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LP Mapping in MENA: Who Allocates, How Much and What They Want

A practitioner framework for segmenting, prioritising and sequencing the regional limited-partner universe when raising private capital funds in the Gulf

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ABSTRACT

Background. Managers raising private equity, private credit and venture capital funds in the Middle East and North Africa typically import a fundraising process designed for the United States or Europe: a long prospect list, a uniform data room and a single cadence of meetings. The regional limited-partner base does not reward that approach. **Objective.** This paper maps the MENA LP universe as a small number of structurally distinct allocator classes and derives a practical sequencing playbook for managers at placement stage. **Approach.** We build a six-segment framework covering sovereign wealth funds and their subsidiaries, government-related pension and insurance pools, single and multi family offices, merchant families and ultra-high-net-worth principals, bank and external-asset-manager distribution, and development-finance and strategic government vehicles. Each segment is profiled on typical ticket bands, decision timelines, diligence style, term sensitivities and disqualifying conditions, with base-case calibrations drawn from the author's transaction experience in the region and consolidated in a single register. **Findings.** The segments differ so materially in what they optimise for that a single undifferentiated process systematically underperforms: it approaches the slowest capital first, prices terms for the wrong counterparty and exhausts relationship capital before the first close. A staged sequence, anchor capital first, institutional pools second, private wealth in the momentum phase and distribution channels last, dominates under the base-case calibrations. **Implications.** GCC managers gain a structured map for allocating scarce fundraising time; international allocators gain a reading of how regional capital actually behaves and where they fit within a regional raise.

Highlights

- MENA LP capital sits in six allocator classes with incompatible decision processes
- Regional ticket bands run from USD 1 million to USD 150 million across segments
- A preference map shows what each segment optimises for and what kills a commitment
- Sequencing playbook: anchor first, institutions second, distribution channels last
- Running one undifferentiated process across segments is the top failure mode

JEL Classification: G23, G24, G11, F21, O53

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1. INTRODUCTION

1.1 Motivation

Consider the decision facing a manager at placement stage in the Gulf. The firm has a strategy, a partial track record, perhaps a seeded portfolio, and a target fund size in the low hundreds of millions of United States dollars. The calendar is finite: an offering period of eighteen to twenty-four months, a burn rate that the management company must carry until fees begin, and a founding team whose credibility depreciates with every quarter that passes without a first close. The manager must now decide whom to approach, in what order, with what materials and on what terms.

The instinct most managers bring to this decision is imported. Fundraising practice codified in New York and London assumes a deep, layered institutional market: hundreds of pensions, endowments, insurers, funds of funds and consultants, each staffed with professionals whose job is to evaluate managers, and each reachable through a broadly similar process. In that world, breadth is cheap. A manager builds a list of two hundred prospects, runs a uniform outreach cadence, and lets the funnel do the work.

The Middle East and North Africa, and the Gulf Cooperation Council states in particular, do not resemble that world. The regional pool of allocating capital is large in aggregate but concentrated in a small number of institutions and families. There is no deep consultant layer intermediating access. Decision processes range from a nine-month committee cycle inside a sovereign wealth fund to a single conversation over coffee with a merchant-family principal. The same pitch that reads as disciplined to a pension trustee reads as impersonal to a family office; the fee schedule that a private-bank platform requires would be an irrelevance, or an insult, to a strategic government vehicle. A manager who runs one undifferentiated process across this landscape does not merely lose efficiency. The manager approaches the slowest capital first, burns the region's most valuable and least renewable resource, personal introduction capital, on prospects who were never going to commit, and arrives at month twelve with a pipeline that is wide, shallow and unclosable.

This paper takes that failure mode as its starting point and asks what a structurally informed alternative looks like.

1.2 Research questions

We organise the analysis around three questions.

- **RQ1.** Who allocates to private capital funds in MENA, and along which structural dimensions do the allocator classes differ: ticket size, decision process, diligence style, term sensitivity and relationship expectation?
- **RQ2.** What does each allocator class optimise for when it commits to a fund, and, symmetrically, what conditions disqualify a manager in the eyes of each class?
- **RQ3.** In what order should a manager approach these classes across the life of a raise, and how should anchor economics and first-close mechanics be structured to make the sequence self-reinforcing?

1.3 Contributions

The paper makes four contributions, each practical rather than econometric.

1. **A segmentation framework.** We define six allocator classes that together describe the investable MENA LP universe, and we profile each on a common set of dimensions, so that the classes can be compared side by side rather than anecdotally. 2. **A preference map.** We translate the profiles into an explicit segment-by-priority matrix, exhibited as a heatmap, together with a companion table of disqualifying conditions. The map converts diffuse market folklore into a falsifiable set of claims. 3. **A sequencing playbook.** We derive an

ordering of segments across the phases of a raise, with market-standard anchor economics and first-close mechanics, and we identify the common failure modes that arise when the ordering is violated. 4. **An international comparison.** We set the MENA LP base against the United States and European bases on the dimensions that matter for process design, which serves both the regional manager calibrating expectations and the international allocator reading the region from outside.

Throughout, the quantitative ranges are the author's base-case calibrations, drawn from transaction experience in the region, recorded first in Section 4 and consolidated in Appendix A. The paper deliberately attributes no statistic to any named source: the argument is structural, and its force does not depend on any particular year's flow data.

1.4 Roadmap

Section 2 reviews four strands of literature, delegated asset management and agency, sovereign wealth fund behaviour, family offices and private wealth, and fundraising dynamics in private markets, and closes with five propositions. Section 3 describes the MENA allocator landscape qualitatively. Section 4 defines the segmentation framework formally and sets out its base-case calibrations. Section 5 presents the LP map, segment by segment, with exhibits. Section 6 develops the sequencing playbook. Section 7 examines sensitivity and robustness, including a named worst case and the conditions that would falsify the claims. Section 8 discusses implications separately for the GCC manager and the international allocator, and compares the MENA base with the United States and Europe. Section 9 states limitations and future research. Section 10 concludes.

2. LITERATURE REVIEW AND PROPOSITIONS

The paper stands on four strands of established literature. None of them was written about the Gulf; each of them, read carefully, predicts a specific feature of Gulf fundraising. We take the strands in turn and close each subsection with the implication for the regional setting.

2.1 Delegated asset management and agency

The foundational insight of the agency literature is that whenever a principal delegates decisions to an agent whose interests are imperfectly aligned, the resulting contract and governance structure are shaped by the costs of monitoring and bonding (Jensen and Meckling, 1976). Sahlman (1990) showed how the venture capital partnership, with its finite life, staged capital calls, carried interest and covenant structure, is precisely such a contractual response: the limited partnership exists because it economises on the agency costs of delegating illiquid, opaque investment decisions. Gompers and Lerner (1999) documented how covenants and compensation vary with competitive conditions and manager reputation, and Axelson, Stromberg and Weisbach (2009) explained the characteristic mix of fund-level and deal-level financing as an optimal response to agency problems that vary over the cycle. Metrick and Yasuda (2010) quantified what the standard contract pays managers, and showed how sensitive manager economics are to fund size and fee structure rather than to carry alone.

The implication for the Gulf is direct but easily missed. The intensity of the agency problem, and therefore the elaborateness of the contractual and diligence apparatus an allocator demands, depends on the distance between principal and agent. A pension pool investing on behalf of statutory beneficiaries sits at maximal distance and demands the full apparatus: consultants, operational due diligence, benchmark-relative justification. A merchant-family principal investing personal capital sits at minimal distance and substitutes personal trust for apparatus. The Gulf LP base spans this entire range within a single small market. Process design must therefore vary with the allocator's agency structure, not with the manager's convenience.

2.2 Sovereign wealth fund investment behaviour

Sovereign wealth funds are the signature institution of Gulf capital, and they have attracted a substantial empirical literature. Bernstein, Lerner and Schoar (2013) found that sovereign funds' direct investment behaviour varies systematically with governance: funds in which political actors are involved invest differently, more domestically and more pro-cyclically, than funds run at arm's length by external professionals. Dyck and Morse (2011) documented that sovereign portfolios tilt toward domestic development objectives alongside financial return, and Bortolotti, Fotak and Megginson (2015) found that markets price sovereign involvement itself, with target-firm value effects that differ from those of comparable private investors. Megginson and Fotak (2015) survey the field and emphasise the heterogeneity of the sovereign universe: stabilisation funds, savings funds, development funds and strategic holding companies behave as differently from one another as they do from private institutions.

