# Packaging UAE Real Assets for Discretionary and Advisory Mandates

How owners and managers of Gulf real assets can structure them into wrappers that private banks, external asset managers and multi-family offices can place across discretionary and advisory mandates

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**ABSTRACT**

The United Arab Emirates has become a credible source of private real assets, from income-producing real estate to digital infrastructure, but the capital that can fund these assets sits increasingly with intermediaries: private banks, external asset managers and multi-family offices that allocate on behalf of many clients through discretionary and advisory mandates. The gap between a sound Gulf real asset and that pool of allocable capital is not usually an investment gap. It is a packaging gap. An asset that an intermediary cannot custody, value independently, govern under its product rules and report on a familiar feed is, for practical purposes, un-allocable, however attractive its economics. This paper sets out a structured framework for closing that gap. It treats packaging as a discipline in its own right and works through four decisions in sequence: the legal vehicle that isolates the asset, the wrapper that makes it allocable, the fit between that wrapper and the mandate it is intended for, and the operational rails that let an intermediary actually place it. It compares the principal wrapper routes, the closed-end fund, the listed or listable note and sukuk, the segregated managed account and the feeder onto a platform, against the mandate types they suit, and it is candid about the fee load that packaging adds between the gross yield of an asset and the net return a client receives. The argument is calibrated to 2026 Gulf conditions, where deep dollar-linked capital, two common-law financial centres and a maturing fund ecosystem make sophisticated packaging possible but where the operational bar set by intermediaries has also risen. All quantitative material in the paper is illustrative and stylised, presented to make the structure legible rather than to assert sourced fact, and nothing in it is investment advice. The contribution is a single, repeatable method an owner, manager or adviser can use to decide how a Gulf real asset should be packaged, for whom, and at what cost, before approaching a distribution channel.

**JEL Classification: G11, G23, G24, G32, L85, R33**

**Keywords: real assets, distribution, discretionary mandates, advisory mandates, private banks, external asset managers, multi-family offices, fund structuring, wrappers, sukuk, managed accounts, United Arab Emirates, Gulf Cooperation Council, alternatives**

## 1. INTRODUCTION

An owner of a good Gulf real asset and an intermediary with capital to allocate often fail to meet, and the reason is rarely that the asset is poor or the capital unwilling. A well-let commercial building in Dubai, a stabilised logistics estate in the Northern Emirates, a contracted data-centre shell in Abu Dhabi or a portfolio of income-producing residential units can each generate the kind of return a private-bank client or a family office would welcome. The capital that would fund them is also present in size, and it is increasingly concentrated in the hands of intermediaries who allocate professionally on behalf of others. Yet the asset and the capital frequently do not connect. The obstacle between them is structural rather than economic, and it is the subject of this paper.

The obstacle is that an intermediary does not buy an asset. It allocates to a line in a portfolio. A private bank running discretionary mandates, an external asset manager acting under a management agreement, or a multi-family office building portfolios for several families cannot, in the normal course, take direct title to a building or sign a shareholders' agreement in an operating company on a client's behalf. It needs an instrument it can custody, value, govern and report. The work of turning a real asset into such an instrument is what this paper calls packaging, and the central claim is that packaging is a discipline in its own right, as consequential to whether capital is raised as the quality of the underlying asset.

The point can be put more sharply. Most of the assets that fail to attract intermediated capital in the Gulf do not fail an investment test. They fail an allocability test. They cannot be held in a client's custody account, they cannot be priced on a date the intermediary controls, they do not carry the documentation a product-governance committee requires, and they do not feed a reporting system in a format the channel recognises. An asset that fails these tests is, for the intermediary, not a difficult investment but an impossible one, and no amount of yield will change that. Packaging is the work of passing those tests.

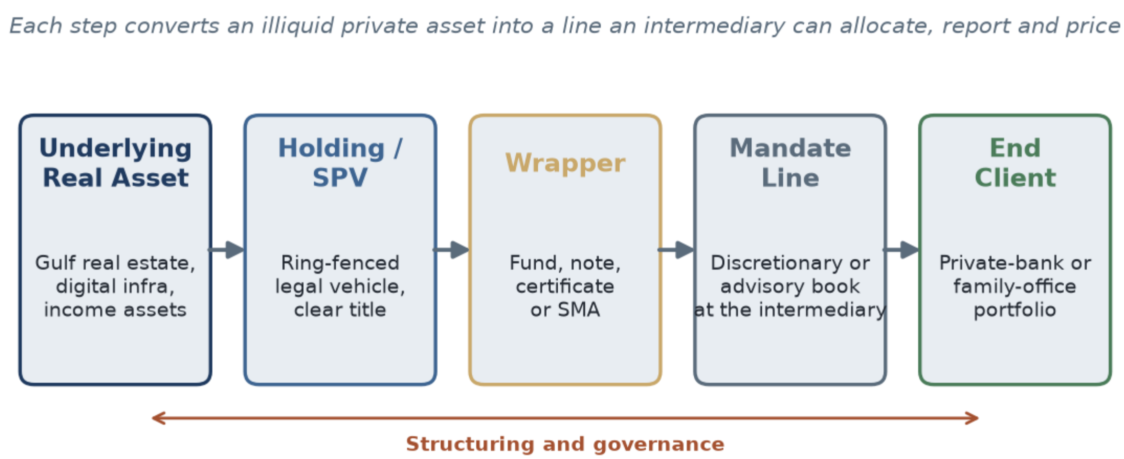


**Figure 1. From real asset to allocable mandate line**

*Illustrative schematic. Each step converts an illiquid private asset into an instrument an intermediary can hold, value, govern and report.*

This paper supplies a structured method for that work. It is written for two related audiences. The first is the owner, sponsor or asset manager of a Gulf real asset who wants intermediated capital and needs to understand what the channel actually requires. The second is the intermediary itself, the private bank, external asset manager or multi-family office, that is offered such assets and must judge whether a proposed package is one it can responsibly place. The framework is the same for both because the questions are the same; only the side of the table differs.

Three caveats frame the analysis. First, this is a structuring and orientation document, not investment advice, and nothing in it recommends any asset, wrapper, manager or allocation. Second, every quantitative figure, the fee levels, the indicative returns, the weights in the diagrams, is illustrative and stylised, chosen to make a structure legible rather than to report a measured fact, and each should be verified against current, named sources and qualified professional advice before any decision. Third, the legal, tax and regulatory treatment of every wrapper discussed depends on the specific jurisdiction, the specific investor and the specific asset, and the paper describes structures at the level of principle, not as a substitute for advice on a particular transaction.

The paper makes three contributions. First, it reframes distribution as a packaging problem and gives that problem a sequence: vehicle, wrapper, mandate fit, operational rails. Second, it compares the principal wrapper routes against the mandate types they suit, so that the choice of structure follows from the intended buyer rather than from habit. Third, it is explicit about the fee load that packaging adds, because the case for a wrapper has to survive the cost of building it, and an honest account of that cost is part of the discipline.

The remainder of the paper is organised as follows. Section 2 reviews the relevant literature on financial intermediation, distribution and the structuring of illiquid assets, and draws from it a set of propositions. Section 3 sets out the data and method, which are analytical and illustrative rather than empirical, and states the assumptions behind the figures. Section 4 develops the framework in four parts: the vehicle, the wrapper, the mandate-fit map and the fee architecture. Section 5 turns the framework into an implementation path, an illustrative twelve-month route from asset to first allocation. Section 6 sets out the risks, caveats and limitations. Section 7 concludes.

