BNY | WEALTH



SHAPING THE FUTURE

Single Family Offices *in the Gulf Region*

A BNY WEALTH STUDY

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FOREWORD

Amid heightened regional tensions, economic uncertainty and market volatility, Gulf Cooperation Council (GCC) family offices are refining how they allocate capital, manage risk and position their portfolios for the future. The decisions they make today may help shape their ability to preserve wealth, capitalize on opportunity and support future generations.

Against this backdrop, BNY Wealth partnered with The Harris Poll on the second edition of *Shaping the Future: Single Family Offices in the Gulf Region*, a study of single family offices across Saudi Arabia, the United Arab Emirates and Kuwait. Building on the inaugural 2025 edition, this year's research explores how family office leaders are adapting their investment strategies, governance models and operating capabilities to a more complex environment.

Rather than retreating from long-term strategies, family offices are responding to greater uncertainty and volatility by strengthening the governance, operating models and investment disciplines that support them. While geopolitical risk is influencing how capital is deployed and risk is managed, it has not diminished the long-term conviction of GCC family offices. Instead, they continue to pursue opportunities in private markets while investing in the technology and operating capabilities needed to support their organizations.

At the same time, purpose remains as important as performance. Shariah-compliant investing remains a foundational principle for nearly all respondents, while philanthropic structures continue to mature as family offices balance investment objectives with long-term stewardship.

We are grateful to the family office leaders who shared their perspectives for this research. We hope this report offers meaningful insight into how GCC family offices are adapting to change while remaining focused on long-term stewardship, resilience and multigenerational success.

EXECUTIVE SUMMARY



Family offices are adapting portfolios to geopolitical risk

Nearly all respondents expect geopolitical developments to increase downside risk and market volatility, prompting family offices to strengthen portfolio resilience through greater cash reserves, scenario planning, geographic diversification and selective hedging.



Strategic priorities continue to focus on long-term growth

GCC family offices continue to favor diversified investments that balance broad market exposure with targeted opportunities. They are refining portfolio allocations in response to changing market conditions — while remaining committed to long-term investment objectives.



Private markets remain at the core of portfolio construction

Private equity is the leading asset class for allocation increases, while more than four in five family offices are allocating more than one-quarter of their assets to alternatives, reinforcing private markets as a key structural component of long-term investing.



Shariah principles continue to shape capital allocation

Shariah compliance remains foundational to investment decision-making, while formal philanthropic and impact investing frameworks have become increasingly embedded across GCC family offices, reflecting the continued alignment of capital with family values.



Investment in technology infrastructure is deepening

Nearly nine in 10 respondents expect to invest in new technologies over the next two years as family offices bring new functions in-house.



GCC family offices are refining their operating models

Respondents are selectively expanding in-house capabilities while continuing to outsource specialized functions, such as custody and trade execution. As organizations grow more sophisticated, operating models are evolving to support increasingly diverse portfolios.



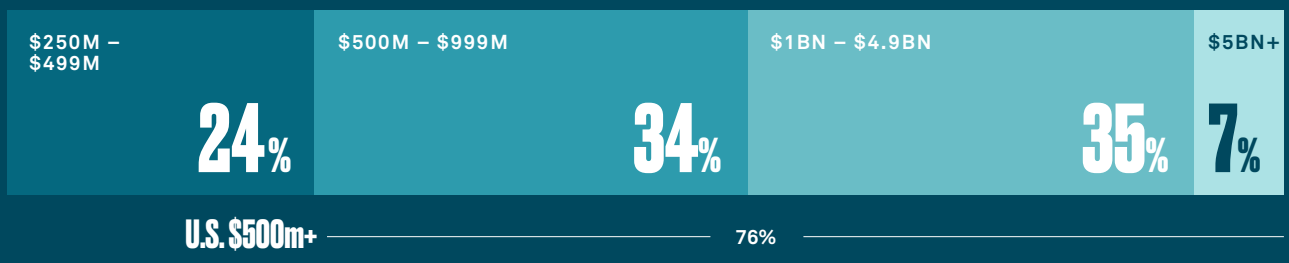
Leadership and alignment emerge as top priorities

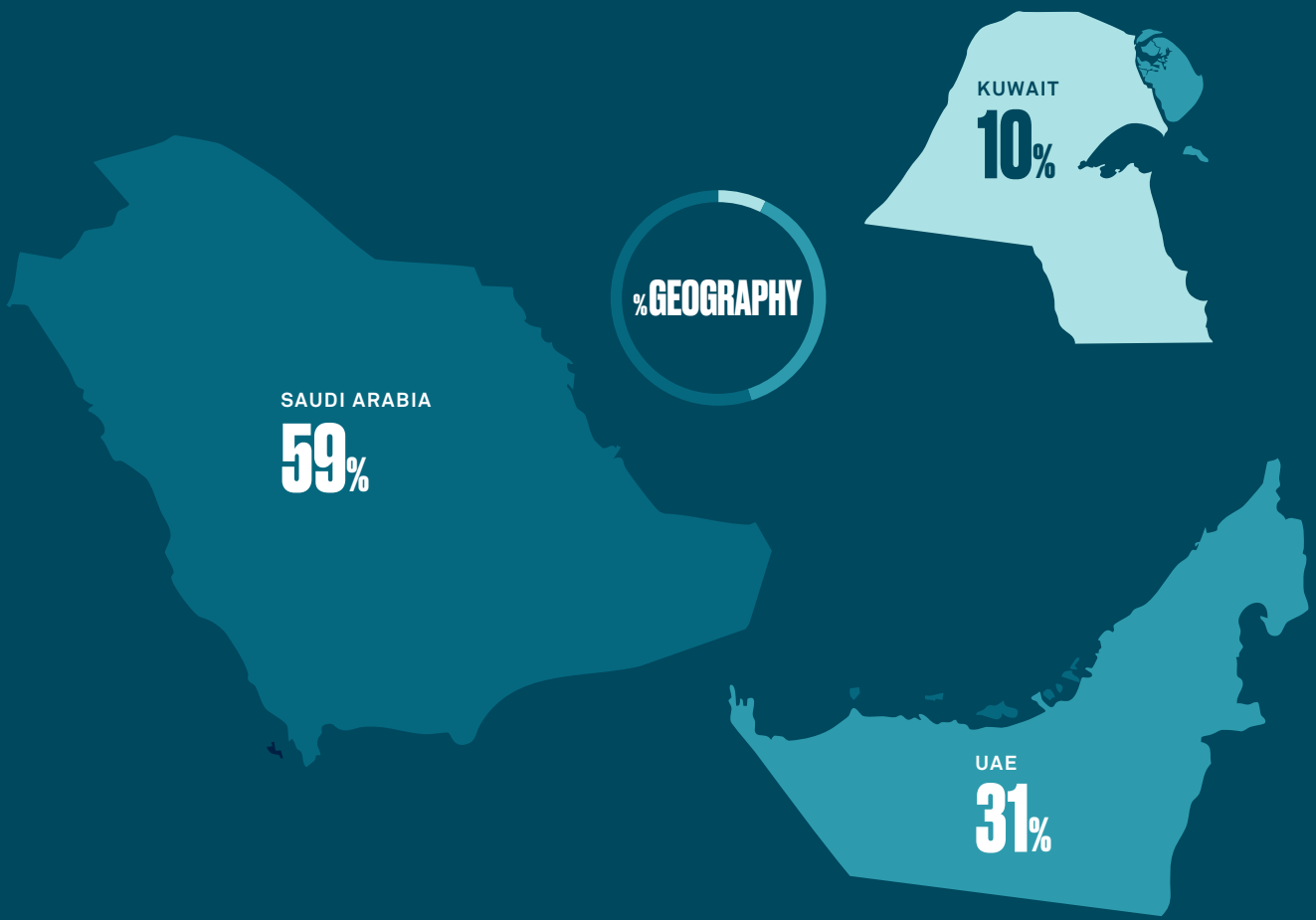
Family alignment, succession planning and behavioral biases rank among the most significant long-term concerns, underscoring that the ability to sustain wealth across generations depends as much on effective leadership and decision-making as on investment performance.