For a manager raising in the Gulf, the implication is that "the sovereigns" are not one prospect type. A savings-oriented fund allocating through a fund-investment programme behaves like a large, slow, professional institution. A development-mandated vehicle evaluates the same fund as an instrument of economic policy: local presence, job creation, sector alignment and co-investment pipeline may dominate net-return arithmetic. Treating both with a single pitch mistakes the institution's objective function, and the literature says the objective function, not the label, drives behaviour.

2.3 Family offices and private wealth allocation

The academic literature on family offices is thinner than the institutional literatures, but the adjacent scholarship is instructive. Bertrand and Schoar (2006) show that family control of economic assets is persistent and value-laden: families run businesses, and by extension portfolios, with objectives that include continuity, control and reputation alongside return. Campbell (2006) establishes that household investors, even wealthy ones, deviate systematically from textbook portfolio behaviour, and that participation and allocation decisions are strongly conditioned by familiarity. Guiso, Sapienza and Zingales (2008) demonstrate that trust, distinct from information, is a first-order determinant of whether investors commit capital at all: where trust is low, no quantum of disclosure substitutes for it.

The Gulf implication is that the private-wealth segments, single and multi family offices, merchant families, individual principals, will allocate on trust and familiarity first and documentation second. Diligence exists, and is often sharper than managers expect, but it is diligence on the person: who introduced you, how you behaved in a prior dealing, whether your co-investors are people the family knows. The practical consequence is that access is the binding constraint, introductions are a depletable asset, and the time saved on formal process is repaid in a longer, slower accumulation of relationship capital before the first meeting ever occurs.

2.4 Fundraising and placement dynamics in private markets

The fourth strand concerns how funds actually get raised. Kaplan and Schoar (2005) established the twin facts of performance persistence and performance-chasing capital flows: good prior funds raise successor funds faster and larger. Harris, Jenkinson and Kaplan (2014) confirmed the broad performance picture on commercial data. Lerner, Schoar and Wongsunwai (2007) showed that limited partners differ dramatically in the returns they achieve, with endowments outperforming other classes, evidence that allocator sophistication is real and heterogeneous. Hochberg, Ljungqvist and Vissing-Jorgensen (2014) modelled the informational hold-up between a fund's incumbent investors and outsiders: insiders learn about manager skill and can extract terms, which is precisely the economic position of an anchor investor. Gompers (1996) documented grandstanding, the pressure on young managers to generate visible signals to support fundraising, and Chung, Sensoy, Stern and Weisbach (2012) quantified how much of a manager's effective compensation arrives through future fundraising rather than current carry, which explains why sequencing and first-close credibility carry such weight for the manager. Sensoy, Wang and Weisbach (2014) found that limited-partner performance differences narrowed as the industry matured, suggesting that allocator behaviour converges as markets institutionalise. Da Rin, Hellmann and Puri (2013) provide the survey backdrop for the venture segment.

Three Gulf implications follow. First, a first-time or early-generation manager cannot rely on the persistence channel and must manufacture credibility through structure: anchors, seeded assets, verifiable attributable track record. Second, anchor investors know their informational and certification position and will price it; the manager should treat anchor concessions as the purchase of certification, not as a defeat. Third, because so much of manager wealth is embedded in the option on future funds, decisions that accelerate a credible first close are worth more than decisions that maximise nominal terms on the current fund.

2.5 Propositions

The four strands jointly motivate five propositions that the remainder of the paper develops and then revisits.

1. **Proposition 1 (Heterogeneity).** The MENA LP base consists of a small number of allocator classes whose decision processes, ticket sizes and objective functions differ so materially that expected fundraising productivity is higher under segment-specific processes than under a single undifferentiated process. 2. **Proposition 2 (Agency gradient).** Across segments, the elaborateness of diligence and documentation demanded, and the length of the decision timeline, increase with the agency distance between the ultimate principal and the allocating decision-maker. 3. **Proposition 3 (Sovereign duality).** Sovereign-linked allocators evaluate funds against mandate objectives as well as returns; for development-mandated vehicles, strategic alignment and co-investment access can dominate fee terms, and a manager who negotiates fees before demonstrating alignment misprices the negotiation. 4. **Proposition 4 (Trust substitution).** In private-wealth segments, personal trust substitutes for formal diligence apparatus, shortening decision timelines but making access the binding constraint and making re-up behaviour more volatile than in institutional segments. 5. **Proposition 5 (Sequencing and certification).** Because early commitments certify manager quality to later prospects, an ordering that secures anchor and institutional capital before approaching momentum-sensitive private wealth, and that reserves distribution channels for the post-first-close phase, produces a higher probability of reaching target than the reverse ordering or a simultaneous approach.

These propositions are structural claims, not estimated results. Section 5 gives them content segment by segment, Section 6 operationalises Proposition 5, Section 7 asks what would falsify them, and Section 8 draws out their implications for both sides of the market.

3. INSTITUTIONAL AND MARKET CONTEXT

3.1 The shape of the regional pool

The MENA allocator landscape is best described by three qualitative features: concentration, sovereign gravity and thin intermediation. We describe each without recourse to statistics, because the structural picture is stable even as the numbers move.

Concentration. In the mature LP markets of North America and Europe, allocating institutions number in the thousands and no single allocator is indispensable to any given raise. In the Gulf, the institutional layer is dominated by a handful of sovereign wealth funds and their subsidiary platforms, a small set of government-related pension and insurance pools, and the treasury functions of a limited number of banks. Below the institutional layer sits a private-wealth stratum, family offices, merchant families, individual principals, that is deep in aggregate wealth but shallow in the number of decision-makers. The practical consequence is that a fundraising universe which would run to hundreds of names in London runs to dozens in the Gulf, and the marginal prospect is far more valuable, and far more damageable, than in a deep market.

Sovereign gravity. Sovereign institutions anchor the regional system in three distinct roles: as direct allocators to funds, as owners of subsidiary platforms that themselves allocate, and as reference points whose participation or absence is read by every other allocator as a signal. A regional raise is conducted in the gravitational field of the sovereigns even when no sovereign ever commits. Family offices routinely ask which institutions have been approached and with what result; a manager cannot quarantine one conversation from another.

Thin intermediation. The consultant and gatekeeper layer that structures institutional fundraising in the United States, where a small number of investment consultants effectively pre-screen managers for hundreds of pensions, exists in the Gulf only in fragments. Some government pools use international consultants; most private wealth uses none. In its place stands a relationship layer: introducers, senior individuals with standing, and the private-banking and external-asset-manager channel. Intermediation in the Gulf is personal rather than institutional, which changes both the economics and the etiquette of access.

3.2 The allocator classes in outline

Within this landscape we distinguish six allocator classes, developed fully in Section 5.

- **Sovereign wealth funds and their subsidiaries.** Savings and development institutions of the Gulf states, together with the specialised platforms they own, some of which run dedicated fund-investment programmes with professional staff and formal committees.
- **Government-related pension and insurance pools.** Statutory pension funds, social-insurance institutions and state-linked insurers, typically the closest regional analogue to a Western institutional LP, often consultant-assisted, benchmark-driven and fiduciary in tone.
- **Single and multi family offices.** Formalised vehicles managing the wealth of one or several families, ranging from lightly staffed holding structures to institutions with chief investment officers and defined alternatives programmes.
- **Merchant families and UHNW principals.** Operating business families and individual principals who allocate directly, without a formal office, on the judgement of the principal or a small circle of advisers.
- **Banks and EAM or private-bank distribution.** Regional banks, external asset managers and private-banking platforms that aggregate many client commitments into a single channel, functioning as distributors rather than balance-sheet investors.
- **Development-finance and strategic government vehicles.** Development-finance institutions active in the region and government vehicles whose fund commitments serve explicit policy objectives, ecosystem building, sector development, local capital-market deepening.

3.3 Why the setting rewards structure

Two features of the setting make a structured approach unusually valuable. First, because the universe is small, errors are not diluted: a mishandled approach to one sovereign platform is known, informally, to others within weeks. Reputational externalities across prospects are strong, which raises the return to preparation and sequencing. Second, because decision processes span the full agency gradient of Section 2.1 within one market, the cost of a one-size process is higher than in a homogeneous market: whatever cadence the manager picks will be wrong for most of the universe. Both features are stable characteristics of the region rather than artefacts of any particular vintage year.