## 2. LITERATURE REVIEW AND PROPOSITIONS

The argument draws on three bodies of work: the theory of financial intermediation and why intermediaries exist at all; the literature on distribution, product governance and the economics of fund wrappers; and the research on the illiquidity, valuation and structuring of private real assets. Each contributes a piece of the framework, and together they yield the propositions the rest of the paper develops.

### 2.1 Financial Intermediation and Delegated Allocation

A long tradition in financial economics explains why capital reaches assets through intermediaries rather than directly. Diamond (1984) models the intermediary as a delegated monitor whose scale makes it efficient to watch borrowers and assets on behalf of many small providers of capital. Gorton and Pennacchi (1990) show why intermediaries manufacture instruments with particular liquidity and information properties so that uninformed savers can hold them safely. The common thread is that an intermediary does not simply pass capital through; it transforms a claim into a form its clients can hold, and that act of transformation is the service for which it is paid.

This matters directly for packaging. A private bank, an external asset manager or a multi-family office is, in the terms of this literature, a delegated allocator that has promised its clients a particular standard of custody, valuation, oversight and reporting. It cannot relax that standard for an attractive asset without breaking the promise on which its business rests. The implication is that the owner of an asset who wants intermediated capital must meet the intermediary's transformation requirements; the asset has to arrive in a form the intermediary can, in turn, hold out to its own clients.

### 2.2 Distribution, Product Governance and the Wrapper

A second literature concerns how investment products are distributed and governed once they exist. The post-crisis regulatory turn, exemplified in Europe by the MiFID II product-governance regime and by the distinction between discretionary and advisory service models, made the manufacturer of a product responsible for defining its target market and the distributor responsible for placing it only with clients who fit. Inderst and Ottaviani (2012) analyse the economics of advice and the conflicts that arise when the party recommending a product is also paid to distribute it, which is why retrocession and inducement rules have tightened. The literature on the wrapper itself, the legal and operational shell around an exposure, treats it as the thing that determines custody, eligibility, tax treatment and reporting, often more than the underlying asset does.

The lesson for Gulf real assets is that the wrapper is not a formality bolted on at the end. It decides whether an asset can enter a discretionary mandate at all, whether an adviser can recommend it without breaching inducement rules, and how the whole position will be reported to the end client. Choosing the wrapper is therefore a distribution decision taken at the start, not a legal afterthought taken at the close.

### 2.3 Illiquidity, Valuation and the Structuring of Real Assets

A third strand addresses the particular difficulty of private real assets: they are illiquid, infrequently priced and heterogeneous. Ang, Papanikolaou and Westerfield (2014) study how illiquidity affects portfolio choice and the premium investors require to bear it. Geltner and others, in the real-estate finance literature, document the smoothing and lag in appraisal-based valuations and the consequences for reported risk. The project-finance and structured-finance literature, surveyed by Gatti (2013), shows how cash flows from a single asset can be isolated in a special-purpose vehicle and tranched into claims with different risk and liquidity. These tools, the ring-fenced vehicle, the independent valuation, the tranche, are precisely the instruments of packaging.

Two implications follow. The first is that independent, defensible valuation is not a nicety but the precondition for an illiquid asset to sit in an intermediated portfolio, because the intermediary must strike a price it did not set itself. The second is that the structuring techniques developed for project and structured finance, isolation in a vehicle and the manufacture of claims with chosen properties, are the same techniques an owner uses to make a real asset allocable. Packaging is the application of established structuring craft to the specific problem of distribution.

### 2.4 Synthesis and Propositions

Taken together, these literatures yield five propositions that the rest of the paper develops and illustrates in the Gulf context. They are advanced as organising claims, not as empirically tested results.

Proposition 1. The barrier between a sound Gulf real asset and intermediated capital is, in most cases, a packaging barrier rather than an investment one, and it is best addressed as a distinct discipline with its own sequence of decisions.

Proposition 2. The wrapper is a distribution decision taken at the outset, because it determines custody, eligibility, governance and reporting, and therefore which mandates can ever hold the asset.

Proposition 3. The right wrapper follows from the intended mandate and ticket, not from habit: discretionary, advisory and large-ticket segregated mandates each have different structural requirements.

Proposition 4. Independent valuation and operational readiness, not headline yield, are the gates at which intermediated distribution most often fails, and they must be engineered in from the start.

Proposition 5. Packaging adds a fee load between the gross asset yield and the net client return that must be made explicit and justified, because a structure that cannot survive its own cost should not be built.

### 2.5 The Gulf Distribution Channel in 2026

The literature is general; the application is specific, and a word on the 2026 Gulf channel sets the scene for the framework. The intermediaries that control allocable capital in the region fall into three overlapping groups, and they correspond closely to the audiences for which this paper is written. The first is the private bank, whether a global institution booking in the Dubai International Financial Centre or a regional house, running both discretionary portfolio management and advisory relationships for wealthy clients. The second is the external asset manager, the independent firm that runs client money custodied at one or more banks and that has grown rapidly in the Gulf as wealth has professionalised. The third is the multi-family office, serving several families with a single investment and structuring capability. These groups allocate on behalf of others, and between them they form the channel through which most intermediated capital now flows to private assets in the region.

Two features of this channel in 2026 shape the packaging problem. The first is that the channel has professionalised faster than the supply of well-packaged local assets. The intermediaries apply, in their Gulf books, much the same operational and governance standards they apply globally, which means a local asset must clear an international bar to be placed, even when its end clients are regional. The second is that the appetite for private real assets within these mandates has grown, as clients have sought yield and diversification beyond listed markets and beyond the region's traditional real-estate-by-direct-ownership model. The result is a channel that wants well-packaged Gulf real assets and is structurally able to hold them, but that will not relax its standards to do so. That combination, demand met by an operational bar, is exactly the condition under which packaging as a discipline earns its keep.

## 3. DATA AND METHODOLOGY

This study is analytical and descriptive rather than empirical. It builds a framework and a set of illustrative figures to make the structure of a packaging decision legible, and it does not estimate parameters from a dataset or test hypotheses statistically. The method has two parts: a decision framework and a set of stylised calibrations used to populate the diagrams and tables.

### 3.1 The Decision Framework

The framework decomposes the packaging problem into four sequential decisions. The first is the vehicle: the legal structure that isolates the asset, establishes clean title and ring-fences its cash flows. The second is the wrapper: the instrument, fund interest, note, certificate or segregated account, that the intermediary will actually hold. The third is mandate fit: the match between the chosen wrapper and the type of mandate, discretionary, advisory or segregated, into which it is intended to go. The fourth is the operational rails: the custody, valuation, governance, reporting and selling-restriction apparatus that lets an intermediary place the wrapper at all. The decisions are sequential because each constrains the next, and a mistake early, choosing a vehicle that cannot support an independent NAV, for instance, cannot be repaired downstream.

### 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 a real asset should be structured for intermediated distribution and for whom. It is not a recommendation to use any particular wrapper, nor a legal or tax opinion, nor a claim that any structure described is available or suitable in a given jurisdiction. The treatment of every wrapper depends on the specific facts and on qualified advice, and the paper operates at the level of principle throughout.

The choice of an analytical, illustrative method rather than an empirical one is deliberate. Fee levels, minimums, timelines and panel criteria in private distribution are negotiated, confidential and channel-specific; there is no clean public dataset from which to estimate them, and presenting invented numbers as measured fact would be both wrong and misleading. The honest course is to make the structure explicit, to populate it with clearly labelled illustrative values that are plausible in direction and order of magnitude, and to invite the reader to replace them with real, sourced figures for a specific case. Every figure and table in this paper is presented on that basis.

