

KKR

# Thoughts From the Road

MIDDLE EAST | October 2025

I recently spent time in Saudi Arabia, Kuwait, and the UAE — my second trip to the region in 2025 — with local KKR colleagues, CEOs, CIOs, business executives, and investors. KKR has been on the ground in the region for over sixteen years, but the firm’s momentum certainly accelerated after the landmark 2019 ADNOC Oil Pipelines deal, which created a template for investment in the Middle East. That momentum has increased further still since the appointments of General David Petraeus (U.S. Army, Retired) as Chair of KKR Middle East and Julian Barratt-Due as head of our dedicated regional investment team, and with two transactions announced this year.



**Henry H. McVey**  
Head of Global Macro  
& Asset Allocation, CIO  
of KKR’s Balance Sheet  
[henry.mcvey@kk.com](mailto:henry.mcvey@kk.com)

**Aidan Corcoran**  
Co-Head of KKR Global  
Macro & Asset Allocation  
[aidan.corcoran@kk.com](mailto:aidan.corcoran@kk.com)

Special Thanks:  
Julian Barratt-Due, General  
David Petraeus (U.S. Army,  
Retired), Ken Mehlman,  
Neil Brown

Ahead of my trip, Aidan Corcoran and other colleagues on the global macro team, in conjunction with our EMEA deal teams, conducted substantial preparatory work by revisiting the opportunity set in the region, focusing this trip on the countries sharing a political and economic union as part of the Gulf Cooperation Council (GCC). As detailed below, five key areas stood out:

# 1

## There is a clear, shared push to diversify the region's economies.

Pro-growth policy frameworks — driven by focused and effective leadership — are helping to make that a reality, including a thoughtful approach to financial services. All told, the GCC markets now rank among the top five regions globally for IPO activity, with markets like the UAE showing meaningful gains in capitalization relative to GDP, signaling improving liquidity and broader investing options. We expect this dynamic to strengthen further as foreign ownership increases and corporate governance continues to improve. At the same time, GCC governments are doubling down on hospitality, real estate, healthcare, and digitalization. Importantly, these changes are occurring against a backdrop where current oil prices largely stay the same, underscoring our view that sound policy implementation — not higher commodity prices — holds the key to success, including attracting more foreign capital into the region.

Overall, though, the region appears to be at an inflection point, where it is shifting its role in the global economy from a fundraising hub to a destination for capital, growth, and returns.

# 2

## The labor force in the region is changing – and for the better, but more can be done. Already, more women are joining the workforce, which is a tailwind.

Consider that Saudi Arabia has driven a remarkable rise in women entering the workforce — from 18% in 2010 to 36% now, and likely to reach 40% ahead of 2030; **however, there is also a need for more local worker training (and retraining)**. That said, during this transition period locals do have more access to high quality healthcare, Internet, and impressive public transportation than we see in other growth markets. Overall, we think more policies that encourage broad-based growth in financial services, technology, healthcare, and leisure/travel, for example, should also accelerate some of the positive momentum we believe can be unleashed in the region's services economy.

# 3

## The infrastructure opportunity is especially noteworthy, driven by sizable investment plans that will be needed to hit national strategic and economic goals across the region.

We see upside across diversified PPPs, the energy transition, the digital economy, and broader corporate infrastructure, each strong areas for foreign capital deployment. In particular, low energy costs and ample land make this region appealing for the digital transformation we are seeing across key industries, including the reshaping of financial services as parts of the sector decentralize. Artificial intelligence is also a centerpiece of government leadership, a backing that we believe has already begun to pay handsome dividends.

## 4

## However, more work is needed to attract foreign capital into the liquid capital markets.

We believe more focus on improving external shareholder returns as well as offering securities and indices that are reflective of the region's improving GDP-per-capita could significantly boost capital flows into the GCC states (*Exhibit 1*). Ultimately, we think these types of initiatives will be required to move investor mentality from valuing equities off dividend yields to price-to-earnings ratios.

## 5

## On the private side, however, we believe the story is compelling for those who are willing to create a domestic presence as well as leverage their global footprint.