4. DATA AND METHODOLOGY

4.1 Nature of the exercise

This paper is a structural and practitioner analysis, not an econometric study. It uses no proprietary dataset, no client information and no survey. The framework is built from three inputs: the academic literature of Section 2, which supplies the mechanisms; the publicly observable architecture of the regional institutions, which supplies the classification; and the author's transaction experience of how raises are conducted in the region, which supplies the calibration. The quantitative ranges in the paper are base-case calibrations grounded in that experience and in regional market convention. They are introduced in this section, used consistently thereafter, and consolidated in Appendix A.

4.2 The segmentation framework defined

Formally, we define the LP map as follows. Let the investable MENA LP universe be partitioned into six segments, indexed S1 to S6 as listed in Section 3.2. Each segment is profiled on six dimensions:

- **D1. Ticket band.** The typical range of a single commitment to one fund, in USD millions.
- **D2. Decision timeline.** The typical elapsed time from substantive first meeting to signed commitment.
- **D3. Decision unit.** Who decides, and through what process: principal, committee, consultant-mediated committee, product committee.
- **D4. Diligence style.** What is examined and how: institutional operational diligence, benchmark justification, personal reference networks, product suitability screens.
- **D5. Objective function.** What the segment optimises for when committing, expressed as priority weights over a common set of six criteria: track record, relationship and access, fee economics, co-investment rights, strategic and local alignment, and governance and reporting.
- **D6. Disqualifiers.** Conditions that terminate consideration regardless of merit on other dimensions.

The preference map of Section 5 (Figure 2) presents D5 as a matrix of scores from 1 (low priority) to 5 (dominant priority). The scores are ordinal: they support comparisons across a row or down a column, not arithmetic. The sequencing playbook of Section 6 is then derived by combining D1 to D6 with the certification logic of Proposition 5.

4.3 Base-case calibrations

Table 1 records the core calibrations used in the paper, drawn from the author's transaction experience in the region and from regional market convention. The relative structure across segments carries more weight than any single endpoint. Section 7 examines how the conclusions move when these values move, and Appendix A repeats the full register with usage notes.

Table 1. Core base-case calibrations used throughout the paper

ID	Calibration	Base-case range
A1	SWF and subsidiaries: ticket band; timeline	USD 25 to 150 million; 9 to 18 months
A2	Pension and insurance pools: ticket band; timeline	USD 10 to 50 million; 6 to 12 months
A3	Family offices (SFO and MFO): ticket band; timeline	USD 3 to 20 million; 3 to 6 months
A4	Merchant families and UHNW: ticket band; timeline	USD 1 to 10 million; 1 to 4 months
A5	Bank and EAM distribution: per client; aggregated; onboarding	USD 0.5 to 2 million; USD 10 to 40 million; 6 to 9 months

A6	DFI and strategic vehicles: ticket band; timeline	USD 10 to 40 million; 9 to 15 months
A7	Anchor share of target fund size	15 to 25 per cent
A8	Anchor fee concession (share of headline management fee)	10 to 20 per cent
A9	First close threshold (share of target)	25 to 40 per cent
A10	First-close incentive (share of headline management fee)	5 to 10 per cent
A11	GP commitment (share of fund size)	1 to 3 per cent
A12	Co-investment offered to anchor (ratio to fund commitment)	up to 1:1
A13	Total offering period	18 to 24 months
A14	Preference scores in Figure 2	ordinal scale, 1 to 5
A15	Worst case: anchor delay; extended period; final size	+6 months; 30 months; 60 per cent of target

Source: author's analysis.

4.4 What the framework does and does not do

The framework does three things. It converts a folkloric market, in which knowledge circulates as anecdote, into a comparable structure; it forces the manager to make segment-level choices explicitly rather than by default; and it generates testable expectations, so that a raise which contradicts the map produces information rather than confusion.

It does not do four things. It does not name institutions or predict the behaviour of any specific allocator: within every segment there are institutions that behave like members of another segment. It does not substitute for jurisdiction-specific legal and regulatory advice on marketing funds in each GCC state, which is a separate and consequential workstream. It does not estimate market size: the ticket bands describe single commitments, not aggregate capacity. And it does not claim that the six segments are immutable; Section 9 discusses how the map is likely to evolve.

5. THE MENA LP MAP

This section profiles the six segments on the dimensions defined in Section 4.2. Figure 1 positions the segments on the two structural axes that drive process design; Table 2 summarises the profiles; Figure 2 presents the preference map; Table 3 catalogues the disqualifiers.

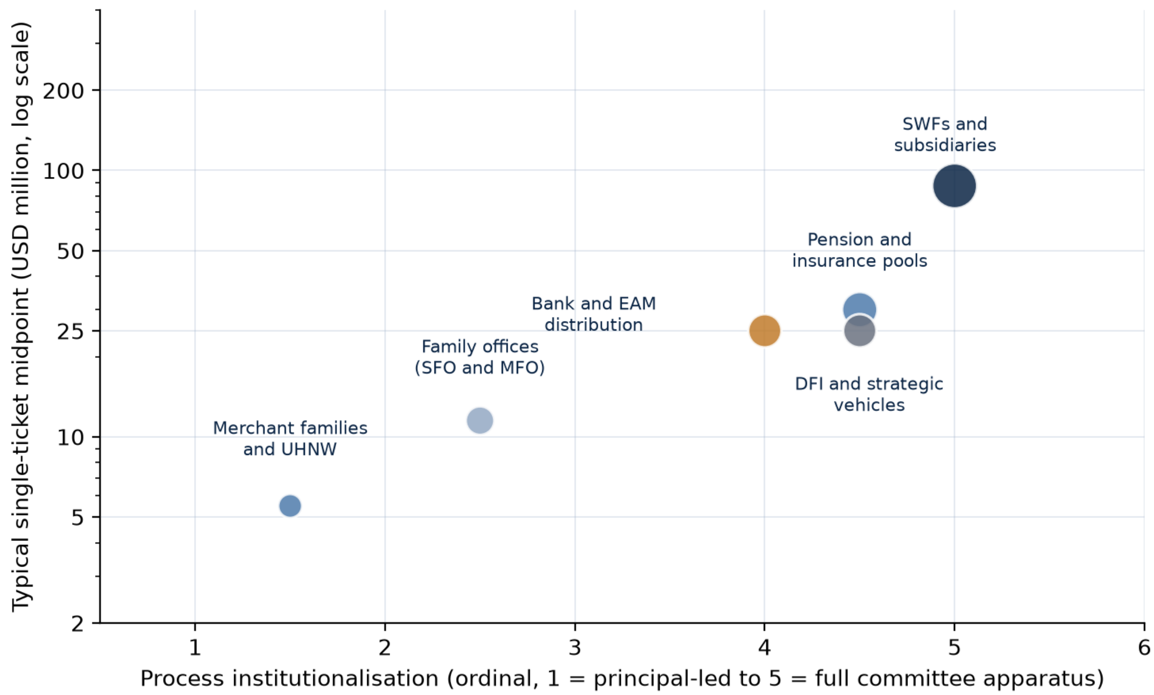

Figure 1. The MENA LP universe positioned by process institutionalisation and typical single-ticket size, with ticket midpoints from the base-case bands (A1 to A6)

Source: author's analysis.

5.1 Sovereign wealth funds and their subsidiaries (S1)

Who they are. The savings and development institutions of the Gulf states and the specialised platforms they own. For fund managers the relevant doorway is usually a funds programme: a team whose mandate is to commit to external managers, sometimes globally, sometimes with an explicit regional or strategic tilt.

How they decide. The process is the most institutional in the region: screening by staff, structured due diligence including operational diligence, legal review of terms, and one or more committee stages. Timelines typically run from nine to eighteen months between substantive first meeting and commitment, and single tickets from USD 25 to 150 million (A1). The ticket floor is a genuine constraint: many sovereign programmes cannot efficiently write commitments below a threshold, and cannot exceed a stated share of any one fund, which jointly define the minimum fund size they can consider. A manager raising USD 100 million cannot absorb a USD 100 million sovereign ticket; the useful question is whether the fund is large enough for the sovereign's minimum to fit inside its concentration limit.

What they optimise for. Consistent with Proposition 3 and the evidence surveyed in Section 2.2, sovereign allocators run dual objective functions. The financial arm of the evaluation resembles any institutional LP: track record, team stability, strategy coherence. The strategic arm asks what the commitment does for the mandate: does the manager bring capability to the local ecosystem, will there be co-investment flow, is there local presence and local hiring, does the strategy align with declared national economic priorities. In the preference map (Figure 2) the segment scores highest on strategic alignment and co-investment rights and comparatively low on fee economics: a sovereign that wants the relationship will rarely lose it over ten basis points, and a manager who leads the conversation with fee flexibility has misread the counterparty.