## 3.2 Assumptions and Their Justification

The stylised inputs used in the figures, the relative fee components, the indicative gross yield, the positioning of wrappers on the mandate-fit map and the durations on the timeline, are indicative calibrations chosen to make the structure legible. They are not forecasts and not sourced data. Table 1 records the principal base-case assumptions; the full set is repeated in Appendix A.

**Table 1. Base-Case Assumptions for the Packaging Framework**

*Indicative, illustrative calibrations used to make the structure legible; not forecasts or sourced data. See Appendix A.*

| Parameter | Illustrative base case | Role in the analysis |
|---|---|---|
| Gross asset yield | About 12% p.a. | Starting point of the fee waterfall (Figure 4) |
| Total packaging fee load | Roughly 4 to 5 percentage points | Cost of structuring, admin, management, distribution |
| Net return to client | High single digits | Residual after the fee load |
| Time to first allocation | About 12 months | Span of the implementation timeline (Figure 6) |
| Wrapper routes considered | Four | Fund, note/sukuk, SMA, feeder/platform |
| Operational gates | Six | Custody, NAV, KYC/AML, governance, reporting, restrictions |

Two assumptions deserve a word of justification. The gross yield of around twelve per cent is used only as a round starting point for the fee waterfall; the argument about how the fee load erodes it is unchanged whatever the true figure for a specific asset. The total fee load of four to five points is presented as a plausible aggregate of distinct components, each of which is itself illustrative; the purpose is to show that the components stack, not to assert a market level. The reader should treat both as placeholders to be replaced with real, negotiated numbers for an actual transaction.

# 4. THE PACKAGING FRAMEWORK

This section develops the framework in the order of the four decisions. It begins with the vehicle that isolates the asset, turns to the wrappers that make it allocable, maps those wrappers onto the mandates they suit, and then sets out the fee architecture and the operational rails. The propositions of Section 2 recur throughout.

### 4.1 The Vehicle: Isolating the Asset

The first decision is the legal vehicle that holds the asset and isolates its cash flows. Its purpose is to create a clean, bankruptcy-remote object with clear title, so that what the wrapper ultimately conveys is a well-defined economic interest rather than an entanglement with the sponsor's other affairs. In the Gulf, the owner has a genuine choice of venue. The two common-law financial centres, the Dubai International Financial Centre and the Abu Dhabi Global Market, each offer special-purpose-vehicle regimes, trusts and foundations under a familiar legal system with independent courts, which is one reason international intermediaries are comfortable with structures domiciled there. Onshore mainland vehicles and other free-zone entities are also available and may suit assets that must sit close to a local licence or a particular regulator.

The vehicle decision is not merely about asset protection. It determines whether the structure above it can function. A vehicle whose accounts cannot be audited to an international standard cannot support the independent net asset value that an intermediary requires. A vehicle in a jurisdiction an intermediary's custodian will not recognise cannot be held in a client's account at all. The vehicle, in other words, is where the operational gates of Section 4.5 are either passed or lost, and it should be chosen with those gates already in view.

A feature of the Gulf that shapes this decision is the dollar-linkage of the principal currencies. The dirham's peg to the United States dollar means that a structure built in the UAE can offer an international investor an asset whose currency exposure is, in effect, dollar exposure, which removes a layer of hedging cost and basis risk that an equivalent emerging-market structure would carry. This is a structural advantage of packaging a Gulf asset that has no analogue in many comparable markets, and it makes the region's wrappers easier to place into dollar-reporting mandates.

### 4.2 The Wrapper: Making the Asset Allocable

The second decision is the wrapper, the instrument the intermediary will hold. The same underlying asset can be presented in several wrappers, and the choice among them is the heart of the packaging problem because it determines custody, eligibility, governance and reporting. Figure 2 sets out four common routes side by side. Each is described below at the level of principle; the right one for a given asset depends on the mandate it is intended for, the subject of Section 4.3.

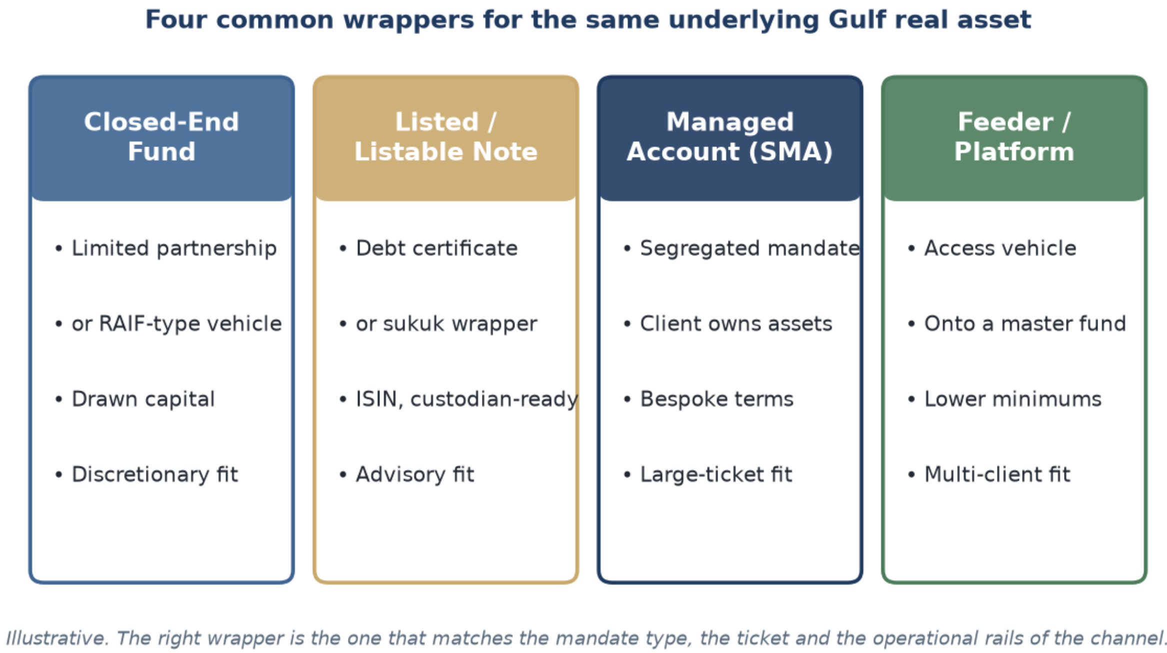


**Figure 2. Four common wrappers for the same underlying Gulf real asset**

*Illustrative. The right wrapper matches the mandate type, the ticket and the operational rails of the channel.*

### 4.2a The Closed-End Fund

The closed-end fund, typically a limited partnership or a regulated alternative fund vehicle, is the classic wrapper for illiquid real assets. It draws capital as needed, has a defined life, and aligns naturally with the way discretionary managers and family offices think about a private-markets allocation. Its strengths are familiarity, a well-understood governance model with an independent administrator and depositary, and a structure that intermediaries' product committees recognise. Its weaknesses are cost, the time required to establish it, and minimum sizes that can exclude smaller advisory tickets. It suits a discretionary mandate that can commit capital over a multi-year horizon.

