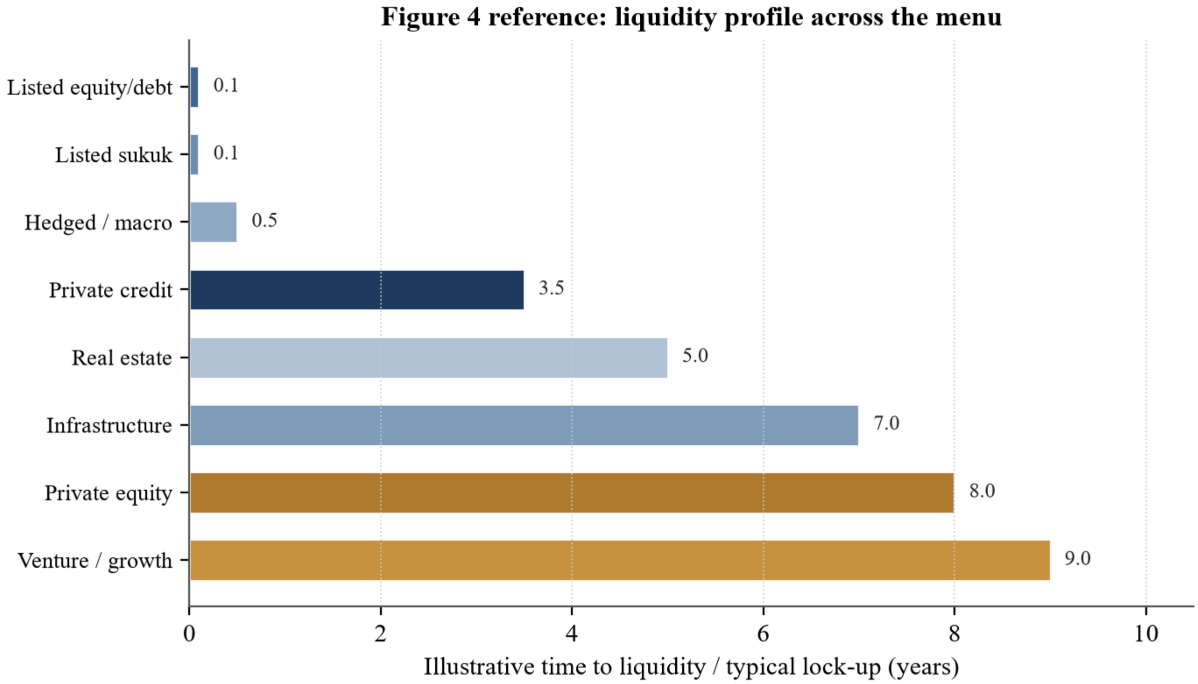

Figure 4. Illustrative liquidity profile across the menu

The discipline the figure imposes is simple and important: every sleeve carries a liquidity budget, and the intermediary must spend a client's liquidity budget deliberately. A client with a short horizon should be concentrated in the listed and income sleeves; a client with a long horizon and genuine spending flexibility can afford the real-asset and growth sleeves. The liquidity profile is not a footnote to the risk-return map; it is a co-equal axis of suitability and one that should be made explicit to the end client in plain terms.

4.9 The Suitability Filter

The menu and the maps describe the shelf. The suitability filter governs who gets what. Figure 5 sets out the filter as a sequence that an intermediary applies before any product is named. It begins with the client's mandate and objective, income, growth or preservation, and their horizon and currency. It then establishes the client's regulatory classification, professional or retail, and their knowledge and experience. It then assesses risk capacity and liquidity need, the genuine tolerance for drawdown and the genuine need for access to capital. Only then does it select a sleeve and, finally, size the position and choose the implementation route.

Illustrative suitability funnel. Not a substitute for the firm's own suitability framework.