What kills a commitment. Three disqualifiers dominate. First, mandate misfit: a strategy with no plausible connection to the institution's objectives will not be rescued by returns. Second, governance opacity: unclear ownership of the management company, undisclosed conflicts, or an unwillingness to accept the institution's reporting and audit requirements. Third, process indiscipline: circumventing the staff to reach board members through personal connections is the single fastest way to convert a live prospect into a closed door, because it signals that the manager will be equally undisciplined as a fiduciary.

5.2 Government-related pension and insurance pools (S2)

Who they are. Statutory pension and social-insurance institutions and state-linked insurers. These are the region's closest analogue to the Western institutional LP, and several have built alternatives programmes with professional staff and, in some cases, international consultants.

How they decide. Consultant-mediated or committee processes with a fiduciary tone: benchmark-relative justification, peer comparison, documented diligence. Tickets typically run from USD 10 to 50 million, with timelines of six to twelve months (A2). The decisive audience is often not the investment staff but the committee to whom the staff must defend the decision; materials should therefore be written to be forwarded, not merely presented. Where a consultant is involved, the consultant's report is the binding constraint, and a manager who has never briefed the consultant directly has left the most important meeting of the process to chance.

What they optimise for. Defensibility. In the preference map the segment scores highest on track record and on governance and reporting: an attributable, auditable record and institutional-quality operations are close to necessary conditions, because the committee's question is not only "is this a good fund" but "can this decision be defended if the vintage disappoints". Fee economics matter more than for sovereigns, less as economics than as evidence of market-standard behaviour; unusual terms in either direction invite questions.

What kills a commitment. First-time funds without an attributable track record struggle here more than anywhere else in the region; this segment is a second-close audience for emerging managers, not an anchor audience (Proposition 2: maximal agency distance, maximal apparatus). Other disqualifiers: any weakness in operational diligence, service providers of unrecognised standing, and track records that cannot be verified to the standard a consultant requires.

5.3 Single and multi family offices (S3)

Who they are. Formalised vehicles managing family wealth, from a two-person holding structure to an institution with a CIO, an allocation policy and a fund portfolio. Multi family offices add a layer of external clients and, with it, a partial fiduciary tone.

How they decide. Faster and more personally than the institutional segments: tickets typically of USD 3 to 20 million and timelines of three to six months (A3). Where a CIO exists, expect a compressed but genuine diligence process, reference calls, portfolio analysis, legal review, followed by a principal conversation that can accelerate or overturn the staff view in either direction. The decisive variables are the quality of the introduction and the manager's standing with people the family trusts, consistent with the trust mechanism of Section 2.3 and Proposition 4.

What they optimise for. Access and relationship. In the preference map the segment scores highest on relationship and access and strongly on co-investment rights: many Gulf family offices regard fund commitments partly as the price of admission to deal flow, and a manager who offers a credible co-investment programme is offering the thing the family actually wants. Track record matters but is read differently: attribution and personal history carry more weight than composite fund-level numbers.

What kills a commitment. Overfamiliarity and overpromising rank first: the segment's diligence runs on reference networks, and a single embellished claim, discovered through a back channel the manager did not know existed, is terminal. Second, treating the family as a cheque rather than a counterparty: failing to offer co-investment, information rights or engagement that peers are known to receive. Third, misjudged confidentiality: families talk to each other, and a manager who relays one family's affairs to another has ended both conversations.

5.4 Merchant families and UHNW principals (S4)

Who they are. Operating business families and individual principals allocating directly, without a formal office. The capital is personal, the process is the principal, and the adviser circle is small: a trusted lawyer, a banker of long standing, a senior family member.

How they decide. The fastest decisions in the region: tickets typically of USD 1 to 10 million and timelines of one to four months (A4), with genuine decisions sometimes taken in a single meeting and documented at leisure. Speed cuts both ways: a principal who decides in a month can lose interest in a week, and a commitment made warmly in a majlis setting still requires patient, respectful conversion into a signed subscription.

What they optimise for. Conviction in the person and optionality in the relationship. The preference map scores the segment highest on relationship and access and on co-investment rights, and lowest on governance and reporting: quarterly reporting packs are read rarely; a phone call when something matters is valued greatly. Many principals evaluate the manager as a potential long-term ally across their business interests, of which the fund is one instalment.

What kills a commitment. Perceived disrespect, generic treatment, visible impatience for the cheque. Arriving through a weak introduction can be worse than not arriving at all. And because the capital is personal, macro or family-business liquidity shocks can dissolve soft commitments without warning; Proposition 4's volatility clause is most visible here, both at commitment and at re-up.

5.5 Banks and EAM or private-bank distribution (S5)

Who they are. Regional banks, private-banking platforms and external asset managers that aggregate client demand. The economics differ in kind from every other segment: the platform is a distributor, compensated through placement or retrocession arrangements, and the end investors are its clients.

How they decide. As a product committee: suitability, regulatory approval in each distribution jurisdiction, operational compatibility with the platform's subscription infrastructure, and the commercial question of whether the product will sell. Individual client tickets typically run from USD 0.5 to 2 million, aggregating to USD 10 to 40 million per platform, with six to nine months required to complete onboarding before distribution even begins (A5). The platform's own diligence can be as demanding as an institution's, because the platform's reputation with its clients is the asset at stake.

What they optimise for. Distributable economics and defensible packaging. The preference map scores the segment highest on fee economics, in the specific sense of the fee stack: headline fees must accommodate the platform's compensation without making the net proposition unsaleable. Track record scores high because it is the platform's selling document; strategic alignment scores lowest of any segment.

What kills a commitment. Structural incompatibility: minimum subscription sizes, capital-call mechanics or reporting formats the platform cannot process. Regulatory friction in any target jurisdiction. And timing: platforms sell momentum, and will rarely onboard a fund that has not yet held a first close; approaching this segment early wastes the approach (Proposition 5).

5.6 Development-finance and strategic government vehicles (S6)

Who they are. Development-finance institutions active in the region, and government vehicles whose fund commitments execute policy: building a venture ecosystem, deepening a local asset class, catalysing private capital into a priority sector.

How they decide. Slowly and by mandate: tickets typically of USD 10 to 40 million and timelines of nine to fifteen months (A6). The threshold question is eligibility, whether the fund fits the vehicle's declared mandate on geography, sector, stage and impact, and no quantum of expected return substitutes for eligibility. Diligence adds dimensions commercial LPs do not examine: environmental and social governance, development outcomes, measurement and reporting frameworks.

What they optimise for. Mandate fit and catalytic effect. The preference map scores the segment highest on strategic alignment and on governance and reporting, and lowest on fee economics. Critically for sequencing, several such vehicles exist precisely to anchor: to commit early so that private capital follows. For an emerging manager, this is often the most realistic anchor audience in the region, and its certification value with subsequent institutional prospects is high (Proposition 5).

What kills a commitment. Mandate misfit, above all. Thereafter: inability to meet reporting and safeguard requirements, unresolved integrity findings on any member of the team, and fund domiciles or structures the vehicle's policies cannot accommodate.

5.7 The map assembled

Table 2 summarises the six profiles; Figure 2 assembles dimension D5 into the preference map; Table 3 consolidates the disqualifiers. Read together, they give Proposition 1 its content: the segments are not points on a single scale but qualitatively different counterparties. The agency gradient of Proposition 2 is visible in Table 2's timeline column, which lengthens monotonically with the institutionalisation axis of Figure 1, and the trust substitution of Proposition 4 is visible in the mirror-image scoring of the relationship and governance columns in Figure 2.

Table 2. Segment profiles: typical single-commitment ticket bands, timelines, decision units and objectives (Appendix A, A1 to A6)

Segment	Ticket (USD m)	Timeline	Decision unit	Optimises for
S1 SWFs and subsidiaries	25 to 150	9 to 18 months	Staff plus investment committee	Strategic alignment, co-investment
S2 Pension and insurance pools	10 to 50	6 to 12 months	Consultant-mediated committee	Fiduciary defensibility
S3 Family offices (SFO, MFO)	3 to 20	3 to 6 months	CIO and principal	Trusted access, deal flow
S4 Merchant families, UHNW	1 to 10	1 to 4 months	Principal	Conviction, optionality
S5 Bank and EAM distribution	0.5 to 2 per client; 10 to 40 aggregated	6 to 9 months to onboard	Product committee	Distributable economics
S6 DFI and strategic vehicles	10 to 40	9 to 15 months	Mandate-driven committee	Mandate fit, catalytic effect

Source: author's analysis.