The closed-end fund also carries a governance architecture that intermediaries find reassuring, and this is part of its value as a wrapper rather than an incidental feature. The independent administrator strikes the net asset value, the depositary safeguards the assets, the auditor attests the accounts, and the manager operates within a defined mandate overseen by these parties. For a delegated allocator that must answer to its own clients and regulators, this separation of roles is exactly the comfort it needs, because it means the price and the safekeeping of the asset do not depend on the manager's word alone. The cost of assembling this architecture is real and is one reason the fund route carries higher fixed costs and minimum sizes, but the architecture is also why the fund remains the default wrapper for a serious illiquid allocation in a discretionary mandate.

### 4.2b The Listed or Listable Note and the Sukuk

A note or certificate wraps the economic interest in a debt-form security with an International Securities Identification Number, which a custodian can hold like any other security and an advisory client can buy through an ordinary account. In the Gulf, the sukuk, a sharia-compliant certificate representing an interest in underlying assets, is a particularly natural form, and the region has deep experience issuing it. The great advantage of this route is operational: an ISIN-bearing instrument slots into existing custody and reporting rails with little friction, which is why it suits advisory mandates and smaller tickets. The cost is that converting the equity-like economics of a real asset into a note requires careful structuring, and the instrument's behaviour, fixed coupon or participation, has to be designed to match what the asset can actually deliver.

### 4.2c The Segregated Managed Account

A segregated or separately managed account is not a pooled vehicle at all but a bespoke mandate in which the client owns the assets directly and the manager operates them under an agreement. For a large family office or an institution, this is often the preferred route: it offers control, transparency and bespoke terms, and it avoids commingling with other investors. Its requirements are a substantial ticket, the operational capacity on the client's side to hold the assets, and a manager willing to run a one-client mandate. It suits the largest, most sophisticated allocators and is the natural home for co-investment alongside a sponsor.

### 4.2d The Feeder and the Platform

A feeder vehicle, or an access point on a third-party platform, sits on top of a master fund or asset and lets a wider set of clients participate at lower minimums and with standardised paperwork. This route trades some control and economics for reach: it can put a Gulf real asset in front of many advisory clients of a private bank at once, through a single onboarded line. It suits the manager whose priority is distribution breadth rather than bespoke terms, and it depends on the platform or feeder itself clearing the operational gates on behalf of the underlying.

These four routes are not the whole universe of wrappers, and they are not mutually exclusive. A single asset can be made available through more than one wrapper at once, a fund for the discretionary channel and a co-investment alongside it for the largest principals, as Section 4.6 develops. Hybrid and bespoke structures exist between the four, and the right answer for a given asset may combine features of several. The purpose of presenting four canonical routes is to give the owner a map of the main options and their characteristic trade-offs, so that a more bespoke choice can be reasoned about against familiar reference points rather than invented from nothing. The decisive question in every case is the same: which wrapper, or combination of wrappers, lets the intended buyer hold the asset on terms that buyer can accept?

## 4.3 Mandate Fit: Matching the Wrapper to the Buyer

The third decision is the one most often taken backwards. Owners frequently choose a wrapper they find convenient and then look for a buyer, when the discipline is to identify the intended mandate first and let it dictate the wrapper. Figure 3 maps the wrappers against two axes that capture what mandates care about: the liquidity and standardisation of the instrument, and the degree of bespoke control the client retains. The map is a reasoning aid, not a ranking; no quadrant is superior, and the right position depends on the buyer.

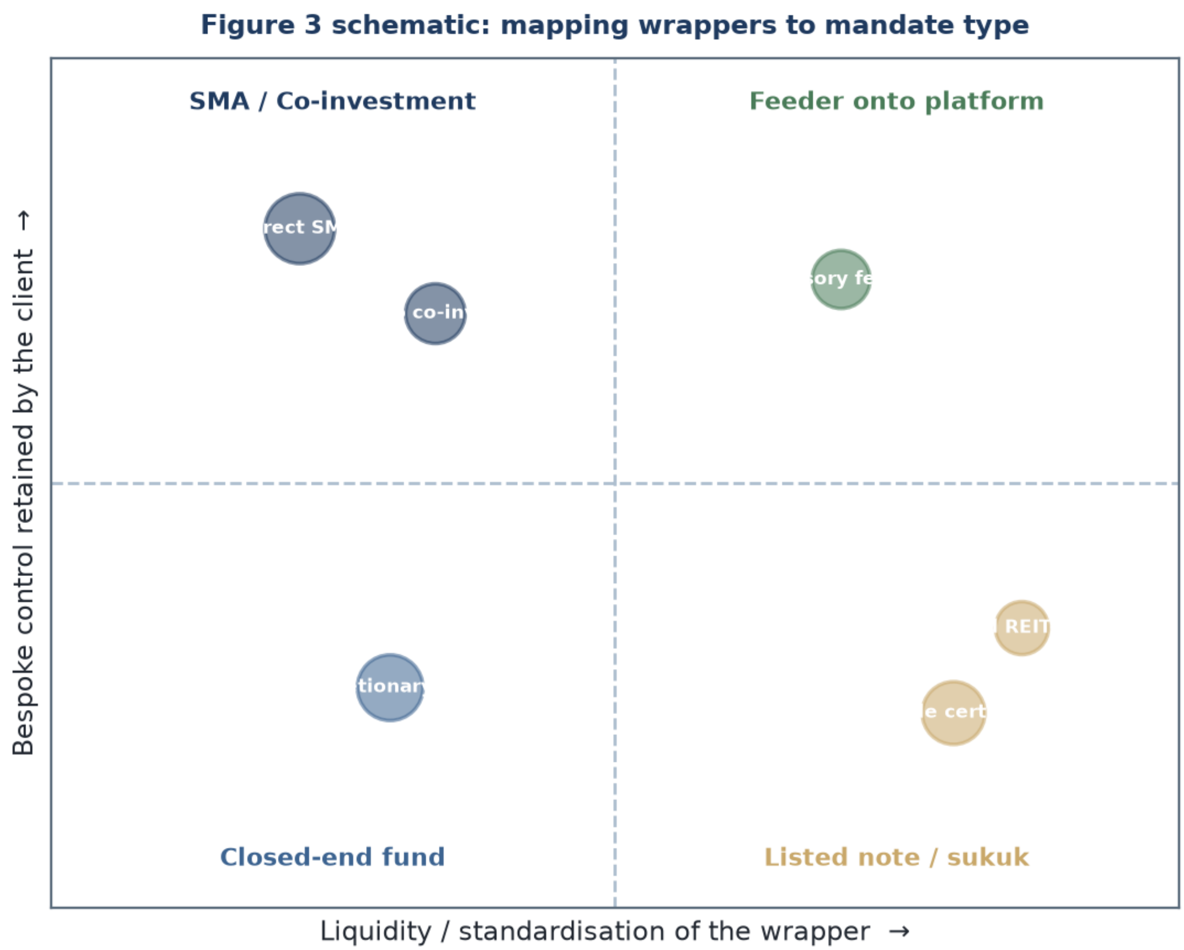


**Figure 3. Mapping wrappers to mandate type**

*Illustrative schematic. Position reflects the structural properties of each wrapper, not a quality ranking.*

Reading the map clarifies the logic. A discretionary mandate at a private bank, where the manager allocates across many clients to a model portfolio, is best served by a standardised, custodiable wrapper with an independent NAV: a closed-end fund for the illiquid sleeve, or a note for an advisory-adjacent line. An advisory mandate, where the client makes the final decision on each recommendation, needs an instrument the adviser can present and the client can hold in an ordinary account, which favours the ISIN-bearing note or sukuk and the feeder. A large family office or institution seeking control and bespoke terms is the natural buyer for a segregated account or a club co-investment. The owner who knows which of these is the target can choose the wrapper with confidence; the owner who does not will build the wrong one.