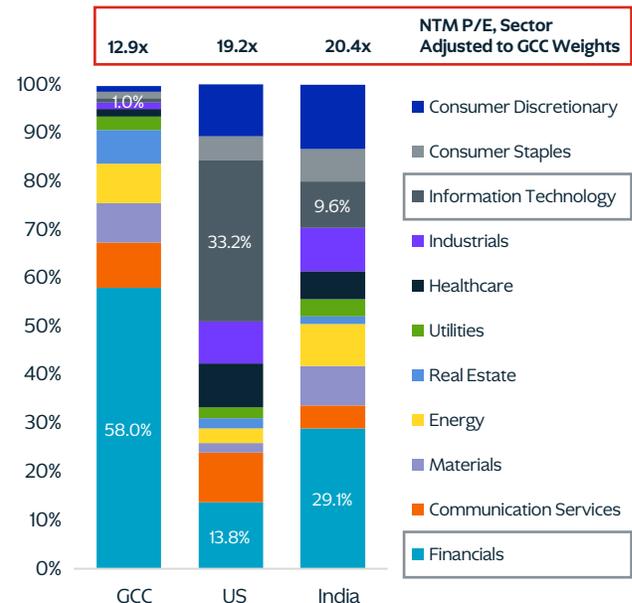
Local national champions want foreign capital and their operational expertise to expand abroad, but — more importantly — they also want more foreign capital to help 'right-size' and improve existing local businesses as well as to increase investment behind rising GDP-per-capita stories. As such, we continue to believe the opportunity for global players with a local presence, particularly in Asset-Based Finance, Structured Credit Solutions, and Preferred Equity, is quite compelling. The reality is that the region has many attractive 'hard assets' with contracted revenue streams where traditional securitization technology can both unlock value for owners and expand the potential market for allocators of capital beyond what currently exists in the region, we believe.

**Importantly, our latest trip only confirms our central thesis laid out earlier in March 2025 (see [Thoughts From the Road: Europe and the Middle East](#)) that the GCC**

**region has transformed itself from 'just' a fundraising hub for global investors to one of domestic opportunity for global investors, especially on the infrastructure side.** The region boasts strong structural GDP growth, liberalizing capital markets, and economic diversification. A pro-business philosophy, competitive taxes, low government leverage, and compelling demographics all serve as positive macro tailwinds for investors as well as companies targeting new markets for growth. Overall, our base view is that this region is potentially on track to challenge existing financial hubs, especially on the human talent front, such as Hong Kong, London, Dublin, and Singapore.

**Exhibit 1:** We Think Broadening of GCC Capital Markets Sectoral Composition May Be Warranted

### Sector Weights %: GCC vs. U.S. vs. India



Data as at September 30, 2025. Source: MSCI, Bloomberg, KKR Global Macro & Asset Allocation analysis.

The region boasts strong structural GDP growth, liberalizing capital markets, and economic diversification.

**Exhibit 2:** We Expect WTI Oil Prices to Average Roughly \$60 Per Barrel in the Second Half of 2025 and 2026, But We See More Upside Longer-Term

GMAA Base Case vs. Futures			
	KKR GMAA	Latest WTI Futures	KKR GMAA vs. Futures
2021a	68	68	n/a
2022a	95	95	n/a
2023a	78	78	n/a
2024a	76	76	n/a
2H25e	60	63	-3
2026e	60	61	-1
2027e	65	61	4
2028e	70	62	8

Data as at October 3, 2025. Source: Bloomberg, KKR Global Macro & Asset Allocation analysis.

Looking at the big picture, there are a few asset allocation insights from the trip worth highlighting to global investors. The first is on politics. Almost everyone in the region sees President Trump as a strong leader with a pro-business mentality, and they remain excited to engage with both the U.S. public and private sectors. Second, Middle East investors appear more focused on having exposure to digital assets and to Asia, China in particular, in their portfolios than I see with either the U.S. or European allocators. Third, every conversation during our visit included some discussion on the pros and cons of AI investment, given some of the euphoric valuations that we are now seeing. My take is that, while investors in this region will be more discerning and selective, the path of least resistance is to add more exposure to this area in the coming months. Fourth, unlike most of the past 15 years, a weaker U.S. currency is now starting to impact the region's relative purchasing power (given the linkage to the USD). Finally, this trip again confirmed my belief that scale is a prerequisite for success in many parts of the Alternatives arena. To be sure, scale may be the enemy in Venture Capital, but scale is actually required today to be successful in large and growing markets such as Credit and Infrastructure. Insurance capital helps too as does origination prowess.

