

Special Report

# How Middle-East Sovereign Wealth Funds Influence Global Private Markets

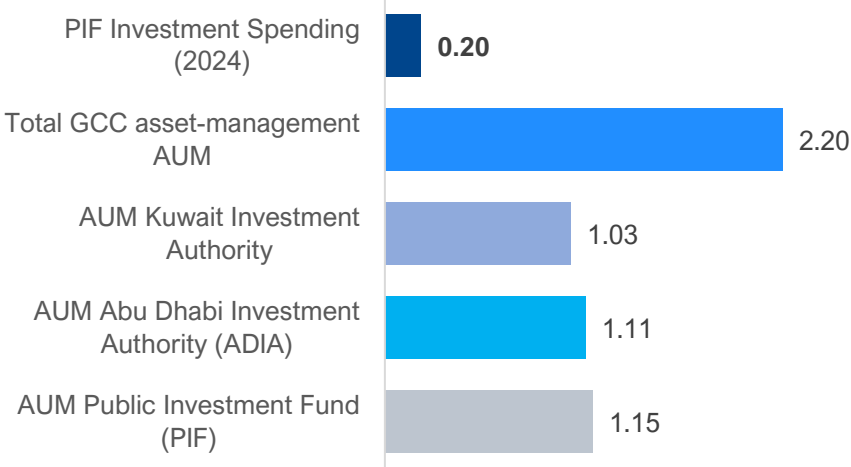
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# In a Global M&A Slowdown, Middle East Capital Emerges as the Critical Source of Liquidity and Strategic Leadership



Asset Under Management across Gulf SWFs (USD Bn)



**USD 5 Trillion + AUM**  
Controlled by GCC SWFs

**USD 82 Billion Invested**  
Globally by Gulf SWFs in 2024

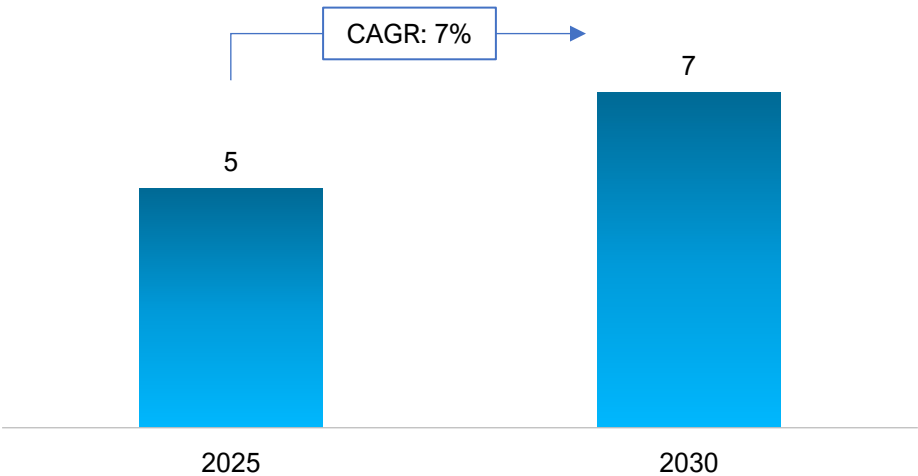
**63% Y-o-Y Growth**  
In outbound M&A value in Q1 2025



- Global M&A faced a slowdown in 2023–2024 due to inflation, higher interest rates, and geopolitical uncertainty.
- Amid this downturn, the **Middle East emerged as a rare bright spot**, with sovereign wealth funds (SWFs) and investment vehicles **injecting record liquidity** into international deals.
- Middle East investors are **no longer passive financiers**, they are taking lead investor roles, pursuing strategic assets, and reshaping global investment flows.

While Western private equity funds grappled with fundraising challenges, Middle Eastern sovereign funds stepped in as global financiers of last resort, deploying capital into technology, energy transition, healthcare, and strategic infrastructure.