The reason this decision is so often taken backwards deserves a moment's attention, because understanding it is the surest way to avoid the error. An owner naturally thinks first about the asset and the structure that is most convenient or familiar to build, and only afterwards about who might buy it. But the mandate is the constraint, and the asset is not. A discretionary manager cannot take an instrument that does not fit its model and its rails, no matter how attractive the underlying; an adviser cannot recommend a fund interest that the client cannot hold in an ordinary account. By choosing the wrapper before identifying the buyer, the owner is in effect choosing the buyer by accident, and frequently choosing a buyer that does not exist for that structure. Reversing the order, buyer first, then wrapper, is the single most valuable discipline in the whole framework, because it is the cheapest mistake to avoid and the most expensive to discover late.

The two primary audiences for this paper sit at different points on the map. The intermediary channel, the private banks, external asset managers and multi-family offices that allocate for many clients, lives in the standardised, custodiable half of the picture and needs wrappers that fit discretionary and advisory mandates. The principal owner, the large family office or UHNW asset owner allocating its own capital, can operate in the bespoke half and is the natural counterparty for segregated and co-investment structures. A well-designed packaging strategy often produces both: a fund or note for the intermediated channel and a co-investment right for the largest principals alongside it.

**Table 2. Mandate Types and the Wrappers That Suit Them**

*Illustrative mapping at the level of principle. Suitability depends on the specific channel, asset and jurisdiction.*

| Mandate type | What it requires | Wrappers that fit | Typical channel |
|---|---|---|---|
| Discretionary | Standardised, custodiable, independent NAV | Closed-end fund; note | Private bank DPM; EAM |
| Advisory | ISIN, ordinary-account holdable, clear documentation | Note / sukuk; feeder | Private bank advisory; EAM |
| Segregated (SMA) | Large ticket, client control, bespoke terms | Managed account; club | Family office; institution |
| Co-investment | Direct alignment alongside a sponsor | SMA; co-invest vehicle | Family office; UHNW owner |
| Multi-client access | Low minimum, standard paperwork, breadth | Feeder; platform line | Private bank platform |

## 4.4 The Fee Architecture: From Gross Yield to Net Return

Packaging is not free, and the discipline requires an honest account of its cost. Between the gross yield an asset produces and the net return a client receives sits a stack of fees: the cost of structuring and operating the vehicle, the administration and custody of the wrapper, the manager's own fee, and the distribution cost, including any retrocession paid to the channel where rules permit it. Figure 4 sets out an illustrative waterfall. The numbers are placeholders; the point is the shape, that several distinct components each take a slice, and that they compound into a load the underlying return must be able to bear.

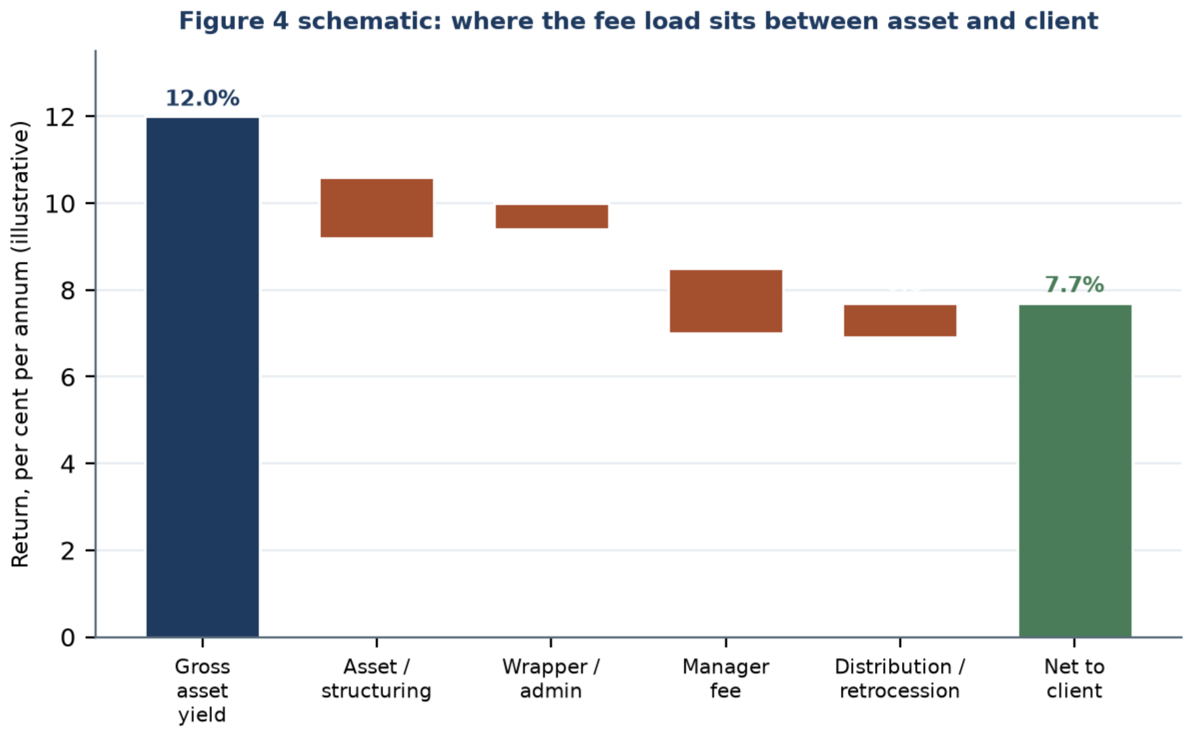


**Figure 4. Where the fee load sits between asset and client**

*Illustrative schematic. Components and levels are stylised placeholders, not market figures; replace with negotiated terms.*

Three implications follow from taking the fee architecture seriously. First, a thin-margin asset may not survive packaging at all: if the gross yield cannot bear four or five points of load and still leave a competitive net return, the asset should be distributed directly to principals or not intermediated. Second, the choice of wrapper is partly a cost choice; a note placed through existing rails may carry less operational cost than a bespoke fund, which can matter as much as the headline structure. Third, the tightening of inducement and retrocession rules in the channels that matter means the distribution slice is increasingly visible and increasingly constrained, and a structure that depends on opaque retrocession is fragile. Transparency about the fee load is not only a matter of fairness to the end client; it is a condition of the structure being placeable in a modern channel at all.

**Table 3. Illustrative Components of the Packaging Fee Load**

*Stylised placeholders to show that components stack; not a market level. Verify against negotiated terms.*

| Fee component | What it pays for | Illustrative level |
|---|---|---|
| Asset / structuring | Vehicle set-up, legal, ongoing structuring | About 1 to 1.5 pts |
| Wrapper / admin | Administration, custody, audit, NAV | About 0.5 to 0.75 pts |
| Management fee | The manager operating the asset | About 1 to 1.5 pts |
| Distribution | Placement and permitted retrocession | About 0.5 to 1 pt |
| Total load | Sum of the above | Roughly 4 to 5 pts |

It is worth dwelling on why the fee load should be thought about net rather than component by component. A client allocating through a private bank or a family office does not experience the structuring fee, the administration fee and the management fee as separate items; the client experiences a single net return, and it is that net return, compared with what the same risk could earn in another wrapper or another market, that determines whether the allocation is made. The discipline of packaging therefore includes a discipline of subtraction: building the structure from the gross yield downwards, deducting each component honestly, and asking at the end whether what remains is competitive. A structure that looks elegant component by component but leaves a thin net return has failed the only test that matters to the buyer.