RESPONDENT PROFILE

We surveyed professionals at 71 single family offices in Saudi Arabia, the UAE and Kuwait, with AUM ranging between $250 million to $5 billion and beyond.

ASSETS UNDER MANAGEMENT





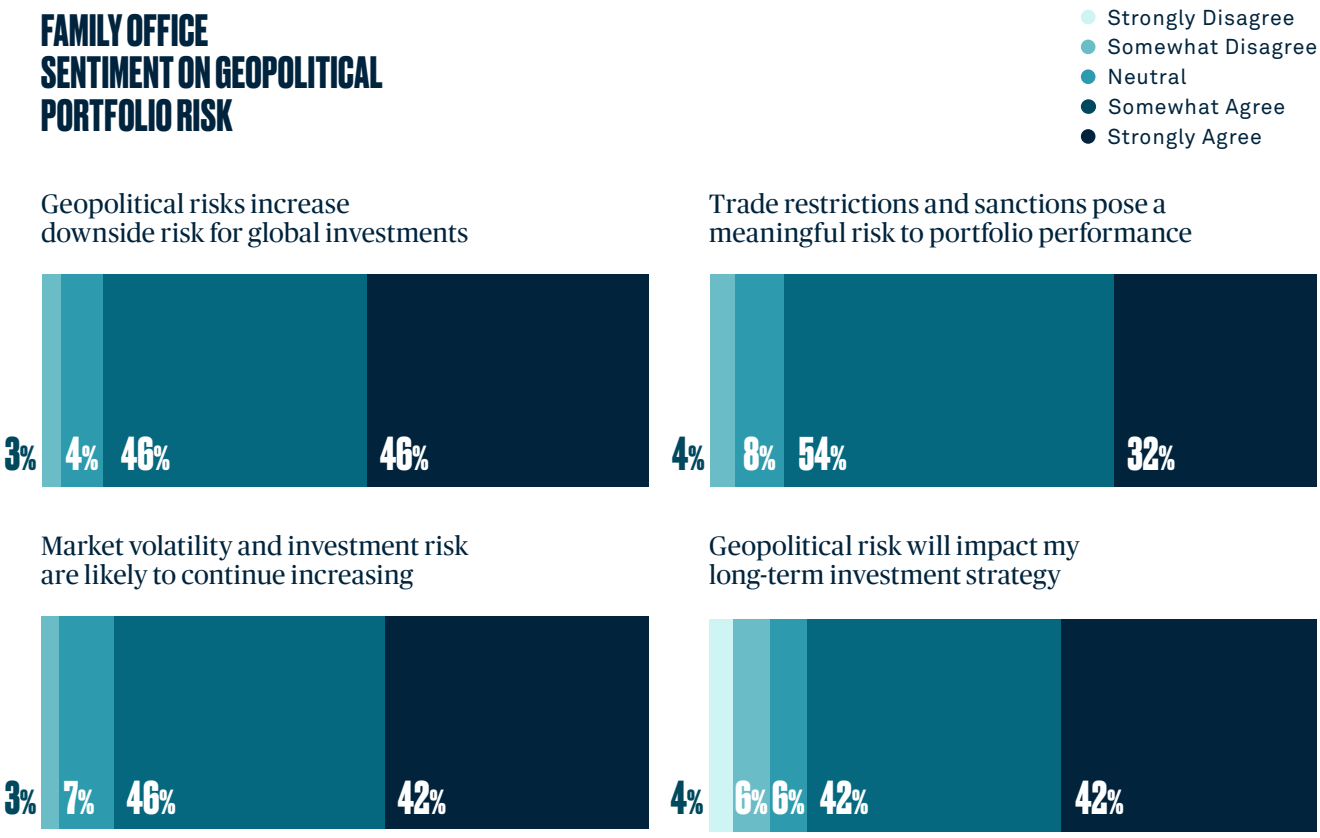
01 INVESTING THROUGH UNCERTAINTY

Geopolitical instability has become a defining consideration for Gulf Cooperation Council (GCC) family offices.

While they remain committed to long-term investing, the findings suggest shifting regional dynamics are influencing how they assess risk, allocate capital and position portfolios for the future.

Rather than viewing global events as isolated disruptions, many family office decision-makers view them as enduring factors that will shape their investment approach for years to come. Ninety-three percent expect geopolitical developments to increase downside investment risk, while 88% expect market volatility to continue increasing.

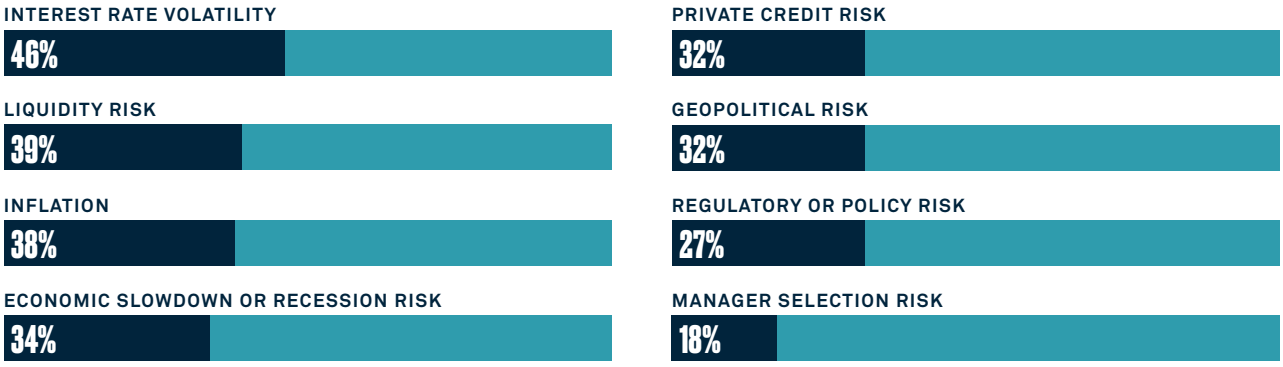
FAMILY OFFICE SENTIMENT ON GEOPOLITICAL PORTFOLIO RISK



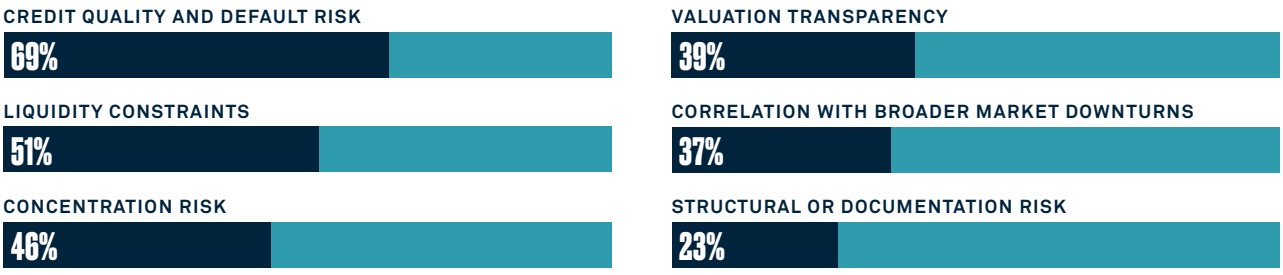
64% *are more concerned about how investments will be impacted by government policies than they were this time last year.*

Trade restrictions, market volatility and investment risk are also expected to influence investment opportunities, underscoring the importance of disciplined portfolio construction and thoughtful risk assessment. These findings suggest that geopolitical considerations are becoming integral to investment strategy rather than being viewed solely through the lens of market volatility.