Figure 5. The suitability filter from mandate to sizing

The order matters. By establishing objective, classification and capacity before selecting a sleeve, the filter ensures that fit is the first consideration rather than the last, and that the conversation with the client is framed around their needs rather than around a product. The filter is deliberately generic; it is a way of reasoning, and each firm must map it onto its own regulatory suitability and appropriateness framework, its client classification rules and its product governance. It does not replace those obligations and is not a compliance shortcut.

The diversification rationale that sits behind the filter is shown in Figure 6, which presents an illustrative correlation matrix between the Gulf sleeves and a client's global core holdings. The figure is the analytical reason the menu improves a client's whole book rather than merely adding risk to it: the Gulf sleeves are imperfectly correlated with global equity and global investment-grade debt and, to a degree, with one another. Lower correlation, the lighter cells, is where the diversification benefit lives.

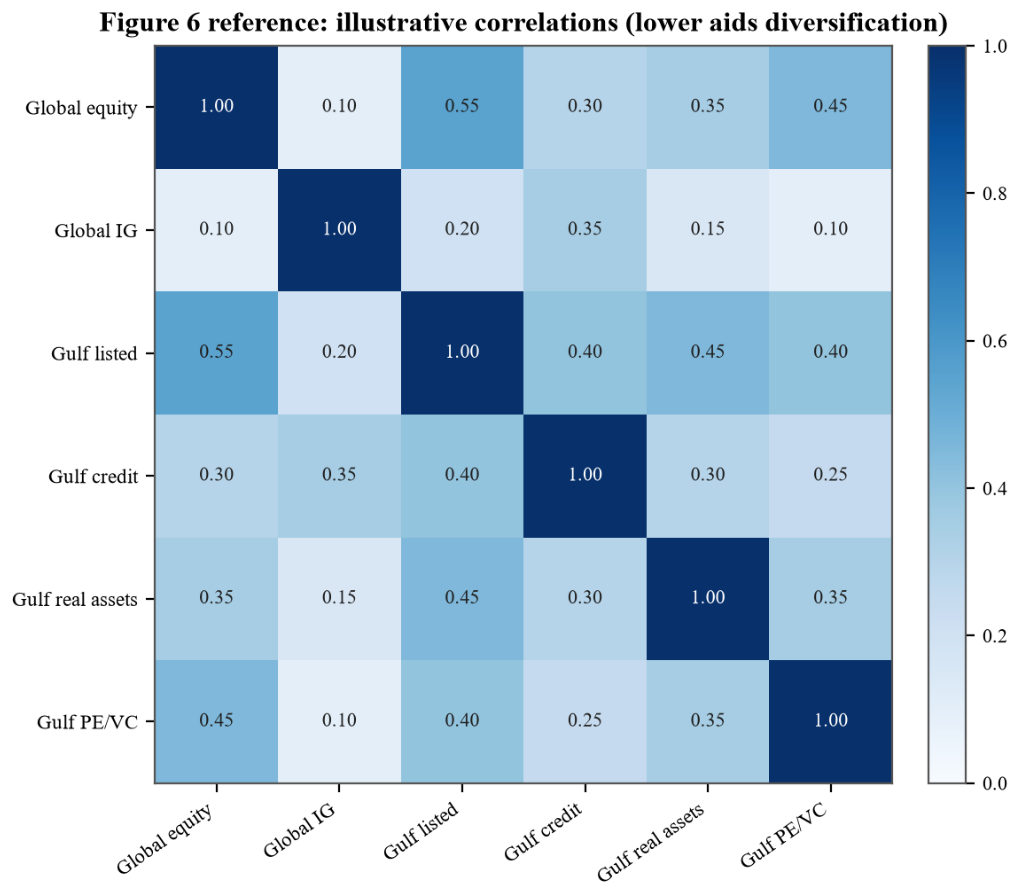

Figure 6. Illustrative correlations between Gulf sleeves and global core holdings

The suitability table below condenses the filter and the menu into a single reference an intermediary can adapt. For each sleeve it states the client objective it serves, the illustrative risk and horizon, the typical implementation route and the kind of client for whom it is generally suitable. It is a structuring aid, not a suitability determination for any client.