This net-of-fee logic also disciplines the choice between wrappers. A bespoke fund and a standardised note may convey similar economics from the same asset, but they can carry very different operational and distribution costs, and the cheaper-to-operate route can deliver a materially better net return even where its headline structure looks less sophisticated. The owner who optimises for the net return to the end client, rather than for the elegance of the structure, will often reach a simpler wrapper, and will more often reach the channel at all.

## 4.5 The Operational Rails: Clearing the Gates

The fourth decision is operational, and it is where well-conceived structures most often fail in practice. Before an intermediary can place a wrapper, the wrapper must clear a set of gates that have nothing to do with the merit of the underlying asset and everything to do with whether the channel can hold it. Figure 5 sets out six such gates. Each is a precondition; failing any one of them can stop the structure regardless of how good the asset is.

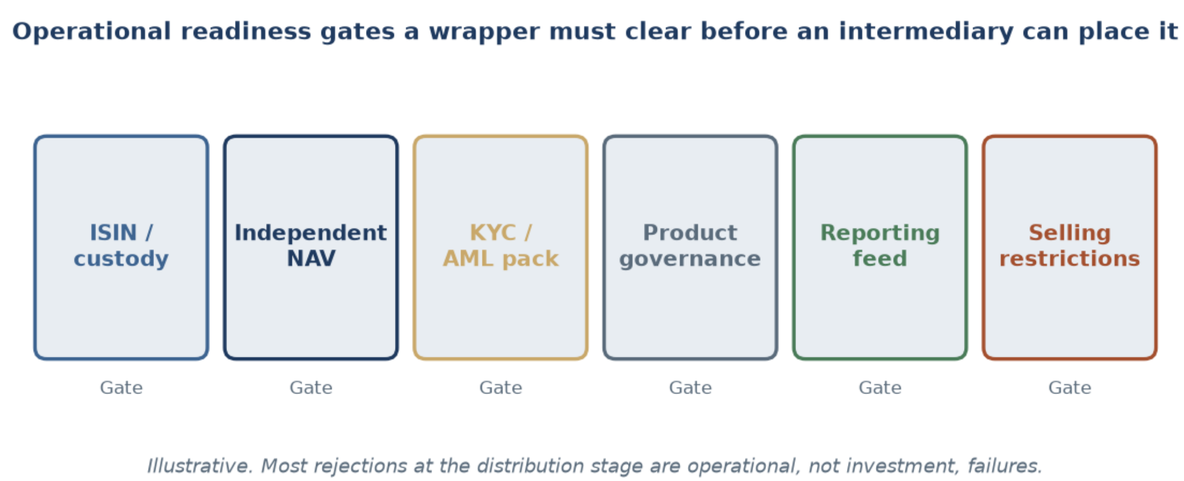


**Figure 5. Operational readiness gates a wrapper must clear before placement**

*Illustrative. Most rejections at the distribution stage are operational, not investment, failures.*

The gates are best understood as the intermediary's own promises to its clients made concrete. The custody and ISIN gate asks whether the instrument can be held in a client's account at all. The independent net asset value gate asks whether a price can be struck by someone other than the manager, which is the precondition for an illiquid asset to sit in a portfolio that must be valued. The know-your-client and anti-money-laundering gate asks whether the structure and its beneficial owners can be cleared to the standard the channel applies to everything it touches. The product-governance gate asks whether the wrapper has a defined target market and the documentation a manufacturer must produce. The reporting gate asks whether the position will feed the channel's statements in a recognised format. The selling-restrictions gate asks whether the instrument can lawfully be offered to the clients the channel serves, in the jurisdictions where they sit.

The practical lesson is that operational readiness must be engineered in from the vehicle stage, not bolted on at the end. An owner who chooses a vehicle that cannot support an independent NAV, or a wrapper with no path to an ISIN, has lost the gates before the conversation with a distributor begins. The most common cause of a good Gulf asset failing to reach intermediated capital is not that an investment committee said no; it is that an operational committee found the package could not be held, valued or reported, and the proposal never reached an investment committee at all.

## 4.6 The Two Sides of the Channel: Intermediary and Principal

The framework so far has spoken of the owner and the intermediary as if the intermediary were a single kind of buyer. In practice the channel has two faces, and a complete packaging strategy serves both. The first face is the intermediary as agent: the private bank, external asset manager or multi-family office that allocates on behalf of many clients and lives in the standardised, custodiable half of the mandate-fit map. The second is the principal as owner: the large family office or ultra-high-net-worth asset owner that allocates its own capital and can operate in the bespoke half, taking segregated accounts and co-investment rights that an agent cannot. Both are buyers of Gulf real assets, but they buy in different forms, and the owner who understands the difference can design a packaging strategy that reaches both at once.

For the intermediary as agent, the binding constraints are operational and regulatory. The agent has promised its clients a standard of custody, valuation, governance and reporting that it cannot relax, and it must be able to defend every allocation to a product-governance process and, ultimately, to a regulator. What this buyer needs is a wrapper that fits cleanly into its existing rails and a target-market determination that lets it place the line with confidence. The owner who wants this buyer should optimise for standardisation and operational readiness, accepting that some bespoke economics will be lost in exchange for reach across many client portfolios through a single onboarded instrument.

For the principal as owner, the binding constraints are different. A large family office can hold assets directly, can take a view that an agent cannot, and often values control, transparency and bespoke terms above standardisation. What this buyer needs is not a packaged line but a structure that gives it alignment and influence: a segregated account, a co-investment right alongside the sponsor, a seat at the table on the governance of the asset. The owner who wants this buyer should optimise for control and alignment rather than for reach, and should expect a smaller number of larger relationships rather than a broad distribution.

The two faces are not in tension; they are complementary, and the most effective packaging strategies serve both deliberately. A common pattern is to build a fund or a note for the intermediated channel, reaching the many advisory and discretionary clients of the private banks and external managers, while offering a co-investment right or a segregated arrangement to the handful of large family offices that want direct alignment. The same underlying asset thus reaches the standardised channel and the bespoke principal through two wrappers designed for two buyers. Recognising that the channel has two faces, and packaging for each on its own terms, is the mark of a strategy that has thought the distribution problem through rather than reaching for a single structure and hoping it fits everyone.

## 5. IMPLEMENTATION: A TWELVE-MONTH PACKAGING PATH

The framework becomes useful when it is sequenced in time. This section sets out an illustrative twelve-month path from a real asset to its first intermediated allocation. The durations are indicative and will vary with the asset, the wrapper and the channel; the value of the path is the order of the steps and the dependencies between them, not the precise months. Figure 6 shows the sequence.