## Details

In this section we detail three key megatrends that we think are important for better understanding investing in the region as a 'global/local player'.

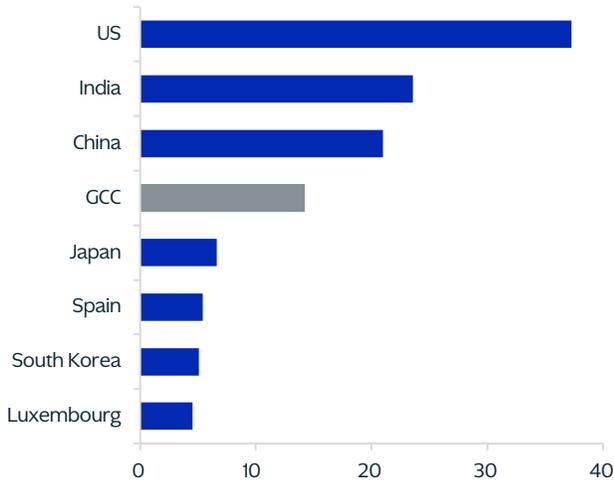
### #1: Growing Capital Markets

Fueled by a fast-growing \$2.2 trillion regional economy that supports low taxes and user-friendly regulation, GCC capital markets are undergoing a powerful transformation. Indeed, even as global IPO activity contracted for the third consecutive year in 2024, the region defied the trend, hosting more than 50 listings that raised around \$14 billion, placing it among the world's top four markets. That strength continues into 2025, with Middle East M&A deal counts up 19% year-over-year in the first half of 2025, even as global M&A slipped 9%. At KKR, we are seeing particular strength in mid-market deals targeting AI, digital infrastructure, green energy, advanced healthcare, and industrial transformation. Governments across the region have harnessed privatization programs to build momentum, using state-affiliate offerings to bolster investor confidence and bring more private firms to the market.

The UAE's trajectory has been especially striking, having successfully repositioned itself as a regional financial hub. Dubai and Abu Dhabi have both built deepening capital markets, expanded their roles in asset management, and introduced regulatory frameworks that are attracting global institutions. Initiatives like the IPO Accelerator, reduced trading commissions, and a landmark Abu Dhabi Securities Exchange-NYSE agreement to explore dual listings, underscore the progress. This push has already delivered visible results. In 2024, Dubai hosted the \$2 billion Talabat IPO (Talabat is an online food and delivery company), the largest tech flotation globally that year. Market capitalization has risen in parallel, now standing at roughly \$1 trillion, about 200% of GDP, up from just 50% a decade ago — an extraordinary expansion by any standard. Importantly, the free float market cap is relatively small, about 64% of GDP, highlighting the need to further broaden the capital table of many public companies to attract more foreign investment.

**Exhibit 3:** The GCC Was One of the Most Attractive Regions Internationally for IPOs in 2024, a Trend That Has Legs, We Believe

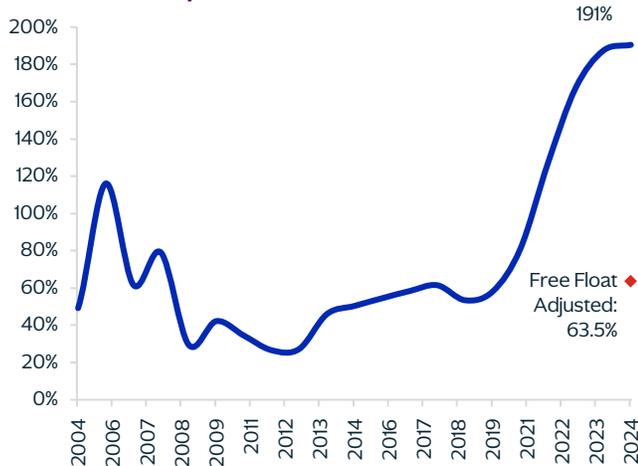
**2024 IPO Fundraising - Top Markets by Volume, US\$ Billions**



Data as at October 1, 2025. Source: Bloomberg.