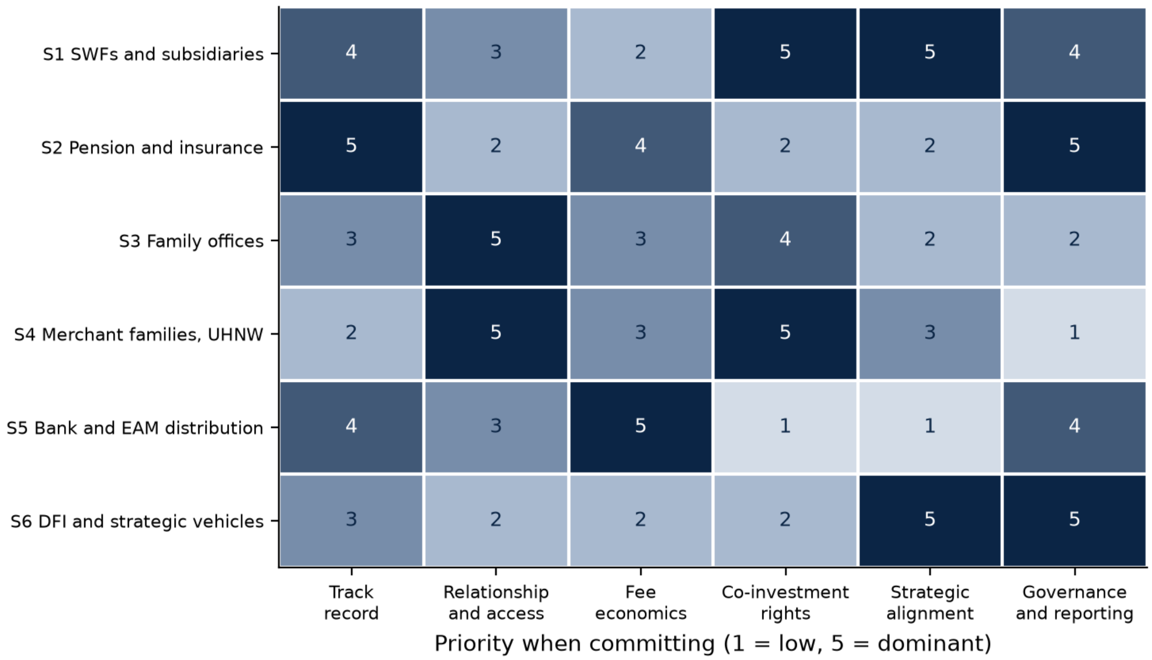

Figure 2. Preference map: what each segment prioritises when committing to a fund, scored on an ordinal 1 to 5 scale (A14)

Source: author's analysis.

Table 3. Disqualifiers by segment: what terminates consideration regardless of other merits, with the observable early warning for each

Segment	Primary disqualifier	Secondary disqualifier	Early warning sign
S1 SWFs and subsidiaries	Mandate misfit	Circumventing staff via connections	Meetings drift to strategy, never to terms
S2 Pension and insurance pools	Unverifiable track record	Weak operational diligence result	Consultant declines a direct briefing
S3 Family offices (SFO, MFO)	Embellished claim found via references	No co-investment or engagement offer	Introducer stops returning calls
S4 Merchant families, UHNW	Weak introduction, generic treatment	Visible impatience for the cheque	Principal delegates you downward
S5 Bank and EAM distribution	Structural or regulatory incompatibility	No first close yet held	Product team asks only operational questions
S6 DFI and strategic vehicles	Mandate ineligibility	Cannot meet safeguards and reporting	Eligibility screen answered with silence

Source: author's analysis.

6. SEQUENCING THE RAISE

6.1 The logic of sequencing

The map of Section 5 would justify differentiated treatment even if prospects were approached simultaneously. The stronger claim, Proposition 5, is that order matters. Three mechanisms drive it.

Certification. As Section 2.4 established, early commitments carry information. A development-finance institution or sovereign platform that has completed nine months of diligence and committed has produced a signal that no volume of manager-authored material can replicate. Later prospects, particularly family offices and distribution platforms, consume that signal directly: the family office asks who is in, and the platform will not onboard a fund with no close at all. Capital that certifies must therefore be secured before capital that consumes certification is approached.

Clock speed matching. The segments run on different clocks, from one to four months for a merchant-family principal to eighteen months for a sovereign committee (Table 2). A commitment obtained cannot always be held: a principal who commits in month three of a raise whose first close arrives in month fourteen has eleven months in which liquidity events, family developments or simple fading enthusiasm can dissolve the commitment. The fast capital should be approached so that its decision lands shortly before a close, and the slow capital so that its decision lands at the close it is meant to anchor. Working backwards from the close dates, the slow segments must be engaged first.

Relationship capital conservation. Introductions in the Gulf are a depletable asset: each carries the introducer's standing, and a failed approach is costlier than no approach. The early phases of a raise, when the proposition is least proven, should therefore spend introduction capital only where the expected return justifies it, on anchor-capable prospects, and conserve the rest for the momentum phase, when the strengthened proposition raises every approach's probability of success.

6.2 The phase structure

These mechanisms resolve into a four-phase sequence, plus a pre-marketing phase, summarised in Table 4 and drawn as a timeline in Figure 3. The phases overlap deliberately: fundraising phases are defined by the objective being pursued, not by exclusive calendar windows.

Table 4. The sequencing playbook: phases, target segments, objectives and instruments across an 18 to 24 month raise (A7 to A13)

Phase	Months	Target segments	Objective	Principal instrument
0. Pre-marketing	-6 to 0	Soft soundings across all	Test positioning; identify anchor candidates	Conversations, no documents
1. Anchor	0 to 9	S6, S1; selectively S3	Secure 15 to 25 per cent of target	Anchor terms: fee concession, co-investment
2. Institutional first close	6 to 12	S2, large S3	Reach 25 to 40 per cent; hold first close	First-close incentive, MFN discipline
3. Momentum	9 to 18	S3, S4	Fill the mid-book on standard terms	Certification story, co-investment access
4. Distribution and final close	12 to 24	S5, stragglers	Final 10 to 20 per cent; final close	Feeder or platform onboarding

Source: author's analysis.

Phase 0: pre-marketing (months -6 to 0). Before any document exists, the manager conducts soft soundings across the map: not to sell, but to test the strategy's resonance segment by segment and to identify which two or three institutions are realistic anchor candidates. This phase also builds the reference network that Section 5's private-wealth segments will later consult. The regional etiquette point is that a sounding conversation must genuinely be a sounding: arriving with a deck and a subscription document while calling it a consultation is remembered.

Phase 1: anchor (months 0 to 9). The raise proper opens with the anchor campaign, directed at the segments whose commitment certifies and whose clocks are slowest: development-finance and strategic vehicles (S6), sovereign platforms whose minimum ticket fits the fund (S1), and, for some managers, a single large family office with anchor appetite (S3). The objective is a committed anchor of 15 to 25 per cent of target (A7).

Running two to three anchor conversations in parallel is legitimate and expected; promising exclusivity to none of them until a term sheet exists is equally expected.

Phase 2: institutional first close (months 6 to 12). With an anchor secured or in late-stage diligence, the manager approaches the pension and insurance pools (S2) and the more institutional family offices, whose six to twelve month clocks now land inside the window, and drives to a first close at 25 to 40 per cent of target (A9). The first close is the single most important event of the raise: it converts the fund from a proposition into a fact, starts the fee clock that sustains the management company, and licenses the momentum phase.

Phase 3: momentum (months 9 to 18). The certification story, anchored, closed, investing, is now taken to the private-wealth segments (S3, S4) on standard terms. This is the phase in which conserved introduction capital is spent, and in which early portfolio evidence, even one or two completed investments, does more work than any projection. Discipline point: the momentum phase is where managers are most tempted to trade side-letter concessions for speed; the MFN consequences of Phase 2 must be checked before anything is signed.

Phase 4: distribution and final close (months 12 to 24). The bank and EAM channel (S5) is engaged only now, because platforms sell funds that are demonstrably closing, and their six to nine month onboarding means an engagement at month twelve delivers client capital near the final close. The channel's role is the final 10 to 20 per cent of target and, more valuably, a distribution relationship that compounds across successor funds.