Sleeve	Client objective	Illustrative risk	Horizon	Typical route	Generally suitable for
Income	Yield and cash flow	Low to medium	1 to 5 yrs	Fund / SMA	Most income-seeking books
Listed liquidity	Access and liquidity	Medium	Daily to 1 yr	ETF / mandate	First-step and liquidity-aware clients
Real assets	Inflation-aware real return	Medium	3 to 7 yrs	Fund / club deal	Patient, real-asset-minded clients
Growth	Capital appreciation	High	5 to 10 yrs	Fund / co-invest	Long-horizon, high-capacity clients
Diversifiers	Lower-correlation return	Medium	1 to 3 yrs	Fund / note	Sophisticated, whole-book managers

Table 4. The suitability table: a single-page reference mapping each sleeve to objective, risk, horizon, route and client type. Illustrative and generic; not a suitability determination for any client.

5. THREE MODEL CLIENT BOOKS

The clearest way to show how the menu works in practice is to apply it to three archetypal client books. The books below are illustrations of how a mandate shapes a Gulf allocation, not model portfolios and not recommendations. Each shows the objective, the sleeve emphasis, the liquidity posture and the way an intermediary would frame the allocation to the end client. The weights referenced are the illustrative shares shown in Figure 3.

5.1 The Income-Led Book

The income-led book belongs to clients whose first objective is a reliable yield: retirees, foundations with a spending rule, and conservative private clients who value cash flow over capital appreciation. For these clients the Gulf allocation is dominated by the income sleeve, weighted towards private credit for yield and sukuk for stability, complemented by a meaningful listed allocation for liquidity. Real assets feature modestly; growth and diversifiers are small or absent.

The intermediary frames this book to the client as a Gulf income programme: a yield-oriented allocation that takes measured illiquidity in private credit in exchange for an enhanced income, anchored by more liquid sukuk and listed exposure. The liquidity posture is deliberately conservative, with the bulk of the allocation accessible within a few years and a liquid core that can be drawn on quickly. This is the book most intermediaries will build first and the one that carries the clearest message to the end client.

5.2 The Balanced Book

The balanced book belongs to clients who want both income and growth and who have a moderate horizon and risk tolerance: the core of most private-bank and EAM client bases. Here the Gulf allocation is spread more evenly across the menu, with a still-substantial income sleeve, a meaningful real-asset sleeve, a measured growth sleeve and a small diversifier. No single sleeve dominates; the book is constructed to participate in the region's growth while retaining a yield anchor and reasonable liquidity.

The intermediary frames this book as a balanced Gulf allocation: a diversified participation in the region across income, real assets and growth, sized so that the client is neither concentrated in illiquid positions nor missing the region's long-term expansion. The liquidity posture is moderate, with a liquid core, an income engine at a few years and a smaller long-horizon tail in real assets and growth. This is the book where the breadth of the menu is most fully used.

5.3 The Growth or Endowment Book

The growth or endowment book belongs to clients with genuinely long horizons and high risk capacity: endowment-like family offices, patient principals and institutions that can bear illiquidity and dispersion in exchange for return. Here the growth sleeve is sized heavily, private equity and venture together form the largest part of the allocation, real assets are substantial, and the income and listed sleeves are reduced to what is needed for liquidity and rebalancing.

The intermediary frames this book as a long-horizon Gulf growth allocation: a deliberate tilt towards the region's highest-return, longest-lock-up opportunities, justified by the client's horizon and capacity and accepting that individual positions may disappoint even where the sleeve performs. The liquidity posture is the most aggressive of the three, with a long tail of illiquid commitments and only a modest liquid core. This book demands the most of the intermediary's manager selection and the most candour with the client about what long-horizon, illiquid investing entails.