**Exhibit 4:** The UAE's Trajectory Has Been Striking as It Has Repositioned Itself as a Financial Hub. However, We Think a Focus on More Diversification and More Liquidity Is Likely Required to Attract More Global Capital

**UAE: Market Capitalization as a % of GDP**



Data as at October 1, 2025. Source: Federal Competitiveness and Statistics Centre, Bloomberg, KKR Global Macro & Asset Allocation analysis.

Our view is that, over time, IPOs will become engines of diversification, embedding regional equity markets more deeply in the Gulf's financial architecture and strengthening integration with global capital flows. GCC Equities have lagged developed markets, largely due to softer oil prices, but the reform agenda is a powerful catalyst for renewed performance. The recent Saudi stock rally sparked by signals of looser foreign-ownership rules underlines how sensitive markets are to policy shifts. Valuations remain compelling, having derated over the past few years. At the same time, they have reset to attractive levels and now trade at a clear discount to global benchmarks. For example, Abu Dhabi equities are trading around a 12-month P/E of 11.6x, more than 10 turns below the S&P 500, offering meaningful value for investors seeking growth at a discount.

**Exhibit 5:** GCC Equity Markets Have Lagged Peers so Far This Cycle...

**Equity Market Performance Indexed to Jan-2023, USD**



Data as at October 1, 2025. Source: Bloomberg.

All told, the GCC markets now rank among the top five regions globally for IPO activity.

**Exhibit 6:** ...As Such, There Is Likely an Opportunity for Share Price Appreciation for Those Companies Willing to Adopt Corporate Reforms

### Equity Market Valuations: NTM P/E Ratio



Data as at October 1, 2025. Source: Bloomberg.

Importantly, for a sustained revaluation upward in the region's markets, the GCC needs more companies in its indices that reflect the upbeat consumer sentiment we are seeing on the ground. In many respects, the region's stock markets feel more like those of Brazil, China, or Indonesia than, say, India — India's business mix and return-on-capital dynamics command a significantly higher valuation premium. We think sector composition is clearly an issue. Or consider more mature markets such as the U.S. Indeed, just consider that the S&P 500 has a 33% market cap weight in the technology sector, compared to just 1% in the GCC. While this cannot be changed overnight, the policy steps aimed at broadening the sources of GDP growth should, over time, support a healthier sector mix. Notably, however, even if we adjust for the sector composition by applying GCC sector weights to the U.S. and India, a large valuation gap still persists, highlighting the extent to which global investors may be missing out on an interesting value play.

## #2: Changing Labor Force Dynamics, Including Female Participation and Worker Training

One of the GCC's most compelling structural advantages is its favorable demographic profile, a contrast to many developed economies now contending with aging populations, rising dependency ratios, and shrinking labor forces. The GCC is defined by youth, a growing labor force, and rapid urbanization. The majority of the region's population is of working age, with a large share under 30, providing a powerful long-term growth tailwind. Saudi Arabia exemplifies this strength. It remains one of the few wealthy nations with a fertility rate high enough to sustain its own population. GDP-per-capita is on par with Japan, and Saudi's population is roughly 3.5 times that of Israel — the other economy that has not experienced a decline in fertility as it has moved up the development curve. One can see this in *Exhibit 9*.

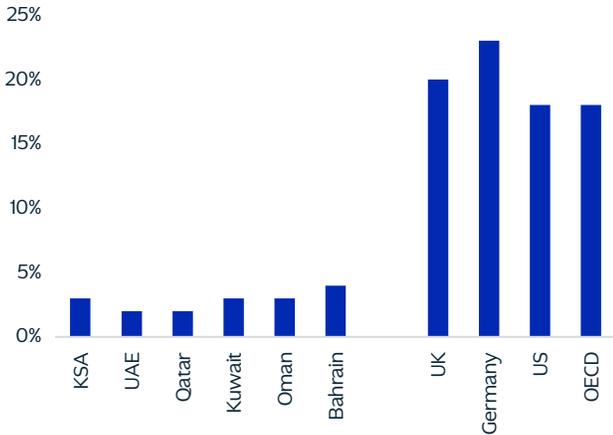
Within this dynamic, women's participation is also emerging as a transformational force. Although it is still low by global standards, participation rates are rising sharply as GCC governments introduce reforms to strengthen women's economic participation. Saudi Arabia, in particular, which made gender equality a key goal under Vision 2030<sup>1</sup>, has seen women's workforce participation climb from 18% in 2010 to 36% today, with momentum strong enough to surpass the 40% target well before 2030.