RISKS PREDICTED TO MOST IMPACT INVESTMENT STRATEGY OVER THE NEXT 12-18 MONTHS

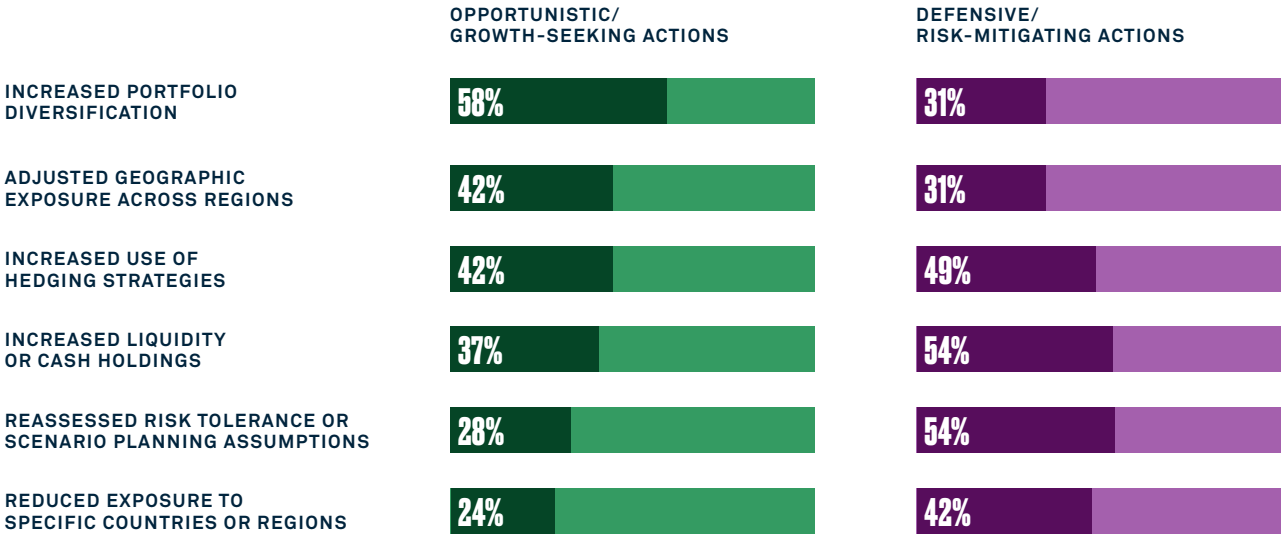


TOP PRIVATE CREDIT CONCERNS OVER THE NEXT 12-18 MONTHS



However, instead of retreating from opportunity, GCC family offices are responding with a more proactive approach to risk management. Many report increasing portfolio diversification, strengthening liquidity, reassessing geographic exposures and expanding scenario planning to prepare for a broader range of potential outcomes. For some portfolio managers, these measures are aimed at capturing opportunities, while for others they serve primarily to mitigate risk.

PORTFOLIO ACTIONS TAKEN IN RESPONSE TO GEOPOLITICAL RISK OVER THE LAST 12 MONTHS



These actions reflect an emphasis on preserving flexibility while maintaining the ability to pursue attractive long-term investments. Together, the findings point to a measured response to uncertainty. As the regional environment grows more complex, family offices are placing greater emphasis on disciplined decision-making and long-term planning while building resilient portfolios that can withstand periods of disruption without losing sight of long-term objectives.



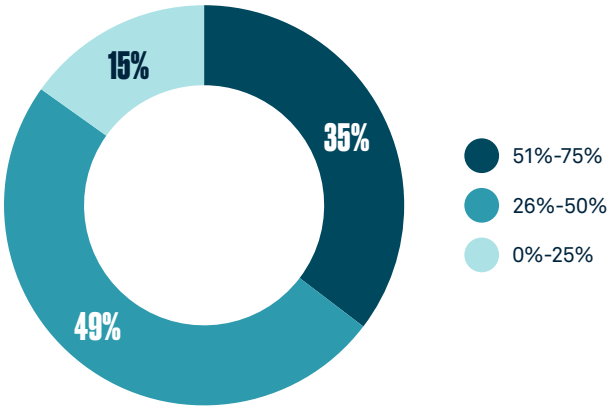
02

PRIVATE MARKETS, STRATEGIC GROWTH

Consistent with results from our 2025 study, private markets remain a cornerstone of portfolio construction for GCC family offices.

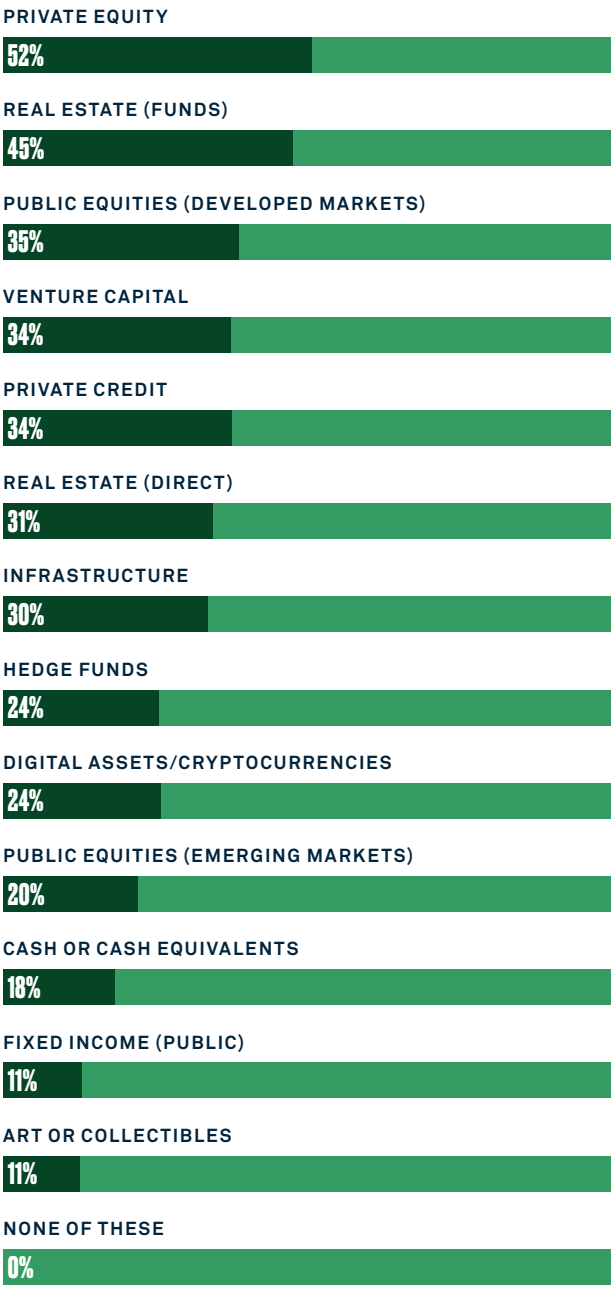
Our respondents revealed meaningful allocations to alternative investments, with private equity standing out as the asset class most likely to attract additional capital over the next 18 months. The findings reinforce the role of private markets in supporting long-term growth, diversification and access to investment opportunities that may be less correlated with public markets.