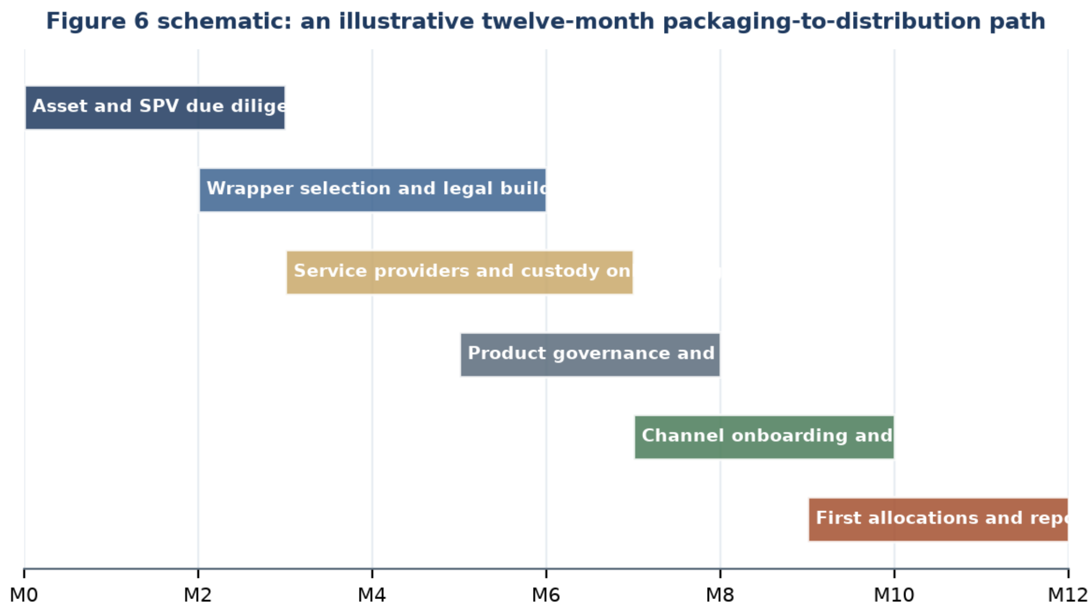


**Figure 6. An illustrative twelve-month packaging-to-distribution path**

*Illustrative schematic. Durations are indicative and overlap; the order and dependencies are the point.*

### 5.1 Months 0 to 3: Asset and Vehicle

The first phase establishes the foundation. The asset is subjected to the diligence an intermediary's manufacturer would expect, title is confirmed, leases or contracts are reviewed, and the cash flows are modelled to a standard that will survive third-party scrutiny. In parallel, the vehicle is selected and built, with the operational gates of Section 4.5 already in view: a domicile a custodian recognises, accounts that can be audited to an international standard, and a structure that can support an independent NAV. Mistakes made here are the expensive ones, because everything downstream depends on the vehicle.

### 5.2 Months 2 to 6: Wrapper and Service Providers

Overlapping the first phase, the wrapper is chosen against the intended mandate, and the service providers that make it function are appointed: the administrator and depositary, the auditor, the custodian and, for a note or sukuk, the arranger and paying agent that will give the instrument its ISIN. This is the phase in which the package acquires its operational rails. Appointing credible, recognised providers is itself part of passing the gates; an intermediary takes comfort from names it knows, and a structure served by unfamiliar providers will face more questions.

### 5.3 Months 5 to 9: Governance and Approvals

With the structure in place, attention turns to the documentation and approvals that a distributor's product-governance process requires: the offering materials, the target-market determination, the selling-restriction analysis for the jurisdictions in view, and any regulatory clearances the wrapper needs. This is unglamorous work, but it is the work that converts a built structure into one a channel can actually approve. It should begin before the structure is fully complete, because the governance requirements often feed back into the structure itself.

### 5.4 Months 7 to 12: Channel Onboarding and First Allocations

The final phase is engagement with the channel. The wrapper is presented to the intermediary's panel or research function, onboarded operationally so that it appears on the channel's systems, and made available to the relevant mandates. First allocations follow, and with them the first reporting cycle, which is itself a test: the position must appear correctly on client statements in the channel's format. Only when the first reporting cycle completes cleanly is the package truly distributed, because only then has it passed every gate in live operation rather than in principle.

### 5.5 Two Illustrative Packaging Decisions

It helps to see the framework applied. The two stylised vignettes below are wholly illustrative, invented to show the reasoning rather than to describe any real transaction, and they carry no recommendation. They show how the same underlying choice, vehicle, wrapper, mandate fit, rails, plays out differently depending on the asset and the intended buyer.

Consider first a stabilised, income-producing logistics estate in the UAE, fully let on long leases, that an owner wishes to make available to the discretionary mandates of a private bank. The intended buyer is a delegated allocator placing across many client portfolios to a model, so the framework points towards a standardised, custodiable wrapper with an independent NAV. The owner isolates the estate in a special-purpose vehicle in one of the common-law centres, chosen so that its accounts can be audited internationally and its domicile recognised by the bank's custodian. The wrapper is a closed-end fund with an independent administrator and depositary, which the bank's product committee recognises and which suits a multi-year illiquid sleeve. The operational gates are cleared by appointing recognised service providers and producing a target-market determination. The fee load is set out in full and the stabilised yield is shown to bear it with a competitive net result. The package fits the discretionary mandate because every decision was taken with that buyer in view.

Consider second an income-producing asset whose owner wishes to reach the advisory clients of the same bank and a number of family offices that prefer to hold positions in ordinary securities accounts. Here the intended buyer makes the final decision on each recommendation and wants an instrument that slots into existing custody. The framework points towards an ISIN-bearing note or a sukuk rather than a fund. The same vehicle isolates the asset, but the wrapper converts its economics into a certificate with a defined participation, arranged with a paying agent so that it carries an ISIN and can be held like any other security. The operational gates are easier to clear precisely because the instrument fits standard rails, and the distribution can reach many advisory clients through a single onboarded line and the family offices directly. The asset is the same; the wrapper differs because the buyer differs, which is the whole point of the mandate-fit decision.

The path makes plain why packaging is a discipline rather than a document. It is a sequence of dependent decisions, each constraining the next, spread over roughly a year, in which the operational and governance work is at least as demanding as the investment case. An owner who treats it as a discipline, sequencing the decisions and engineering the gates in from the start, reaches intermediated capital. An owner who treats the wrapper as a closing formality does not.

## 6. RISKS, CAVEATS AND LIMITATIONS

The framework simplifies a complex reality, and its limits should be stated plainly. This section sets out the principal risks and caveats, both in the analysis and in the activity it describes.

### 6.1 Limitations of the Analysis

The analysis is illustrative, not empirical. The fee levels, returns, minimums and timelines are stylised placeholders chosen to make the structure legible, and they should not be read as market data. The mandate-fit map and the wrapper comparison are reasoning aids that compress a great deal of jurisdiction-specific detail into a single picture, and any real decision requires that detail to be restored. The treatment of every wrapper is at the level of principle and is not a legal, tax or regulatory opinion on any structure in any jurisdiction.

A further limitation is that the framework treats the four decisions as a clean sequence, when in a real transaction they iterate. A constraint discovered late, a custodian that will not recognise a chosen domicile, a target market narrower than expected, a selling restriction that bites in a key jurisdiction, can send the structurer back to an earlier decision. The sequence in this paper is a way of organising the problem and ensuring no decision is forgotten, not a claim that packaging proceeds in a single forward pass. The reader should expect to loop back, and should treat the framework as a checklist to return to rather than a path to be walked only once.

### 6.2 Structuring and Regulatory Risk

The wrappers described carry real risks. A structure can fail to achieve its intended tax or regulatory treatment if it is built on assumptions that do not hold for the specific investor or asset. Selling restrictions are jurisdiction-specific and change; an instrument that can be offered to one class of client in one place may not be offerable to another elsewhere. Product-governance and inducement rules continue to tighten in the channels that matter, and a structure that is placeable today may face new constraints tomorrow. None of this can be managed without qualified, current professional advice on the specific transaction.