For a sustained revaluation upward in the region's markets, the GCC needs more companies in its indices that reflect the upbeat consumer sentiment we are seeing on the ground.

<sup>1</sup> Vision 2030 is a government statement of intent or blueprint which aims to achieve the long-term goals of diversifying the economy, empowering citizens, creating a vibrant environment for both local and international investors, and continuing Saudi Arabia's position as a global leader.

**Exhibit 7:** The Middle East Has Only a Low Single Digit Share of the Population Above 65, Whereas Advanced Economies Have a Nearly 20% Share

**Demographics, % of Population Over 65: Gulf States vs. Advanced Economies, 2024**



Data as at October 2, 2025. Source: UN World Population Prospects.

**Exhibit 8:** The GCC Economies Lag Behind the Developed World in Female Participation in the Labor Force, But They Have Strong Momentum

**Female Labor Force Participation Rates, %**



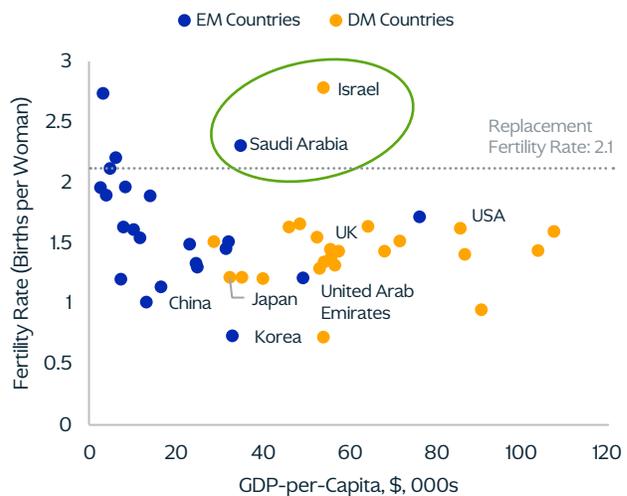
Data as at October 2, 2025. Source: OECD, World Bank.

The expatriate presence adds both dynamism and complexity to GCC labor markets. Roughly 30 million foreign nationals, more than half the region's residents, have driven rapid growth and knowledge transfer; yet heavy expat reliance has left many young nationals

underrepresented in the workforce. This reality is most apparent in Saudi Arabia, where 80% of job creation in the last five years has gone to expatriates on fixed-term contracts (who now comprise about 75% of the working population). As such, 'Saudization' reforms, which mandate minimum local-hire quotas, aim to accelerate the transition and will likely be key to continued social stability in the country. We see parallels between Saudization and Singapore's pro-local-hire policies (minimum local-hire incentives and quotas that vary by sector, aimed at preserving longer term social stability). Like Singapore's use of workforce policies and permit controls to tilt hiring towards locals, Saudi authorities too are deploying a calibrated mix: prioritizing moving the growing youth population into the labor force, while also acknowledging foreign recruitment remains necessary in key sectors. To be sure, reforms will take time to replace expat labor, but investors should think long-term about the opportunities, given the government's focus on lifting economic prosperity.

**Exhibit 9:** Saudi Arabia Is One of the Richest Countries to Still Have a Fertility Rate High Enough to Sustain Its Population

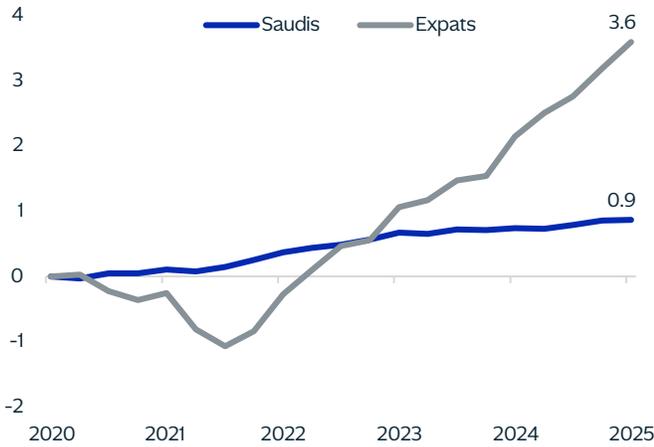
**GDP-per-Capita vs. Fertility Rate, 2024**



Data as at July 31, 2025. Source: KKR Global Macro & Asset Allocation analysis.