84% OF FAMILY OFFICES ALLOCATE MORE THAN 25% OF THEIR TOTAL ASSETS TO ALTERNATIVE INVESTMENTS

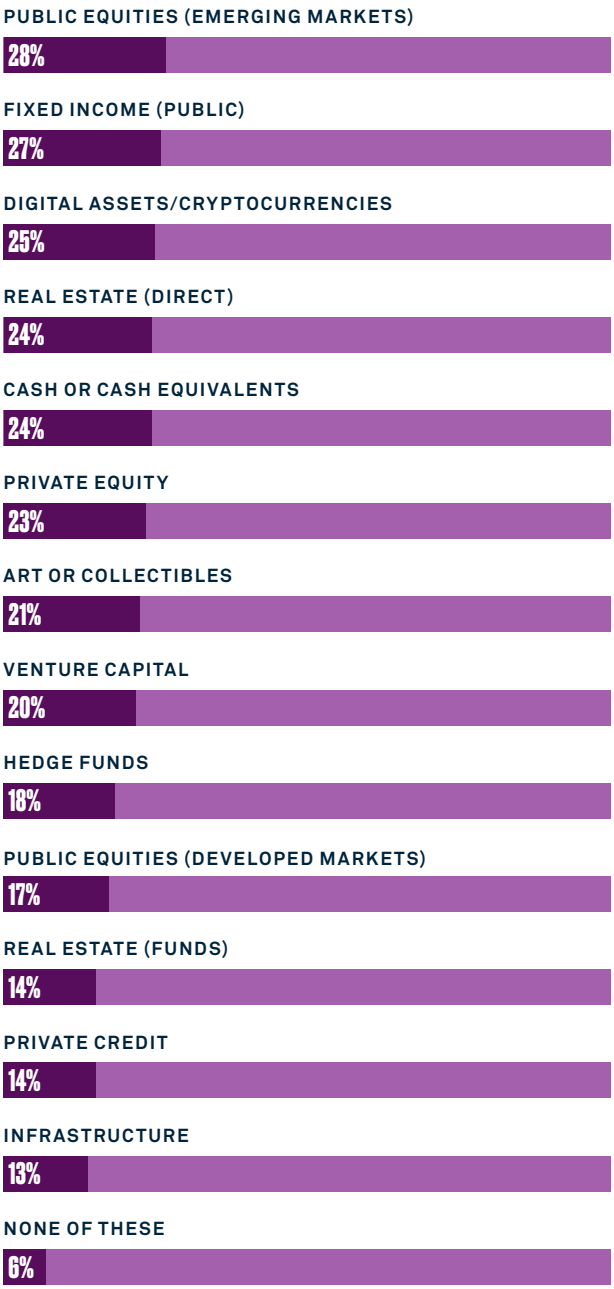


SFOs are most likely to increase exposure to private equity and most likely to reduce exposure to public equities (emerging markets).

FAMILY OFFICES PLANNING TO INCREASE EXPOSURE TO:

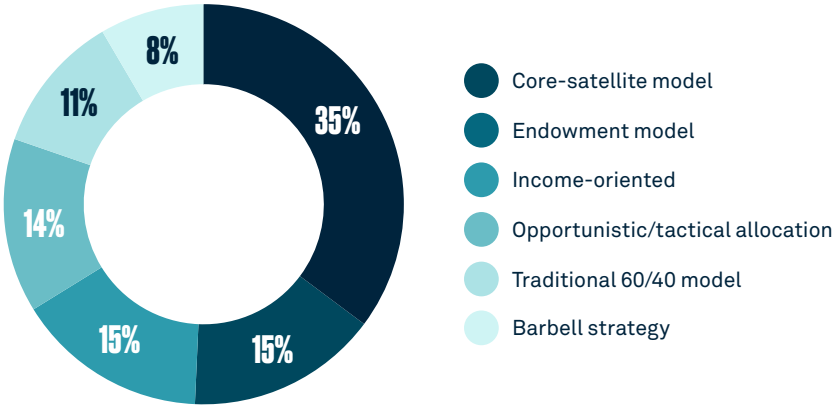


FAMILY OFFICES PLANNING TO REDUCE EXPOSURE TO:



This year's study also reflects a disciplined approach to portfolio construction. The core-satellite framework remains the most widely adopted investment strategy, enabling family offices to maintain broad exposure while pursuing differentiated sources of return across both public and private markets.

CORE-SATELLITE IS THE MOST COMMON PORTFOLIO STRATEGY



A Core-Satellite Framework for Portfolio Construction

The core-satellite approach structures portfolios around two complementary components. The core consists of diversified, long-term holdings that provide stability, broad market exposure and the foundation for the overall investment strategy. The satellite portion comprises smaller, more targeted allocations designed to capture specific opportunities, express higher-conviction views or enhance diversification. Together, these frameworks help investors stay anchored to long-term objectives while preserving the flexibility to respond selectively to evolving market conditions.

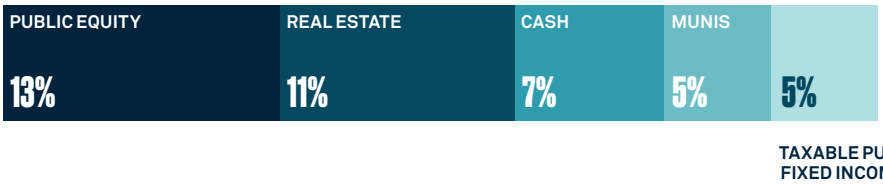
At the same time, allocation decisions reflect today's investment environment. GCC family offices expect to increase exposure not only to private equity, but also to real estate (funds), public equities (developed markets), venture capital and private credit.

GCC family offices are refining, rather than redefining, their investment strategies. While market conditions continue to evolve, family offices in the region remain committed to strategies that balance resilience with long-term growth.

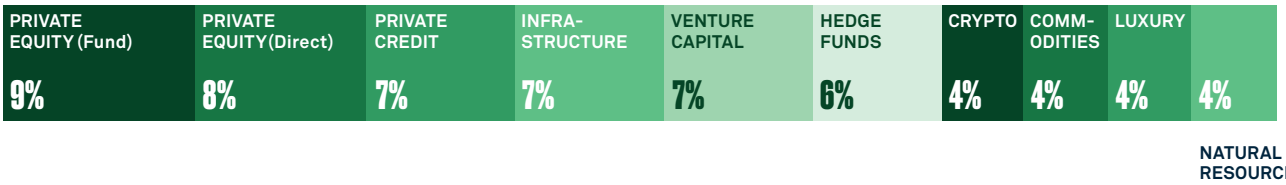
Alternatives now represent the largest share of global family office portfolios.

Private markets and real estate investments account for 60% of global family office portfolios, surpassing traditional assets at 41% for the first time.[1]

TRADITIONAL ASSETS: 41%



ALTERNATIVE ASSETS: 60%



[1] According to a 2026 BNY Wealth study of 290 single family office investment decision-makers with greater than $250M in assets under management. The study, 2026 Investment Insights for Single Family Offices, included respondents from the Americas (62%), EMEA (26%) and APAC (11%).

Combined percentages may not total 100% due to rounding.



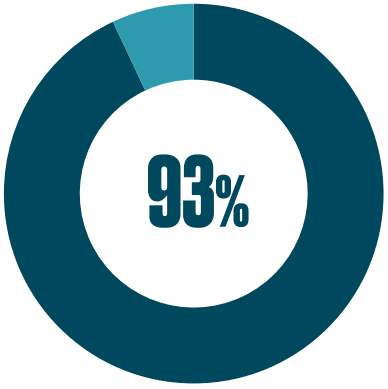
03 ALIGNING CAPITAL WITH VALUES

Values-based investing remains a defining feature of how GCC family offices allocate capital.

Rather than treating purpose and performance as competing priorities, GCC family offices favor investment approaches that integrate both, reflecting the region's emphasis on long-term stewardship alongside financial returns.

Shariah compliance is a focus area across the GCC. Ninety-three percent of the family offices surveyed said it is either very or moderately important to their investment strategy, reinforcing the importance of these principles in portfolio construction together with commercial objectives. The consistency of this finding with last year's results suggests that these frameworks are firmly embedded in investment decision-making.