# Middle East Investment Landscape: Funding Sources, Strategic Liquidity, and Channels for Global Capital Deployment

AUM controlled by GCC sovereign wealth funds (USD Tn)



	~70% hydrocarbon surpluses and ~30% investment returns/other (policy papers and legal insights summarizing SWF funding structures).
	Gulf SWFs deployed ~USD 82 Bn globally. Within that, USD 44 Bn were co-investments with Private Equity (PE)/Venture Capital, with the remainder USD 38 Bn being direct deals + Limited Partner commitments.

## Reason for Growth in Health & Wellness Market:

### SWF Concentration

The Middle East holds 7 of the world’s top 15 sovereign wealth funds, making it the densest cluster globally

### Funding Source

70% of Gulf SWF assets come from hydrocarbon revenue (oil/gas surpluses), giving them unmatched liquidity vs. debt-heavy Western PE firms

### Liquidity Advantage

Unlike many global investors, SWFs in the Gulf operate with very low leverage and can pursue large all-cash transactions - attractive to sellers in volatile markets

### Co-investment Boom

Through July 2025, SWFs made USD 39.4 Bn in joint deals with PE firms, already near 2024’s USD 44 Bn total

### Regional Hub Strategy

Abu Dhabi, Riyadh, and Doha are positioning themselves as financial hubs, easing regulations to attract asset managers and enable SWFs to anchor deals locally

# Understanding Investment Patterns: Preferred Sectors and Geographic Hotspots in the International Markets

## Sectors of Interest



### Technology & Digital

- Mubadala + Silver Lake
- QIA backing European tech scale-ups



### Healthcare & Life Sciences

- ADIA in U.S. hospital networks
- PIF in biotech funds



### Infrastructure & Energy Transition

- Masdar (Abu Dhabi) financing renewables in Europe & Asia
- PIF in EV supply chains



### Consumer & Luxury

- Qatar Investment Authority (QIA) stake in Tiffany's
- PIF taps global luxury with Aston Martin

## Where is the Investment: Geographic hotspots



Europe

- ~45% of outbound Gulf investment flows
- Strong focus on renewables, luxury, infrastructure (airports, utilities)



North America

- ~30% of M&A flows, led by tech, EVs, and healthcare
- Lucid Motors and Silver Lake as flagship cases



Asia

- Rising focus: digital infra, e-commerce, renewables, logistics
- Jio Platforms, Reliance Retail & Chinese startups as key examples



Africa

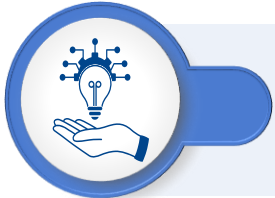
- More selective, but focus on energy, food security, and logistics corridors
- Saudi SALIC acquiring farmland and agribusiness assets

## Key Growth Drivers and Catalysts Shaping Investment and Capital Deployment in the GCC and Wider Region



### Diversification Beyond Oil

- SWFs are mandated to reduce reliance on hydrocarbons by backing global non-oil sectors.
- Vision 2030 (Saudi) and UAE Vision 2030 set clear diversification targets.



### Technology & Innovation Access

- Gulf investors use cross-border M&A to acquire cutting-edge tech in Artificial Intelligence, biotech, and EVs.
- Partnerships with U.S./European firms bring know-how and digital infrastructure home.



### Energy Transition & Climate Focus

- SWFs finance renewables, hydrogen, and EV supply chains to hedge against oil decline.
- Masdar and PIF rank among the world's biggest clean energy investors.



### Food & Supply Chain Security

- Agricultural, logistics, and agri-tech assets abroad ensure domestic food resilience.
- SALIC and other funds secure farmland across Europe, Africa, and Asia.



### Soft Power & Global Influence

- Investments in sports, entertainment, and luxury brands amplify global visibility.
- High-profile deals in football, golf, and Formula 1 reshape global narratives.



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