**Exhibit 10:** Saudi Arabian Job Creation Has Been Mostly Concentrated in the Expat Community Over the Last Five Years...

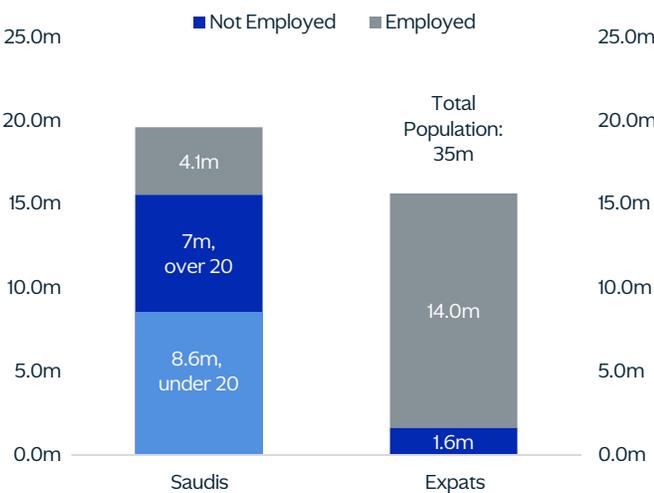
**Saudi Arabia Cumulative Employment Growth Since 2020, Millions**



Data as at March 31, 2025. Source: GASTAT.

**Exhibit 11:** ...As Such, We Believe That ‘Saudization’ Will Remain a Key Government Policy to Gainfully Employ Its 20 Million Mostly Young Local Population

**Saudi Arabia Employment Demographics, 1Q25**



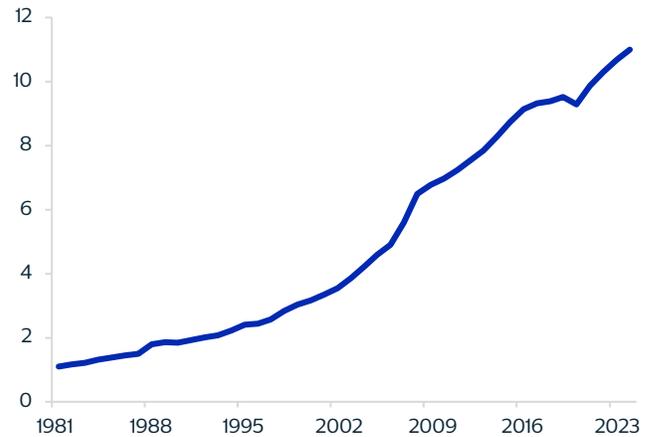
Not employed population includes those in education and others outside of the workforce. Data as at March 31, 2025. Source: GASTAT.

**The UAE, too, has acknowledged this employment reality. Indeed, while Emiratization (‘Tawteen’ or localization) continues to advance, the UAE has also**

**embraced its reliance on foreign labor by turning a transient workforce into a more permanent cornerstone of its economy.** Residency reforms, most notably the expanded-eligibility Golden Visa reform in 2024, are creating a more stable expatriate base and anchoring international talent more firmly in the Emirate. Policies such as these have been key drivers behind the UAE’s population tripling since 1981.

**Exhibit 12:** Over the Past Two Decades, the UAE Has Seen its Population Triple. We Think More Growth Is Likely

**UAE: Population (Millions)**



Data as at April 30, 2025. Source: IMF.

Our bottom line: No doubt, the GCC region is well-positioned simply because GDP growth equals productivity times labor force growth. However, to unlock the upside that we believe is attainable, the productivity of the local workforce must improve. Worker training and retraining will become prerequisites for success in the global economy we are envisioning. We think more focus on services, including financial services, technology, healthcare, and beauty and leisure will be essential. We also think Dubai and Abu Dhabi should cater to the expat community to deliver both a professional and personal experience that surpasses what workers can currently access in Hong Kong and London. The good news is that the trajectory is trending in the right direction, but we would like to see policy coordination in this area strengthened.