5.4 Rebalancing, Pacing and the Life of a Book

A Gulf allocation is not set once and left. Two features of the menu make its ongoing management distinctive and worth addressing explicitly. The first is pacing. Because the income, real-asset and growth sleeves are largely illiquid and are deployed through commitments drawn over years, a client cannot move to a target allocation overnight; the book is built over time, and the listed sleeve typically holds the capital in transit. An intermediary must therefore manage a client's Gulf allocation as a trajectory rather than a snapshot, communicating clearly that the target mix will be reached gradually and that the early years will look more liquid than the steady state.

The second feature is rebalancing under illiquidity. When the listed sleeve falls and the illiquid sleeves cannot easily be trimmed, the natural rebalancing levers are limited, and an intermediary must plan for this in advance rather than discover it in a drawdown. The practical answer is to use the liquid sleeves, listed exposure and the more liquid end of the income sleeve, as the rebalancing buffer, and to size the illiquid sleeves so that the client is never forced to sell an illiquid position at a bad time to meet a need elsewhere. The model books are therefore not only initial mixes but steady-state targets around which the intermediary manages a living allocation, and the liquidity discipline of Section 4 is what makes that management possible.

5.5 What the Three Books Show

The three books make the central point of the paper concrete. The menu does not change; the mandate does. The same five sleeves, described in the same language and positioned on the same maps, yield a conservative income programme for one client and a long-horizon growth allocation for another, simply by changing the emphasis. This is what makes a menu the right unit of decision for an intermediary: it is built once and then composed many times. It also makes the offering governable, because every book is a transparent combination of the same well-understood sleeves rather than a bespoke construction whose rationale must be reconstructed each time.

6. IMPLEMENTATION: A TWELVE-MONTH ADOPTION ROADMAP

Building a Gulf menu is a programme, not a transaction. The roadmap below sets out an illustrative twelve-month sequence by which an intermediary can move from a standing start to a live, governed offering. The timings overlap deliberately; the point is the order of dependencies, not the precise calendar. Figure 7 shows the sequence in summary.