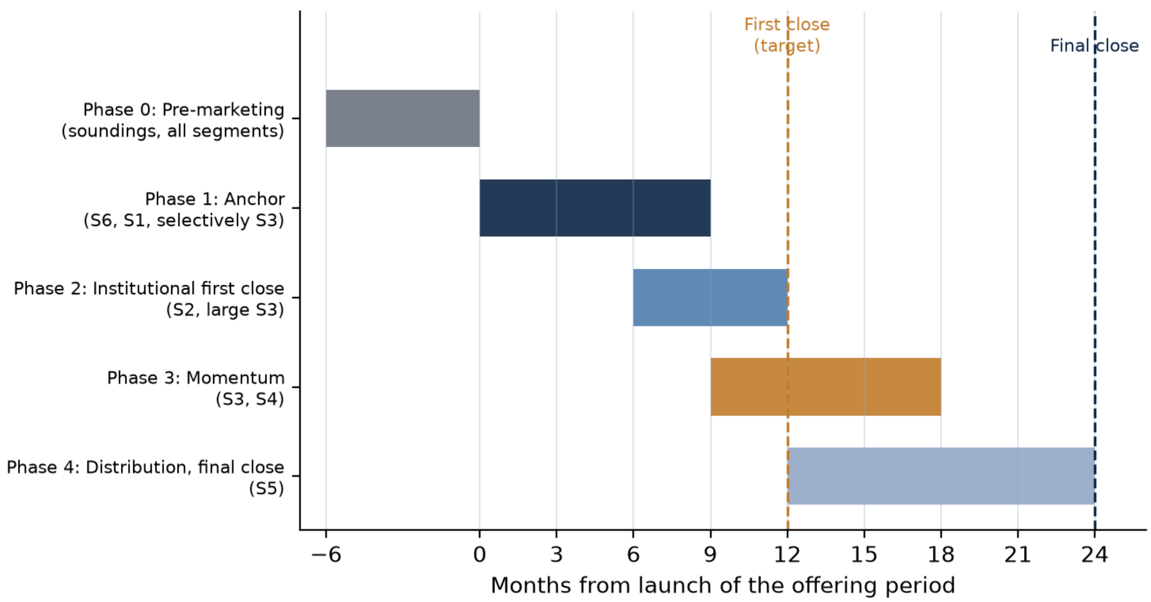

Figure 3. Sequencing timeline: phase windows across a 24 month raise, with first and final close markers (A13)

Source: author's analysis.

6.3 Anchor economics

Anchor concessions are the purchase price of certification, and the literature of Section 2.4 says the anchor knows it: the informational hold-up position of Hochberg, Ljungqvist and Vissing-Jorgensen (2014) is precisely the anchor's position. The manager's task is to pay in the right currency. Three principles govern.

First, prefer concessions that cost economics to concessions that cost control. A management-fee concession of 10 to 20 per cent of the headline fee (A8), or a modest carry discount, is expensive but contained. Governance concessions, investment-committee seats, veto rights over deals, consent rights over successor funds, are cheap to give and ruinous to hold, because they compromise the manager's independence in every later institutional diligence.

Second, pay partly in co-investment. For sovereign platforms and family offices alike, co-investment rights up to 1:1 against the fund commitment (A12) are frequently valued above fee concessions, and they cost the manager deal-level capacity rather than management-company revenue. A well-constructed anchor package leads with co-investment and capacity rights and uses fee concessions as the balancing item.

Third, structure for the successor fund. Where the anchor takes economics in the management company or a revenue share, as some seeding platforms require, the arrangement must have a defined sunset or buy-back path; a permanent encumbrance on the management company is among the most common findings that stall an otherwise successful institutional diligence two funds later (Chung, Sensoy, Stern and Weisbach, 2012, supply the economic logic: the successor-fund option is the largest single asset the manager owns).

6.4 First-close mechanics

The first close deserves engineering, not improvisation. Four mechanics matter in the regional setting.

- **Threshold discipline.** Set the first-close threshold at 25 to 40 per cent of target (A9) and hold it. A first close held at a token amount is read regionally exactly as it should be: as evidence that the manager could not do better, which taints the momentum phase it was meant to launch.
- **Early-bird economics.** A first-close incentive of 5 to 10 per cent of the headline management fee (A10), time-limited and disclosed, is market practice and effective, particularly with family offices for whom the concession functions as recognition as much as economics.
- **MFN architecture.** Most-favoured-nation clauses granted at first close define the corridor for everything after it. Tier MFN rights by commitment size from the outset; retrofitting tiers after an untiered MFN has been granted is close to impossible.
- **GP commitment.** A GP commitment of 1 to 3 per cent of fund size (A11), funded in cash rather than fee waivers to the extent the balance sheet allows, is examined regionally with particular care: family offices and merchant principals, who invest personal capital themselves, weight the founders' personal stake more heavily than institutional allocators do.

6.5 Failure modes

Five failure modes recur, each a violation of the sequence.

1. **The undifferentiated blast.** The manager approaches the entire universe simultaneously with identical materials. The fast segments decide, and lapse, before any close; the slow segments arrive after the offering period has staled; the raise achieves breadth without depth. This is the base failure mode that Proposition 1 predicts. 2. **The premature platform.** The manager courts a private-bank channel before a first close. The platform declines, as its process requires it to, and the decline circulates within the bank, converting a timing error into a durable rejection. 3. **The vanity anchor chase.** The manager spends twelve months pursuing a sovereign whose minimum ticket exceeds what the fund can absorb, on the theory that the name alone justifies the wait. The concentration arithmetic of Section 5.1 was knowable on day one. 4. **The over-anchored fund.** The manager grants an anchor 40 per cent or more of the fund plus governance rights. Phase 2 institutions then decline, not despite the anchor but because of it: the fund has become, in substance, a captive account with outside money attached. 5. **The burnt introduction.** The manager spends the best introductions in month one, on an unproven proposition, and has none left for the momentum phase, when they would have converted. Relationship capital, unlike the pipeline, does not refill within a fund cycle.

7. SENSITIVITY AND ROBUSTNESS

7.1 How the conclusions move when the calibrations move

The playbook's structure is robust to sizeable movements in the base-case calibrations; what moves is the arithmetic, not the ordering. Consider the principal calibrations in turn.

Ticket bands (A1 to A6). If sovereign minimums rise, the sovereign segment drops out of feasibility for smaller funds and S6 plus large S3 become the only anchor audiences; the sequence is unchanged, but the anchor phase becomes narrower and the momentum phase must carry more of the target. If private-wealth tickets compress, say to the bottom of the S3 and S4 bands, the mid-book requires more prospects, which raises the value of the conserved introduction capital and strengthens, not weakens, the case for conserving it in Phase 1.

Timelines (A1 to A6). Uniformly faster decision clocks compress the phases toward one another and reduce the penalty of the undifferentiated blast; uniformly slower clocks stretch the raise beyond the 18 to 24 month offering period (A13) and force either a smaller target or an extension. The ordering flips only if the clock ranking inverts, that is, only if sovereigns and pensions began deciding faster than families, which would signal a structural change in the market, not a perturbation.

Anchor economics (A7, A8, A12). A smaller anchor share (below 15 per cent) weakens certification and lengthens Phase 2; a larger one (above 25 per cent) triggers the over-anchored failure mode. The band is a genuine optimum, not a convenience. Doubling the fee concession changes management-company economics materially but changes the sequence not at all.

First-close threshold (A9). This is the most consequential single calibration. At thresholds below 25 per cent, the close loses its certification power and Phase 3 underperforms; above 40 per cent, the close date slips and fast capital lapses while waiting. Managers should treat the threshold as a strategic variable, chosen once and defended, rather than as a residual.

7.2 The worst case: the stalled anchor

Name the worst case precisely. **The stalled anchor:** the lead anchor candidate, an S6 vehicle, slips six months in its own committee cycle (A15); the manager, having sequenced correctly, has no first close by month twelve; the merchant-family commitments gathered in early soundings begin to lapse; the offering period extends to 30 months; the fund closes at 60 per cent of target.

Two observations discipline the fear. First, even in this case the sequenced raise outperforms the unsequenced one, which under the same shock has neither anchor nor institutional pipeline and typically fails outright rather than closing small. Second, the case is partially insurable: running parallel anchor conversations (Section 6.2), setting the first-close threshold at the lower end of the band, and maintaining a genuine S3 anchor alternative are all purchases of insurance against exactly this scenario. The worst case argues for redundancy within the sequence, not for abandoning it.