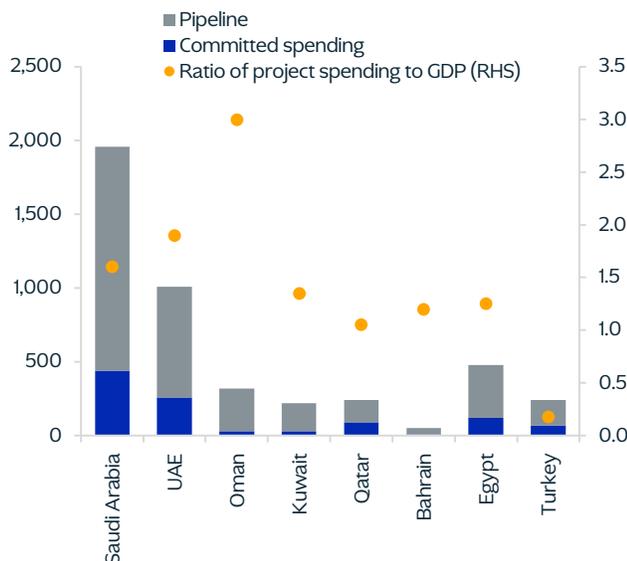
## #3: Infrastructure Growth and FDI

The GCC is emerging as one of the globe's most active destinations for FDI, ranking second worldwide in greenfield projects in 2024, driven by ambitious regional infrastructure projects. Nearly 90% of announced global greenfield activity was concentrated in Saudi Arabia and the UAE, reflecting both the scale of their economies and the credibility of their reform agendas. Interestingly, UAE FDI reached \$45.6 billion in 2024, up 45% year-over-year and equal to about 8.5% of GDP—already surpassing a core National Investment Strategy 2031 target.

Today, though, what excites us most at KKR is that policy momentum is broadening the horizon for foreign participation across the GCC. Already, measures such as Saudi Arabia's 2025 Investment Law are steadily dismantling restrictions on foreign ownership and reducing longstanding preferences for domestic investors, while industrial and special economic zones are being expanded to attract activity across a range of sectors.

**Exhibit 13:** Middle Eastern Economies Have Substantial Capital Expenditure Plans That Will Need a Combination of Public and Private Capital to Bring Them to Fruition

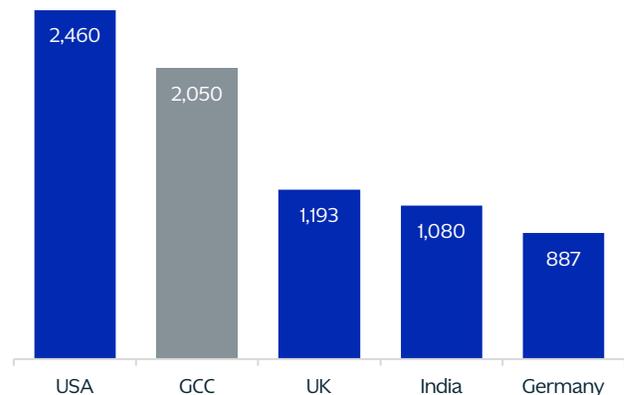
### Project Spending, US\$ Billions



Data as at June 30, 2025. Source: MEED Projects, Emirates NBD Research.

**Exhibit 14:** Greenfield FDI in the GCC Surged in 2024, Placing the Region Second Worldwide by Project Count. We See More Opportunity Ahead

### Number of Greenfield FDI Projects Announced, 2024



Data as at September 1, 2025. Source: UNCTAD.

Importantly, large-scale infrastructure projects in both traditional and renewable energy and transport are increasingly structured through PPP models that broaden opportunities for foreign participation. The scale of intended expenditure is impressive, with Saudi Arabia and the UAE together forecasting about \$3 trillion in project spending — over 1.5x GDP — with roughly \$700 billion already committed. Even if momentum slows, a substantial pipeline of private capital deployment in the region remains likely, we believe.

Local national champions want foreign capital and their operational expertise to expand abroad, but — more importantly — they also want more foreign capital to help ‘right-size’ and improve existing local businesses, as well as to increase investment behind rising GDP-per-capita stories.