SHARIAH COMPLIANCE PLAYS A CENTRAL ROLE IN INVESTMENT STRATEGY



say Shariah compliance is very or moderately important

Shariah Compliance Requires Definition, Governance and Oversight

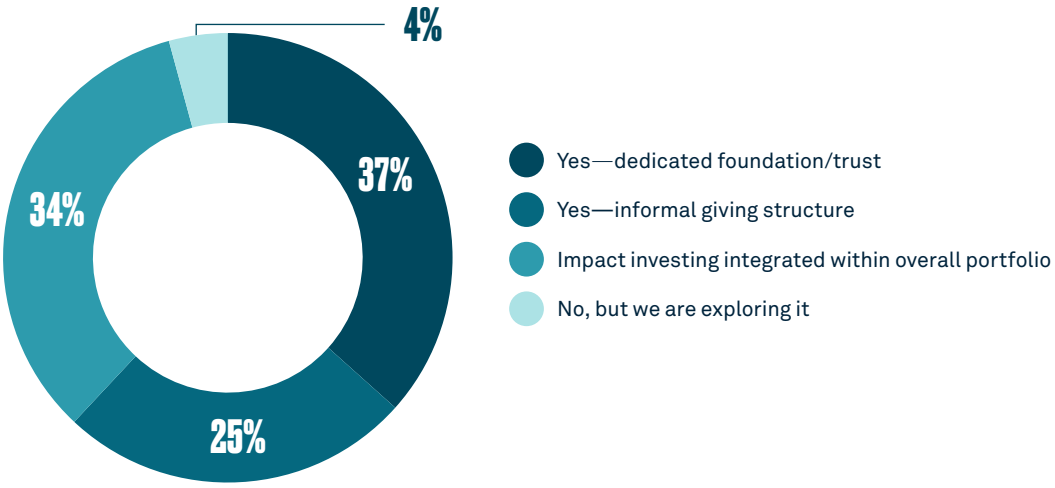
Shariah compliance in family office investing is rarely a uniform concept. Approaches can vary based on family preferences, governance model, asset classes and the interpretation of relevant Shariah principles.

In practice, this can include:

- Fully Shariah-compliant portfolios
- Conventional portfolios with Shariah-screened sleeves or mandates
- Selective exclusions (for example, leverage, alcohol or gambling)
- Structuring informed by Shariah principles in areas such as succession, trusts, philanthropy and private investments

For professionals and operating partners, a key consideration is often not just whether an investment is "compliant," but who defines the standard, how it is governed and how consistently it is monitored over time.

96% OF FAMILY OFFICES HAVE PHILANTHROPIC FRAMEWORKS IN PLACE



Taken together, these findings demonstrate that values are deeply embedded in wealth stewardship across the GCC. Investment decisions are evaluated not only for their financial outcomes, but also for how they reflect family priorities, cultural priorities and long-term legacy.

04 TECHNOLOGY AT THE CENTER

Technology has become an essential component of the modern family office.

As portfolios extend across asset classes, jurisdictions and investment structures, respondents are investing in digital capabilities that strengthen reporting, improve operational efficiency and support more informed decision-making.

Nearly nine in 10 family offices expect technology investment to increase over the next 12-18 months, underscoring the growing importance of digital infrastructure in day-to-day operations. At the same time, systems integration has emerged as the leading operational challenge, overtaking cybersecurity as the top concern identified in the inaugural report.

FAMILY OFFICES CONSIDERING IMPLEMENTING NEW TECHNOLOGY IN THE NEXT 12-18 MONTHS



"We plan to implement Addepar to consolidate cross-border multi-asset investment data, enhance accounting efficiency and meet UAE regulatory reporting requirements."

"We are still evaluating options, but so far we haven't found anything that is sufficiently suitable for our specific operational complexity."

"We plan to implement a cloud-based family office management platform to centralize portfolio tracking, document management and intergenerational wealth transfer workflows."

"Our setup is relatively simple by design, and adding more systems creates integration issues that we would like to avoid."

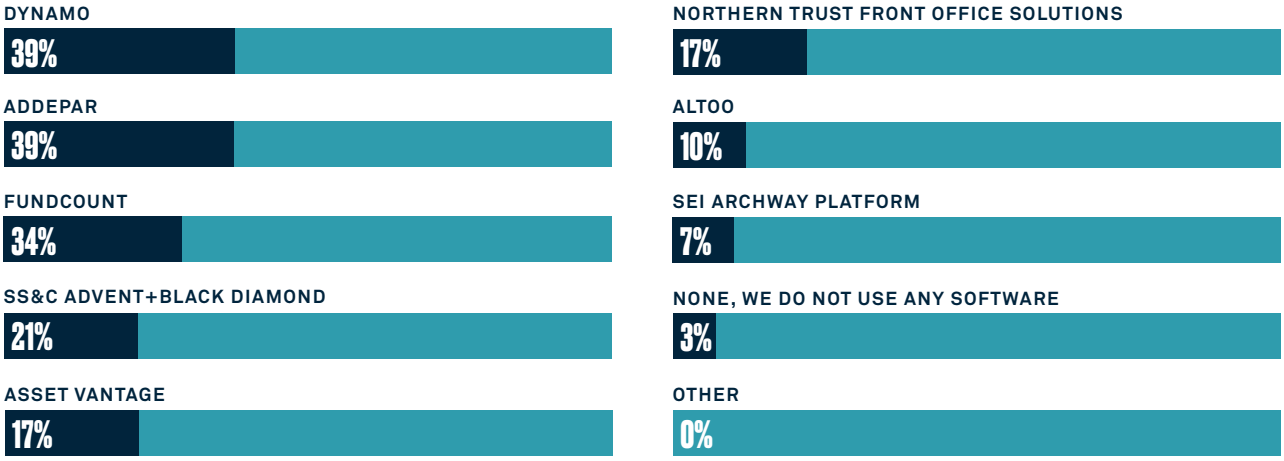
These insights suggest that many family offices have moved beyond implementing stand-alone technology solutions and are now focused on integrating systems, improving data quality and creating more seamless operating environments.

Respondents also report broad adoption of specialized family office software, with platforms such as Addepar, Dynamo and FundCount among the most widely used. By contrast, SEI Archway has declined significantly since last year's study. Together, these technologies support a range of functions, including portfolio reporting, accounting, performance measurement and investment oversight, providing greater visibility across increasingly diverse holdings.



of family offices use at least two platforms

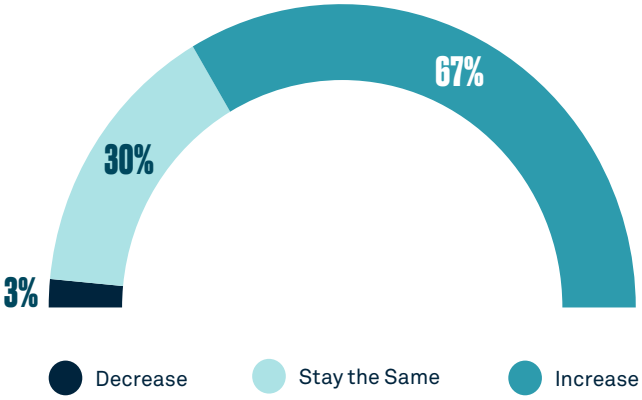
INVESTMENT ACCOUNTING OR PERFORMANCE REPORTING SOFTWARE USED



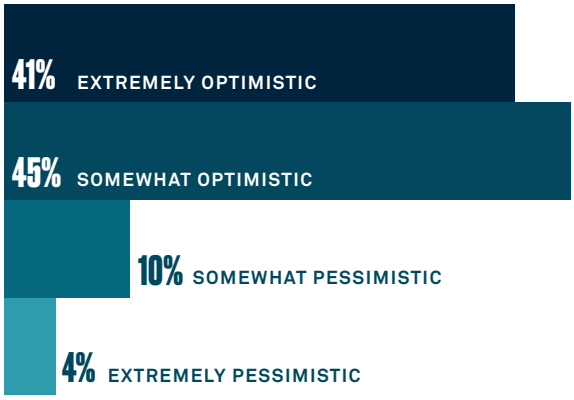
Artificial Intelligence Trends Among Ultra-High-Net-Worth Investors

Around the globe, ultra-high-net-worth investors continue to lean into artificial intelligence (AI) as an investment theme. 67% expect to increase AI allocations next year, reflecting strong optimism about AI's five-year investment outlook.[1]

ANTICIPATED CHANGE IN AI ALLOCATION AMOUNT NEXT YEAR



OPTIMISM ABOUT AI AS AN INVESTMENT THEME IN NEXT 5 YEARS



[1]According to a 2026 BNY Wealth study of 251 UHNW individuals with greater than $10M in assets under management. The study, *The Intelligent Investor – Insights on AI-Forward Investing*, included respondents from the U.S. (80%) and non-U.S. (20%).