7.3 What would falsify the framework

The framework is falsifiable, and it is worth stating the evidence that would refute it.

- **Against Proposition 1:** systematic evidence that undifferentiated processes close regional funds at rates comparable to segmented processes, controlling for manager quality.
- **Against Proposition 2:** regional decision timelines uncorrelated with the agency distance of the allocator, for example families deciding as slowly as pensions and sovereigns as quickly as principals.

- **Against Proposition 3:** development-mandated vehicles observed selecting funds on fee terms while declining strategically aligned managers offering standard terms.
- **Against Proposition 4:** private-wealth commitment and re-up behaviour tracking formal diligence intensity rather than introduction quality and relationship history.
- **Against Proposition 5:** raises that engaged distribution platforms before any close outperforming, in time-to-target and final size, raises that anchored first.

None of these patterns matches the author's observation of the market, but each is the kind of evidence a systematic dataset could in principle produce, and Section 9 returns to what building such a dataset would require.

8. DISCUSSION

8.1 Implications for the GCC manager

For the manager, the map converts into five operating rules.

1. **Size the fund to the map, not the ambition.** The feasible fund size is jointly determined by which segments the manager can genuinely access and the ticket arithmetic of Table 2. A manager with no sovereign access and two family relationships is not raising USD 400 million on this map, whatever the strategy merits; better to raise USD 120 million, perform, and re-enter the map with certification (Kaplan and Schoar, 2005, is the manager's friend here: persistence pays on the successor fund). 2. **Run one raise as several campaigns.** Materials, cadence and negotiating posture should differ by segment: the committee-ready institutional pack for S1, S2 and S6; the principal-ready narrative and co-investment story for S3 and S4; the platform-ready product file for S5. This is not duplication; the segments are, in effect, different products purchased for different reasons (Figure 2). 3. **Treat the anchor negotiation as a certification purchase.** Price concessions against the certification and pipeline they buy, pay in co-investment before economics and in economics before governance, and sunset anything that touches the management company. 4. **Guard the reputational commons.** In a market of dozens of decision-makers who talk to each other, every interaction prices the next one. The disqualifier column of Table 3 is, in practice, a list of ways managers convert single errors into market-wide information. 5. **Protect the successor fund while raising this one.** The largest asset in the room is the option on Fund II (Chung, Sensoy, Stern and Weisbach, 2012). Decisions that accelerate a credible first close, and relationships that will re-up, dominate decisions that maximise nominal terms today.

8.2 Implications for the international allocator

The secondary reader, the pension, insurer, endowment or fund of funds evaluating GCC private markets from outside, can read the same map in reverse.

First, the map explains the regional cap-table patterns an international diligence will encounter. A GCC fund whose LP base is dominated by strategic and sovereign capital is not necessarily a fund that failed to attract commercial money; it may simply be a Fund I that followed the feasible sequence. The diagnostic question is not "why are there no pensions in the book" but "does the anchor's mandate distort the portfolio", which Table 3 and the sovereign literature of Section 2.2 make answerable.

Second, the map identifies where the international allocator has structural bargaining power. In Phases 2 and 3 of a regional raise, a credible international institutional name carries certification value beyond its capital, particularly with S3 and S4 prospects who read foreign institutional diligence as a quality screen. Allocators who understand this can, entirely legitimately, negotiate economics that reflect their certification contribution, not merely their cheque.

Third, the map is a co-investment sourcing device. The centrality of co-investment across the regional segments (Figure 2) means GCC funds are typically built to generate co-investment flow; an international allocator seeking regional deal exposure may find the fund commitment is the admission ticket rather than the destination, a logic familiar from the regional families themselves.

8.3 How the MENA LP base differs from the US and European bases

Set against the United States and Europe, the regional base differs on five dimensions, each with process consequences.

Composition. The US base is dominated by pensions and endowments, the European base by pensions, insurers and funds of funds; both are institutional first and private-wealth second. The MENA base inverts the weighting: sovereign and private-wealth capital dominate, and the pension layer, while growing, is thinner. A raise plan that allocates effort by Western base rates will systematically over-invest in the thinnest regional segment.

Intermediation. The US institutional market is consultant-intermediated to the point where the consultant is often the real counterparty; Europe sits between; the Gulf, as Section 3.1 described, is relationship-intermediated. The skill that substitutes for consultant coverage in the Gulf is introduction management, and it does not transfer from Western placement playbooks.

Objective functions. Western institutional allocators optimise, overwhelmingly, benchmark-relative net return under fiduciary constraint. The Gulf map contains that objective (S2) but flanks it with strategic-mandate capital (S1, S6) and access-seeking private wealth (S3, S4). A pitch built solely on net-return arithmetic addresses perhaps a third of the regional universe.

Decision-time dispersion. Western institutional timelines cluster; the Gulf's run from one month to eighteen across segments. Sequencing consequently matters more in the Gulf: in a clustered market the ordering of approaches is second-order, in a dispersed market it is the difference between a close and a lapse, which is why Proposition 5 is a regional proposition rather than a universal one.

Persistence of relationships. Sensoy, Wang and Weisbach (2014) document Western allocator behaviour converging as the market institutionalises: relationships matter less as information improves. The Gulf is institutionalising along the same path, but from a starting point where the relationship is the information. For the present cycle, and plausibly the next, the manager who treats regional relationships as a transition-era inefficiency, rather than as the market's actual operating system, will be outraised by the manager who does not.

9. LIMITATIONS AND FUTURE RESEARCH

Four limitations bound the paper's claims, and each defines a research agenda.

Granularity. Six segments compress a heterogeneous reality. Sovereign platforms differ across states as much as they differ from pensions; family offices span two orders of magnitude in institutionalisation within the single S3 cell. The map is a first partition, deliberately coarse enough to be usable; a finer partition, particularly of the sovereign and family-office segments by governance type, is the natural next step, and the sovereign-fund literature of Section 2.2 suggests governance is the right partitioning variable.

Calibration provenance. The base-case calibrations encode one practitioner's transaction experience and reading of market convention. They are offered as a disciplined starting point, not as estimates from a sample. The corresponding research task is a systematic dataset of GCC fund raises, segment-tagged commitments, timelines and terms, which does not exist in public form. Even a modest panel would allow the propositions of Section 2.5 to be tested rather than argued.

Statics. The map is a snapshot of a market that is institutionalising quickly: pension pools are building alternatives programmes, family offices are hiring institutional staff, and regulatory regimes for fund marketing are converging on international norms. Each development shifts weight along the institutionalisation axis of Figure 1 and shortens the distance between the Gulf and the comparison markets of Section 8.3. Tracking that migration, segment by segment and vintage by vintage, is a research programme in itself.

Scope. The paper addresses fund commitments, not direct or deal-by-deal investing, and it addresses the GCC core of MENA more faithfully than the Levant and North Africa, whose allocator landscapes differ in composition. Extensions to direct-investment behaviour and to the wider region would test how far the framework travels.

10. CONCLUSION

This paper set out to answer three questions for the manager raising private capital in MENA: who allocates, what each allocator class wants, and in what order to approach them.

The answer to the first question is a six-segment map: sovereign wealth funds and their subsidiaries, government-related pension and insurance pools, single and multi family offices, merchant families and UHNW principals, bank and EAM distribution, and development-finance and strategic vehicles. The segments differ by two orders of magnitude in ticket size and by an order of magnitude in decision speed, and they occupy distinct positions on the agency gradient that the delegated-management literature predicts should govern diligence intensity, which it does.

The answer to the second question is the preference map. Sovereigns buy strategic alignment and co-investment; pensions buy defensibility; family offices buy trusted access; principals buy conviction and optionality; platforms buy distributable economics; development vehicles buy mandate fit. Symmetrically, each segment has disqualifiers that no merit elsewhere offsets, and most of them are behavioural rather than financial: process indiscipline, embellishment, disrespect, prematurity.

The answer to the third question is the sequencing playbook: soundings before launch; anchor capital from the strategic and sovereign segments first, on terms that pay in co-investment before economics and in economics before governance; an institutional first close held at a defended threshold; private wealth in the momentum phase, funded by conserved introduction capital; distribution platforms last, when there is momentum to distribute. The ordering survives sizeable movement in every calibration, and its named worst case, the stalled anchor, argues for redundancy within the sequence rather than for its abandonment.