### 6.3 Valuation and Liquidity Risk

The independent valuation on which intermediated distribution depends is itself imperfect. Appraisal-based valuations of real assets lag and smooth, understating true volatility and creating the risk that a reported NAV diverges from realisable value, particularly in a stressed market. The illiquidity of the underlying asset does not disappear because it has been wrapped; a wrapper can make an asset holdable in a portfolio without making it liquid, and a mismatch between the liquidity a wrapper appears to offer and the liquidity of what it contains is a serious and recurring danger that must be designed against.

### 6.4 Concentration and Conduct Risk

Packaging makes it easier to place an asset, which is precisely why it must be used responsibly. A wrapper that smooths the path of a Gulf real asset into many client portfolios also concentrates a single, illiquid, geographically specific exposure across those portfolios, and the suitability of that exposure for each end client remains the intermediary's duty regardless of how well the asset is packaged. The discipline described in this paper is a tool for making good assets allocable; it is not, and must not become, a tool for making unsuitable assets saleable. The conduct standard sits above the structuring craft, not within it.

## 7. CONCLUSION

The capital that funds private real assets in the Gulf increasingly reaches them through intermediaries, and the intermediary does not buy an asset but allocates to a line it can custody, value, govern and report. The gap between a sound Gulf real asset and that allocable capital is therefore, in most cases, a packaging gap rather than an investment one. This paper has argued that packaging is a discipline in its own right and has given it a sequence: isolate the asset in a vehicle, choose the wrapper that makes it allocable, match that wrapper to the mandate it is intended for, and engineer in the operational rails that let an intermediary place it.

The framework yields a few durable lessons. The wrapper is a distribution decision taken at the outset, not a legal formality taken at the close, because it determines which mandates can ever hold the asset. The right wrapper follows from the intended buyer: discretionary, advisory and segregated mandates each demand different structures, and the owner who identifies the buyer first will build the right thing. Independent valuation and operational readiness, not headline yield, are the gates at which intermediated distribution most often fails, and they must be designed in from the vehicle stage. And the fee load that packaging adds must be made explicit and justified, because a structure that cannot survive its own cost should not be built.

The conditions of 2026 make the discipline both possible and valuable. The Gulf offers deep dollar-linked capital, two common-law financial centres with recognised vehicle regimes, deep experience in sukuk and a maturing fund ecosystem, all of which make sophisticated packaging achievable. At the same time the operational and governance bar set by the intermediaries who control the capital has risen, so that the reward goes to those who treat packaging as a craft rather than a formality. For the owner who wants intermediated capital, and for the intermediary deciding what it can responsibly place, the same structured method applies: decide the vehicle, the wrapper, the mandate fit and the rails, in that order, with honesty about the cost, and the gap between a good Gulf real asset and the capital that would fund it becomes a gap that can be closed.

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## ABOUT THE AUTHOR

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 financing, structuring and distribution of real assets in the Gulf and beyond. He writes to make the structure of unfamiliar markets and instruments legible to investors and intermediaries, combining a practitioner's view of how capital is actually raised, packaged and deployed with the discipline of a structured, evidence-aware framework.

## APPENDIX A. BASE-CASE ASSUMPTIONS

The table below records the stylised assumptions used in the figures and framework. They are indicative, illustrative calibrations chosen to make the structure legible, not forecasts or sourced data, and should be replaced with current, named figures for any specific transaction.

**Table A1. Full Base-Case Assumptions**

*Illustrative assumptions; see Section 3. Not sourced data or forecasts.*

| Parameter | Illustrative value | Notes |
|---|---|---|
| Gross asset yield | About 12% p.a. | Round starting point for the fee waterfall |
| Asset / structuring fee | About 1 to 1.5 pts | Vehicle set-up and ongoing structuring |
| Wrapper / admin fee | About 0.5 to 0.75 pts | Administration, custody, audit, NAV |
| Management fee | About 1 to 1.5 pts | Manager operating the asset |
| Distribution fee | About 0.5 to 1 pt | Placement and permitted retrocession |
| Total fee load | Roughly 4 to 5 pts | Sum of components, illustrative |
| Net return to client | High single digits | Residual after load |
| Wrapper routes | Four | Fund, note/sukuk, SMA, feeder/platform |
| Operational gates | Six | Custody, NAV, KYC/AML, governance, reporting, restrictions |
| Time to first allocation | About 12 months | Indicative, overlapping phases |

## APPENDIX B. PACKAGING DECISION CHECKLIST

The following checklist distils the framework into the questions an owner, manager or adviser should answer before approaching an intermediary, and that an intermediary should ask of any package it is offered.

- Have we isolated the asset in a vehicle with clean title, a domicile a custodian will recognise, and accounts that can be audited to an international standard?

- Have we identified the intended mandate, discretionary, advisory, segregated or co-investment, before choosing the wrapper, rather than after?
- Have we chosen the wrapper to fit that mandate, and is it one the target channel's product committee will recognise?
- Can the wrapper support an independent net asset value struck by someone other than the manager?
- Does the instrument have a clear path to custody, an ISIN where needed, and a reporting feed in the channel's format?
- Have we cleared the know-your-client, anti-money-laundering and product-governance gates, with a defined target market and selling-restriction analysis?
- Have we set out the full fee load between gross yield and net client return, and does the asset's economics survive it with a competitive result?
- Have we sequenced the work realistically over roughly a year, engineering the operational gates in from the vehicle stage rather than bolting them on at the close?
- Have we taken qualified, current legal, tax and regulatory advice on the specific structure, investor and jurisdiction?
- Have we confirmed that the exposure remains suitable for the end clients into whose portfolios the package will go, independently of how well it is packaged?

## APPENDIX C. GLOSSARY OF KEY TERMS

The following glossary defines the principal terms used in this paper for readers less familiar with the packaging and distribution of private real assets.

**Real asset.** A tangible, income-producing asset such as real estate or infrastructure, as distinct from a purely financial claim.

**Packaging.** The work of structuring a real asset into an instrument an intermediary can custody, value, govern and report, so that it becomes allocable to mandates.

**Wrapper.** The legal and operational shell around an exposure, a fund interest, note, certificate or managed account, that determines custody, eligibility, tax treatment and reporting.

**Discretionary mandate.** An arrangement in which an intermediary allocates across a client's portfolio at its own discretion, within an agreed framework.

**Advisory mandate.** An arrangement in which the intermediary recommends and the client makes the final decision on each transaction.

**Segregated managed account (SMA).** A bespoke mandate in which the client owns the assets directly and a manager operates them under an agreement, without pooling with other investors.

**Feeder.** A vehicle that sits on top of a master fund or asset and lets a wider set of clients participate at lower minimums and with standardised paperwork.

**Sukuk.** A sharia-compliant certificate representing an interest in underlying assets, structured to provide returns without conventional interest.

**ISIN.** The International Securities Identification Number that lets a custodian hold an instrument like any other security.

**Net asset value (NAV).** The value of a vehicle's assets less its liabilities, struck periodically; an independent NAV is one set by a party other than the manager.

**Product governance.** The regulatory discipline under which the manufacturer of a product defines its target market and the distributor places it only with clients who fit.

**Retrocession.** A payment made to a distributor out of a product's fees in return for placing it, increasingly constrained by inducement rules.

**Special-purpose vehicle (SPV).** A legal entity created to hold a specific asset and isolate its cash flows from the sponsor's other affairs.

**External asset manager (EAM).** An independent manager that runs client portfolios, often custodied at one or more private banks, and allocates on the client's behalf.

**Multi-family office.** A firm that provides investment, structuring and administrative services to several wealthy families, allocating capital on their behalf.