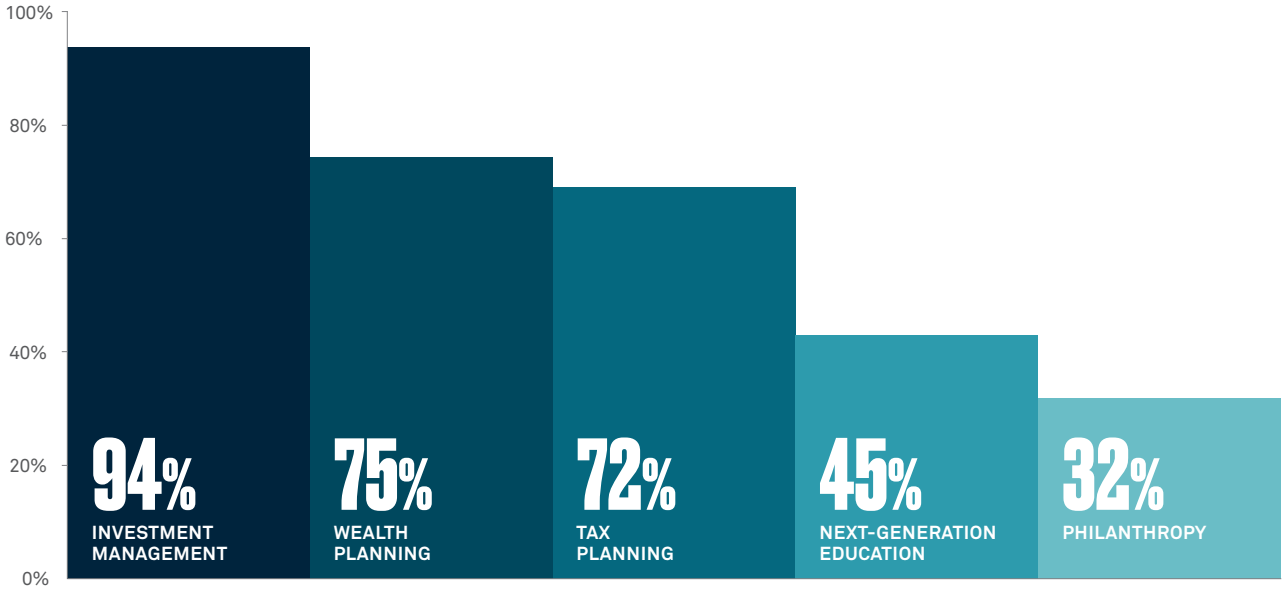
05 BUILDING THE RIGHT OPERATING MODEL

As GCC family offices grow in scale and sophistication, they are refining how their organizations support both investment management and the broader needs of family members.

Operating model decisions are shaped by a careful assessment of where internal expertise creates the most value and where external providers can enhance efficiency.

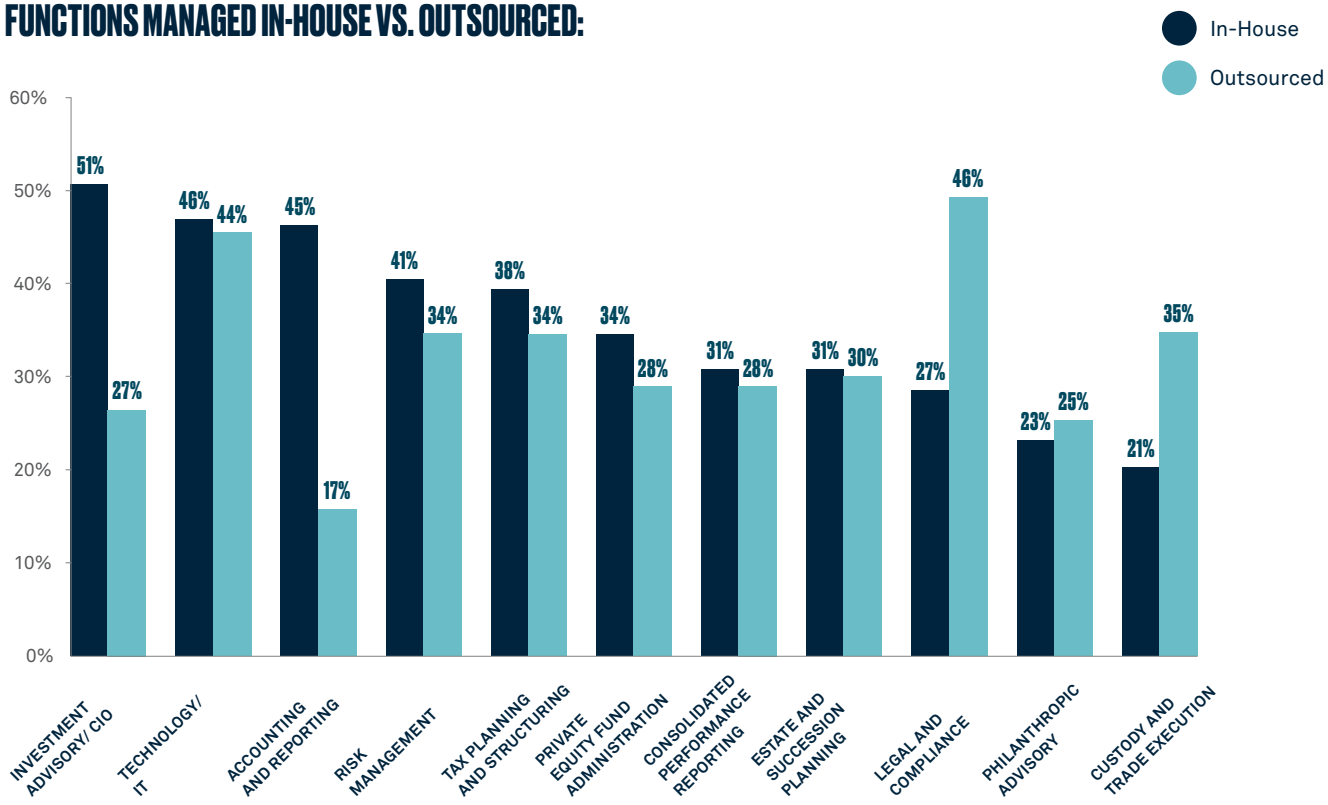
Investment management remains the foundation of the family office, but respondents report offering a broad range of complementary services, including wealth planning, tax planning, next-generation education and philanthropy. This expanded scope reflects the family office's role not only as an investment organization, but also as a steward of multigenerational wealth.

