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## Investigating the Performance of the Private Equity Sector in the GCC

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### Abstract

Private equity (PE) has emerged as a promising asset class in the Gulf Cooperation Council (GCC) region, which has undergone informal structuring and formalization since the early 2000s. However, there is a shortage of publicly available data on private equity performance in the GCC region, thereby creating a knowledge gap in academia. This study aims to investigate the performance of private equity general partners domiciled in the GCC over a decade-long period from 2012 to 2022. The process of data collection involves the proprietary acquisition of 300 portfolio companies in the private equity sector, directly from general partners in the Gulf Cooperation Council (GCC). This was necessitated by the lack of mandatory reporting obligations for private equity investments. The multiple regression analysis will be conducted to investigate the correlation between the Internal Rate of Return (IRR) as the dependent variable and various independent variables, including investment ticket size, investment sector, investment location, investment holding period, Shariah-compliant and conventional investments, and legal type of investments. This research presents an analysis of the performance of private equity General Partners (GPs) as measured by the Internal Rate of Return (IRR). The paper aims at investigating the impact of the holding period of the investment on the performance and returns. Furthermore, this study will compare the private equity portfolio performance to S&P index.

**Keywords:** Gulf Corporation Council (GCC), Private Equity, Internal Rate of Return (IRR), General Partner (GP), Limited Partners (LPs), Investment Portfolio (IP).