Figure 7 reference: illustrative 12-month adoption roadmap

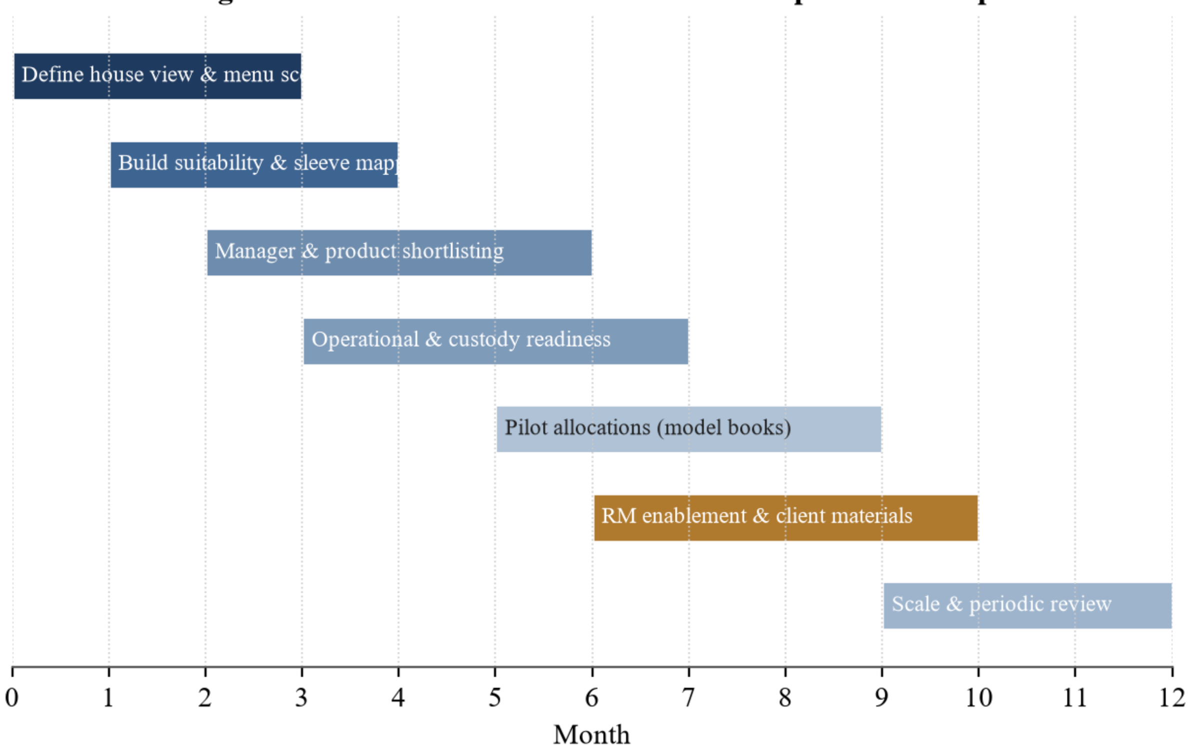

Figure 7. Illustrative twelve-month adoption roadmap

6.1 Months 0 to 3: House View and Menu Scope

The programme begins at the centre, not at the client. The firm decides its house view on the Gulf and the scope of the menu it wishes to offer: which sleeves it will carry, which it will defer, and how aggressively it wishes to be positioned. This is an investment-committee decision and should produce a written house view that every relationship manager can rely on. Deciding scope early prevents the menu from accreting opportunistically as products are pitched.

6.2 Months 1 to 4: Suitability and Sleeve Mapping

In parallel, the firm builds the suitability filter and the sleeve mapping into its existing advisory and product-governance processes. Each sleeve is given a defined target market, a risk classification and a place in the firm's suitability framework. This is the work that makes the menu defensible and is best done before any client conversation, so that the first conversation is already governed.

6.3 Months 2 to 6: Manager and Product Shortlisting

With scope and suitability defined, the firm shortlists the managers and products that will populate each sleeve. This is where the intermediary's curation, the value it adds on behalf of many clients, is concentrated. The shortlisting should be deep within each sleeve and narrow across sleeves, consistent with the principle that depth belongs inside the sleeves rather than in the number of headline choices.

6.4 Months 3 to 7: Operational and Custody Readiness

Operational readiness runs alongside selection. Custody, settlement, currency handling, reporting and the onboarding of private-market vehicles all have to be in place before client capital moves. For many intermediaries this is the binding constraint on the illiquid sleeves in particular, and starting it early prevents a selected manager from sitting idle while operations catch up.

6.5 Months 5 to 9: Pilot Allocations

Before a full rollout, the firm runs pilot allocations against its model books, typically with discretionary mandates or a small set of willing clients, to test the menu end to end. The pilot surfaces the practical frictions, in suitability documentation, in operations and in client communication, that no amount of planning fully anticipates. It is far cheaper to find these frictions in a pilot than across a full book.

6.6 Months 6 to 10: Relationship-Manager Enablement

A menu is only as good as the relationship managers who present it. The firm equips its front line with the language, the maps and the client materials to explain each sleeve, its objective, its risk and its liquidity, in a single conversation. This enablement is what makes the house view portable; without it, the menu exists on paper but is not consistently distributed.

6.7 Months 9 to 12: Scale and Periodic Review

Finally, the firm scales the offering across its books and establishes a periodic review, of the house view, the sleeve composition, the manager shortlist and the suitability mapping. The Gulf opportunity set will change, and the menu must be a living shelf that is reviewed and refreshed rather than a static catalogue. The review cadence closes the loop and turns a launch into a programme.

6.8 Common Pitfalls and How the Roadmap Avoids Them

- Letting the menu accrete from pitched products rather than deciding scope first. The roadmap places the house view and menu scope at month zero, before any product enters.

- Treating suitability as a downstream compliance step. The roadmap builds the suitability filter into the menu before the first client conversation.
- Selling illiquidity to clients whose horizon cannot bear it. The roadmap makes liquidity a co-equal axis of the suitability filter and of every client conversation.
- Launching without front-line enablement. The roadmap dedicates a phase to relationship-manager enablement so the house view is actually distributed.
- Treating launch as completion. The roadmap ends in a periodic review that keeps the shelf current as the opportunity set evolves.