TYPES OF SERVICES PROVIDED TO FAMILY MEMBERS

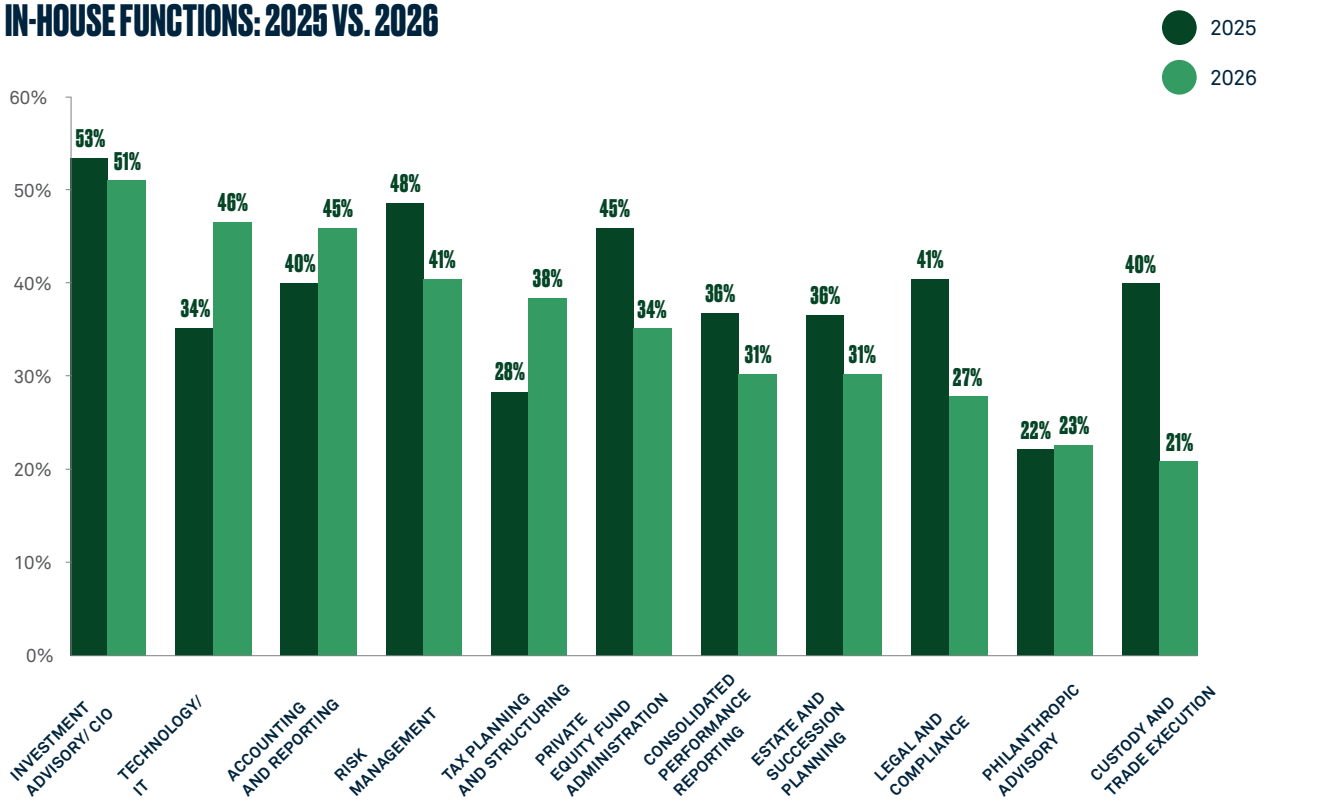


The study also reveals a thoughtful approach to managing core functions. Investment advisory, accounting and reporting are more likely to be handled internally, providing greater oversight of assets and decision-making. Meanwhile, custody, trade execution and certain legal and compliance responsibilities remain more commonly outsourced, enabling family offices to access specialized expertise while maintaining strategic control.

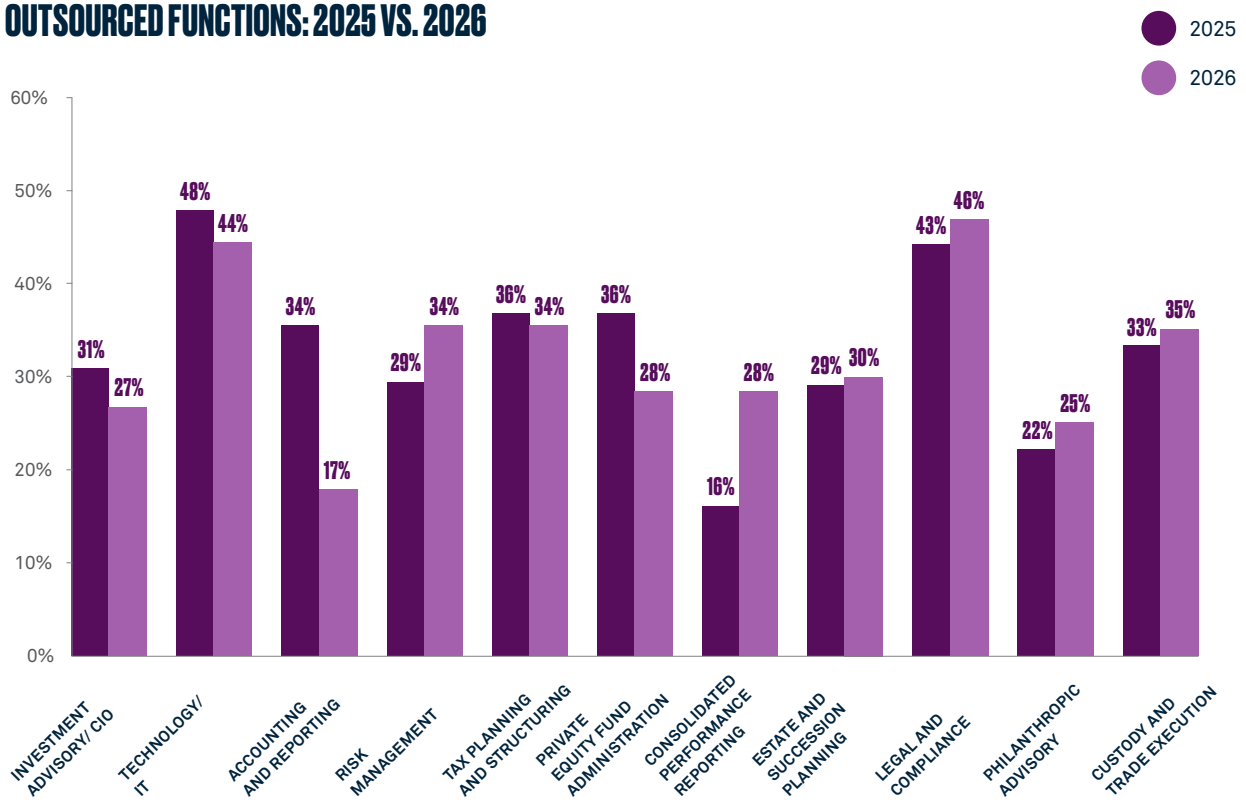
FUNCTIONS MANAGED IN-HOUSE VS. OUTSOURCED:



IN-HOUSE FUNCTIONS: 2025 VS. 2026



OUTSOURCED FUNCTIONS: 2025 VS. 2026



Rather than adopting a single operating model, decision-makers are building organizations that reflect the unique needs of their families, investment strategies and long-term objectives. Operational strength is defined not by how much is managed internally, but by how effectively families align resources, capabilities and external partnerships to support effective wealth stewardship.

The Value of Centralized Oversight

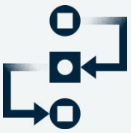
As portfolios grow more complex, maintaining clear oversight across structures, managers and jurisdictions becomes more challenging. A master global custodian can help simplify that complexity by providing centralized coordination and control. Such providers oversee complex structures, work across multiple managers globally and may help mitigate risks—including bookkeeping errors and fraud—that could undermine a family office's ability to protect family wealth.

Advantages of Master Global Custody



SECURITY

· Holds client assets in separate, segregated accounts in the client's name.
· Maintains separation of client assets from the custodian's own assets.
· Monitors corporate actions.



EFFICIENCY

· Provides efficient short-term cash management.
· Offers performance measurement and evaluation across the portfolio.
· Leverages assets for lower lending rates.



ECONOMIES OF SCALE

· Processes all manager trades and coordinates reconciliations.
· Collects all income and dividend payments.
· Completes all corporate action transactions.



STREAMLINED ADMINISTRATION

· Eliminates the need to reconcile with individual managers.
· Consolidates assets and provides one contact for all information.
· Produces consolidated reports.
· Provides year-end tax information.
· Becomes the book of record for family office reporting.

Structuring an Investment Portfolio Within Master Global Custody

Another advantage of a master global custodian is that it may allow family offices to maintain relationships with their investment managers while relying on the custodian to provide the supporting structure. The family office sets up accounts with the custodian and appoints each manager to transact directly within their respective accounts.