The unifying claim is Proposition 1: the MENA LP base is not one market, and the most common fundraising failure in the region is the attempt to treat it as one. A manager who runs one process across six counterparties runs the wrong process for at least five of them. The map, the preferences and the sequence are the corrective, and they are equally legible from the other side of the table: the international allocator who understands how regional capital behaves will price both its certification value and its co-investment appetite more accurately than one who reads the region through a Western base-rate lens. The mechanics of private capital in the Gulf are not exotic; they are the standard agency economics of the fund contract, operating in an unusually concentrated and relationship-priced setting. Managers who respect that structure raise; managers who do not, lapse.

DECLARATIONS

Funding. The author received no external funding for this research.

Conflicts of interest. The author is the managing partner of an independent capital advisory firm that advises managers and allocators on transactions of the type discussed in this paper. No client information has been used, and no live mandate is referenced.

Data availability. The paper uses no proprietary dataset. The base-case calibrations used in the exhibits are recorded in Section 4 and Appendix A.

Disclaimer. This paper is an educational and structural analysis. It is not investment advice, an offer, or a solicitation of any kind.

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APPENDIX A. BASE-CASE CALIBRATIONS

The table below records the base-case calibrations used in the exhibits, drawn from the author's transaction experience in the region and from regional market convention. Each entry lists where the calibration is used in the paper; Section 7 examines how the conclusions move when these values move.

Table A1. Base-case calibrations with usage notes

ID	Calibration	Base-case range	Used in
A1	SWF and subsidiaries: single ticket; decision timeline	USD 25 to 150 million; 9 to 18 months	Sections 5.1, 6.2; Tables 2, 4; Figures 1, 3
A2	Pension and insurance pools: single ticket; timeline	USD 10 to 50 million; 6 to 12 months	Sections 5.2, 6.2; Tables 2, 4; Figures 1, 3
A3	Family offices (SFO and MFO): single ticket; timeline	USD 3 to 20 million; 3 to 6 months	Sections 5.3, 6.2; Tables 2, 4; Figures 1, 3
A4	Merchant families and UHNW: single ticket; timeline	USD 1 to 10 million; 1 to 4 months	Sections 5.4, 6.2; Tables 2, 4; Figures 1, 3
A5	Bank and EAM distribution: per client; per platform; onboarding	USD 0.5 to 2 million; USD 10 to 40 million; 6 to 9 months	Sections 5.5, 6.2; Tables 2, 4; Figures 1, 3
A6	DFI and strategic vehicles: single ticket; timeline	USD 10 to 40 million; 9 to 15 months	Sections 5.6, 6.2; Tables 2, 4; Figures 1, 3
A7	Anchor share of target fund size	15 to 25 per cent	Sections 6.2, 6.3, 7.1; Table 4
A8	Anchor fee concession, share of headline management fee	10 to 20 per cent	Sections 6.3, 7.1
A9	First-close threshold, share of target	25 to 40 per cent	Sections 6.2, 6.4, 7.1; Table 4
A10	First-close incentive, share of headline management fee	5 to 10 per cent	Section 6.4
A11	GP commitment, share of fund size	1 to 3 per cent	Section 6.4

A12	Co-investment offered to anchor, ratio to fund commitment	up to 1:1	Sections 6.3, 7.1
A13	Total offering period	18 to 24 months	Sections 6.2, 7.1; Table 4; Figure 3
A14	Preference scores in Figure 2	ordinal scale, 1 to 5	Sections 4.2, 5.7; Figure 2
A15	Worst case: anchor delay; extended offering period; final size	+6 months; 30 months; 60 per cent of target	Section 7.2

Source: author's analysis.

APPENDIX B. FUNDRAISING PROCESS CHECKLIST

The checklist below records the questions a manager should be able to answer before approaching each segment. An approach made before the segment's questions have answers spends relationship capital to discover what the desk work would have discovered for free.

Before any approach (all segments)

- Is the fund size consistent with the segments the firm can genuinely access, on the ticket arithmetic of Table 2?
- Which two or three institutions are the realistic anchor candidates, and has each been sounded informally?
- Is the track record attributable, documented and verifiable to consultant standard?
- Are the fund's domicile, structure and marketing permissions in order for each GCC jurisdiction to be approached?
- What is the first-close threshold, and what is the MFN tiering that will be offered at it?

Before approaching sovereign platforms (S1)

- Does the platform's minimum ticket fit inside its concentration limit at this fund size?
- What does the commitment do for the institution's mandate: local presence, hiring, co-investment flow, capability transfer?
- Who owns the relationship, and does the approach run through the funds programme rather than around it?

Before approaching pension and insurance pools (S2)

- Which consultant, if any, advises the pool, and has the consultant been briefed directly?
- Will the operational diligence pass: service providers, valuation policy, compliance infrastructure?
- Are the materials written to be forwarded to a committee, not merely presented to staff?

Before approaching family offices (S3)

- Who is the introducer, and what is the manager's standing in the family's reference network?
- What co-investment and engagement programme is on offer, and how does it compare with what peers receive?
- Where does this family sit relative to other families in the book, and is confidentiality architecture in place?

Before approaching merchant families and principals (S4)

- Is the introduction strong enough that the principal takes the first meeting personally?
- What is the long-term relationship logic beyond this fund, and can the manager articulate it without overpromising?

- What is the plan for converting a warm commitment into a signed subscription without applying visible pressure?

Before approaching bank and EAM platforms (S5)

- Has a first close been held, and is there momentum for the platform to sell?
- Does the fee stack accommodate platform compensation while keeping the net proposition saleable?
- Are subscription mechanics, minimums and reporting compatible with the platform's infrastructure in every distribution jurisdiction?

Before approaching DFI and strategic vehicles (S6)

- Does the fund pass the vehicle's eligibility screen on geography, sector, stage and impact, in writing?
- Can the manager meet the safeguard, ESG and reporting frameworks, and at what cost?
- Is the vehicle's role as anchor understood, including the certification story it will support with later prospects?

APPENDIX C. GLOSSARY OF KEY TERMS

Anchor investor. The first substantial investor in a fund, typically committing 15 to 25 per cent of target, whose early commitment certifies the manager to subsequent prospects and who usually receives preferential terms in exchange.

Blind pool. A fund raised before its investments are identified, so that investors commit to the manager's strategy and judgement rather than to named assets.

Carried interest. The manager's share of fund profits, customarily payable after investors have received their capital back and a preferred return.

Closing (first and final). The dates on which investor subscriptions are formally accepted. The first close activates the fund and starts the fee clock; the final close ends the offering period.

Co-investment. An investment made by an LP directly into a portfolio company alongside the fund, usually on reduced or no fees, and a central currency of negotiation in Gulf fundraising.

Development finance institution (DFI). A government-backed institution that invests to achieve development outcomes alongside financial returns, and which frequently anchors emerging-manager funds to catalyse private capital.

Drawdown (capital call). The mechanism by which a fund calls committed capital from investors as investments are made, rather than collecting it all at closing.

External asset manager (EAM). An independent firm managing private clients' assets held in custody at banks, and a distribution channel through which many smaller commitments aggregate into a fund.

Feeder vehicle. A pooling structure through which multiple smaller investors subscribe to a fund as a single limited partner, commonly used by private-bank and EAM distribution.

First-time fund. A manager's first institutional vehicle, which lacks the fund-level track record on which institutional allocators ordinarily rely and therefore depends more heavily on anchors and attributable records.

Fund of funds. An investment vehicle that commits to a portfolio of underlying funds, providing its own investors with diversified exposure and delegated manager selection.

GP commitment. The capital the fund's general partner invests in its own fund, read by allocators as the measure of the manager's personal stake in outcomes.

Limited partner (LP). An investor in a fund structured as a limited partnership, with limited liability and no role in management; the collective term for the allocators mapped in this paper.

Management fee. The recurring fee, conventionally a percentage of commitments or invested capital, that funds the management company's operations during the fund's life.

Most favoured nation (MFN) clause. A side-letter provision entitling an investor to the benefit of terms granted to comparable investors, customarily tiered by commitment size.

Placement agent. An advisory firm engaged by a manager to organise and execute a fundraising, including targeting, sequencing and negotiation with prospective LPs.

Side letter. A bilateral agreement varying fund terms for a specific investor, the accumulation of which defines the MFN architecture of the fund.

Sovereign wealth fund (SWF). A state-owned investment institution managing national savings or development capital, whose objectives can combine financial return with strategic and economic-policy mandates.