7. RISKS, CAVEATS AND LIMITATIONS

7.1 The Limits of an Illustrative Framework

The most important limitation is methodological. Every quantitative element of this paper, the positions on the risk-return map, the model book weights, the liquidity estimates and the correlations, is illustrative. They are chosen to make the structure of the menu legible and to show the ordering of the sleeves; they are not forecasts, not measurements of any actual product, and not a basis on which to size a real allocation. An intermediary using this framework must substitute its own house view, its own data and its own due diligence for every illustrative input.

7.2 Suitability and Governance Risk

The framework is a way of reasoning about fit; it is not a suitability determination and does not discharge any regulatory obligation. Client classification, target-market assessment, appropriateness and product governance remain the responsibility of the intermediary under the rules of each jurisdiction it serves. A menu that is well designed but carelessly applied can still place an unsuitable exposure with a client. The suitability filter reduces this risk only to the extent that it is embedded in, and disciplined by, the firm's own framework.

7.3 Market, Liquidity and Concentration Risk

The Gulf opportunity set carries the market risks of the region: exposure to energy-linked economic cycles, to regional and geopolitical developments, and to the maturity of still-developing private and exit markets. The illiquid sleeves carry liquidity risk that is real and that crystallises at the worst moments. And a menu built on a small number of managers within each sleeve carries concentration risk at the manager level even where the sleeve structure is sound. None of these risks is removed by good packaging; packaging only makes them explicit and easier to govern.

7.4 Currency, Tax and Cross-Border Risk

An intermediary serving clients across several jurisdictions must weigh currency exposure, the tax treatment of different vehicles and sleeves in each client's domicile, and the cross-border distribution rules that govern which products may be offered to which clients. These considerations can change the suitability and the after-tax attractiveness of a sleeve materially and are outside the scope of this structural framework. They must be addressed client by client and jurisdiction by jurisdiction.

7.5 Scope

Finally, the scope of the paper is deliberately limited. It is a structuring and orientation framework for intermediaries, not a market study, a product review or an investment recommendation. It does not assess any particular fund, manager or security; it does not estimate returns; and it does not advise any reader to take any action. Its contribution is a way of organising and governing a Gulf offering, which each firm must populate, calibrate and supervise for itself.

8. CONCLUSION

The intermediary's question about the Gulf is not whether but how. For a private bank, an external asset manager or a multi-family office, the case for the region is by now broadly accepted; the unmet need is a way to turn a large and uneven opportunity set into something that can be selected, sized and explained at scale, across many client books, within a suitability framework. This paper has argued that the right answer is a menu: a short set of objective-led sleeves, positioned on a common map of risk, return and liquidity, coupled to a suitability filter that moves from mandate to sizing.

The menu has three properties that make it the right unit of decision for an intermediary. It is portable, because the house view is decided once at the centre and applied consistently by every relationship manager. It is composable, because the same five sleeves yield a conservative income programme for one client and a long-horizon growth allocation for another, simply by changing the emphasis. And it is governable, because every book is a transparent combination of well-understood sleeves, each carrying an explicit objective, risk profile and suitability rationale.

The framework is illustrative, and deliberately so. Its value is not in any number it contains but in the discipline it imposes: decide the scope before the products, build suitability in before the first conversation, treat liquidity as a co-equal axis of fit, keep the menu short and the depth inside the sleeves, and review the shelf as the opportunity set evolves. An intermediary that adopts this discipline can offer its clients the Gulf in a form that is coherent, suitable and defensible, which is precisely the form an intermediary is in business to provide.