Through this arrangement, family offices can appoint or replace managers without disrupting the overall structure or reporting. Managers execute trades, either directly or through third-party brokers, and instruct the custodian to settle transactions, typically via automatic SWIFT messages tied to the accounts.

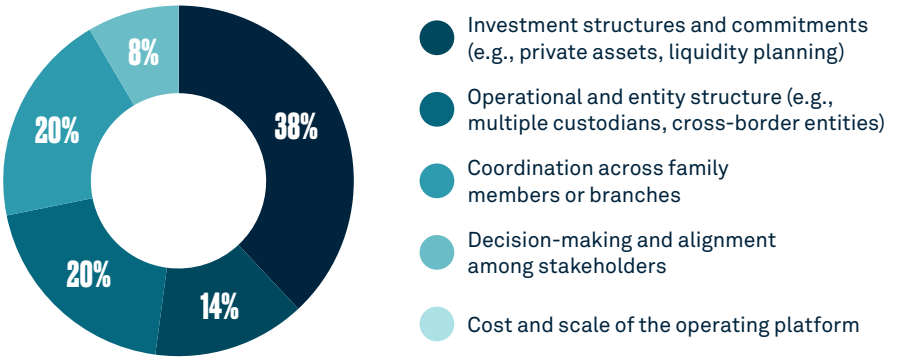
The custodian safekeeps the assets and provides the family office with more consistent reporting for each manager and the overall portfolio. This allows the family office to analyze manager performance and monitor exposure to securities, countries and industries—both at the manager level and across the total portfolio.

06 STEWARDSHIP ACROSS GENERATIONS

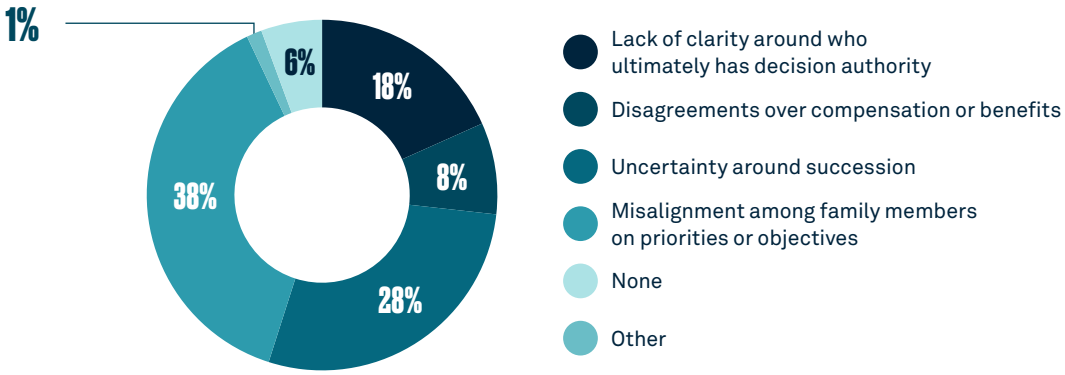
While market risks remain an important consideration, respondents identified several of their most significant long-term challenges within their own organizations.

Investment commitments and alignment across family members and generations rank among the leading concerns for family office professionals. Ultimately, long-term stewardship depends not only on managing wealth, but on preparing the families to navigate complexity across generations.

MOST COMPLEX AREAS FOR FAMILY OFFICES TO MANAGE

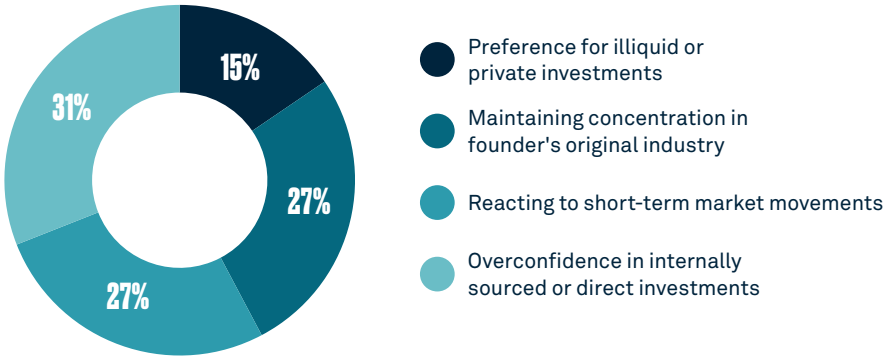


INTERNAL ISSUES POSING GREATEST RISK TO FAMILY OFFICE'S LONG-TERM EFFECTIVENESS



Respondents also recognize the influence of behavioral biases on investment outcomes. Overconfidence in internally sourced/direct investments is the most frequently cited behavioral risk, followed by concentration in the founder's original industry and reactions to short-term market movements.

BEHAVIORAL BIAS PRESENTING GREATEST RISK TO LONG-TERM OUTCOMES



Taken together, the findings suggest that long-term success depends as much on effective leadership and organizational discipline as it does on investment expertise. As GCC family offices prepare for the future, strengthening communication, succession planning and decision-making processes will be as important as refining investment strategy.

The Family Bank: Structured Capital for the Next Generation

Family banks are a powerful solution for wealthy families looking to prepare next-generation leaders. They allow families to support younger members' entrepreneurial ventures and investment journeys, while maintaining disciplined decision-making.

In a family bank, rather than receiving unrestricted access to funds, the younger generation pitches its business ideas to a board, often consisting of family members and advisors. The board serves as a conduit between the innovative perspectives of the younger cohort and the practical realities of operating a business.

This structure encourages next generation leaders to develop sound business and investment ideas, instills a sense of the family's values around wealth and helps minimize disputes concerning less disciplined gifting.

CONCLUSION

The survey findings reveal GCC family offices are not standing still. Despite a more complex global environment, they are demonstrating agility across nearly every dimension of decision-making, from asset allocation and governance to long-term planning.

Family offices are moving with clear intent. Decision-makers are strengthening portfolio construction, operating capabilities and governance, embracing the expanding role of private markets, and advancing disciplined approaches to risk management and multigenerational planning in ways that align with family values and priorities.

These insights reflect a cohort of family office professionals who recognize that long-term success depends not only on investment performance, but also on the strength of the structures and capabilities required to preserve and position wealth across generations.

BNY WEALTH

We have been helping clients grow wealth and secure it for generations for over 240 years. Building on those achievements, across a span of five decades, our Global Family Office practice has become one of the largest in the world and now serves over 300 family office clients. By being a collaborative partner in the truest sense of the word, we build enduring relationships that last.

To learn more, let's start a conversation.

bny.com/globalfamilyoffice

APPENDIX

Methodology & Respondent Profile

The Harris Poll, on behalf of and in collaboration with BNY Wealth, conducted an online survey among 71 qualified respondents between May 5, 2026 and June 5, 2026 among single family office decision-makers and decision-influencers in Saudi Arabia, the UAE and Kuwait with at least $250M AUM.

Respondents for this survey were selected from among those who have agreed to participate in Harris surveys. For this study, the sample data is accurate to within ±11.38 percentage points at a 95% confidence level. As with any research, findings for smaller audiences are subject to greater variability and should be interpreted accordingly.

	NUMBER OF RESPONDENTS	PERCENT OF RESPONDENTS
TOTAL	71	100%
Job Title		
CEO	15	21%
CIO	12	17%
CFO	12	17%
Vice President	12	17%
Executive Director	7	10%
Director of Investments	5	7%
COO	4	6%
Principal	2	3%
Finance Director	2	3%
Country		
Saudi Arabia		59%
UAE		31%
Kuwait		10%
AUM Distribution		
U.S. $250M – $499M		24%
U.S. $500M - $999M		34%
U.S. $1B - $4.9B		35%
U.S. $5B+		7%

Survey results are based on responses from a defined sample of participants and reflect respondent views at the time of the survey. They may not be representative of all family offices or investors and should not be relied upon as predictions of future market behavior or outcomes.

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