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Chennakeshav (CK) Adya is an independent researcher and corporate-finance practitioner with more than twenty-five years of experience as both an operator and an investor across capital markets, private capital and cross-border transactions. His research focuses on capital structure, private markets, and the way unfamiliar opportunity sets are made investable for international and intermediated capital. He writes to make the structure of complex markets legible to the allocators and intermediaries who must act on them, combining a practitioner's view of how capital is actually raised and deployed with the discipline of a structured, evidence-aware framework.

APPENDIX A. BASE-CASE ASSUMPTIONS

The table below sets out the illustrative calibrations used in the figures and model books. They are stylised inputs chosen to make the structure legible; they are not forecasts, sourced data or representations about any product. An intermediary using the framework should replace each input with its own house view.

Parameter	Illustrative basis
Menu structure	Five objective-led sleeves: income, listed liquidity, real assets, growth, diversifiers
Risk-return positions (Fig 2)	Relative ordering only; sukuk low, venture high; sizes show breadth of supply
Income book mix (Fig 3)	Income-heavy: c. 55% income, 25% listed, 12% real assets, small growth/diversifier
Balanced book mix (Fig 3)	Spread across sleeves with a yield anchor and a measured growth tilt
Growth book mix (Fig 3)	Growth-heavy: c. 45% growth, substantial real assets, reduced income/listed
Liquidity profile (Fig 4)	Listed near-daily; private credit c. 3-4 yrs; real assets/infra mid; venture c. 9 yrs
Correlations (Fig 6)	Gulf-to-global 0.10-0.55, illustrative; lower values indicate diversification benefit
Suitability filter	Mandate, classification, capacity, liquidity, sleeve, sizing, in that order

Table A1. Illustrative base-case calibration for the menu framework. Not forecasts or sourced data.

APPENDIX B. MENU ADOPTION AND SUITABILITY CHECKLIST

The following checklist condenses the framework into a sequence an intermediary can adapt when building and governing a Gulf menu. It is a structuring aid, not a compliance template, and does not replace the firm's own suitability, appropriateness and product-governance obligations.

- House view: has the investment committee agreed a written house view on the Gulf and the scope of the menu?
- Sleeve scope: which of the five sleeves will the firm carry, and which will it defer, and why?
- Target market: does each sleeve have a defined target market and risk classification within the firm's governance?
- Suitability filter: is the mandate-to-sizing filter embedded in the advisory process before the first client conversation?
- Liquidity discipline: is liquidity treated as a co-equal axis of suitability, with a stated liquidity budget per client?
- Manager curation: is the shortlist deep within each sleeve and narrow across sleeves, with documented due diligence?
- Operations: are custody, settlement, currency, reporting and vehicle onboarding ready before capital moves?
- Pilot: has the menu been tested end to end against the model books before a full rollout?
- Enablement: are relationship managers equipped to explain each sleeve in a single, governed conversation?
- Cross-border: have currency, tax and distribution rules been checked for each client domicile?
- Review: is there a periodic review of house view, sleeve composition, manager shortlist and suitability mapping?

APPENDIX C. GLOSSARY OF KEY TERMS

Sleeve. An objective-led category of exposure, defined by what it does for a client rather than by the product that delivers it.

Menu. The curated set of sleeves an intermediary offers, decided once at the centre and applied across many client books.

EAM. External asset manager; an independent manager that allocates on behalf of clients, often via custodian banks.

Multi-family office. A firm that manages the wealth of several families, allocating across managers and asset classes on their behalf.

Suitability filter. The sequence from client mandate and classification through capacity and liquidity to sleeve selection and sizing.

Sukuk. Shariah-compliant fixed-income instruments; the Gulf's principal form of structured, income-paying debt.

Private credit. Privately negotiated lending to companies and projects, typically illiquid and higher-yielding than listed debt.

Liquidity budget. The amount of illiquidity a given client can bear, given their horizon and spending needs; a constraint on sleeve mix.

Model book. An archetypal client book, income-led, balanced or growth, used to illustrate how a mandate shapes a Gulf allocation.

Choice architecture. The way options are organised and presented, which affects the quality and likelihood of the decisions made.