We think these kinds of projects are central to diversifying the region's sources of GDP growth. In Saudi Arabia, the direct oil and gas share of GDP has fallen from about 40% in 2010, to nearly 28% today, highlighting significant progress. Yet oil and gas still account for the lion's share of government revenues. With sizeable income transfers and capex outlays to the domestic population, look-through exposure is roughly 50% today. As such, we think this marks a pivotal point in the development of the Kingdom's economy as the flywheel of domestic industry and consumption starts to outpace that of the oil and gas sector.

Saudi Arabia currently has \$440 billion of already-committed projects (awarded or under execution), with a further \$1.55 trillion in potential projects in the pipeline. This spending level is almost 1.6x annual nominal GDP, the largest absolute project value in the GCC, though it is actually broadly in line with other large regional economies relative to GDP. (Exhibit 13).

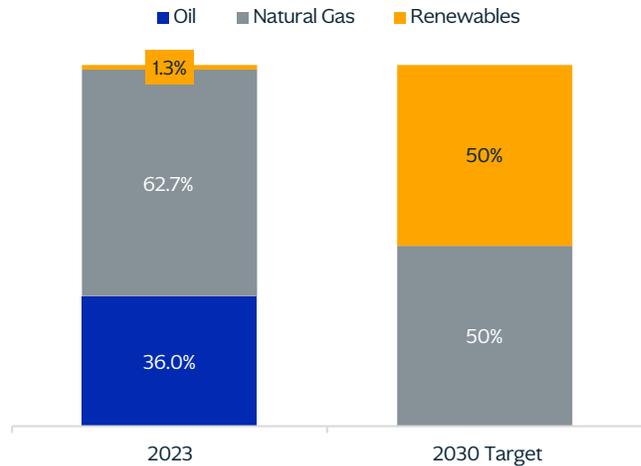
Without question, decarbonization remains a core Vision 2030 pillar, driven largely by solar installations across desert areas aiming to curb domestic oil use and free up more oil and gas for export. There have also been indications that the Saudi administration is interested in developing a domestic civilian nuclear program. Moreover, expanding tourism infrastructure, logistics and supply chains, and education are all crucial to broadening out private sector employment. We note that in recent years more government investment has come out of the Public Investment Fund (PIF), rather than the central government budget, with return profiles attractive to foreign investors.

We believe these trends present opportunities for investors both as participants in the scale-up of infrastructure and as providers of recycling solutions for existing assets, as sovereign and domestic capital boost resource allocations to align with national objectives.

Saudi Arabia currently has \$440 billion of already-committed projects, with a further \$1.55 trillion in potential projects in the pipeline.

**Exhibit 15:** Despite Its Wealth of Oil and Gas Reserves, Saudi Arabia Is Intensifying Efforts to Decarbonize and Pivot Towards Solar and Wind for Its Domestic Energy Consumption

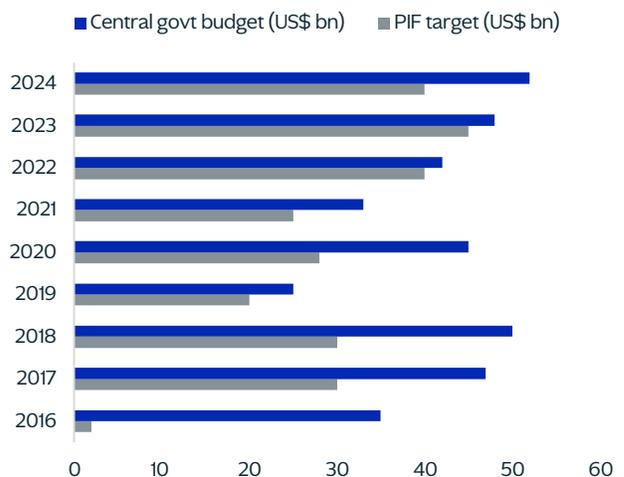
**Saudi Arabia: Electricity Generation Mix by Fuel**



Data as at October 3, 2025. Source: Ember, Vision 2030.

**Exhibit 16:** Capital Spending in the Economy Has Been Increasingly Borne by the PIF Instead of the Central Government Budget

**Saudi Arabia Capex Spending, US\$ Billions, 2024**



Data as at September 1, 2025. Source: PIF, Bloomberg, Haver Analytics, Morgan Stanley Research.

In a region where fiscal strength still depends heavily on high oil prices, the UAE stands out as an outlier. Although it remains a top exporter, its budget relies far less on hydrocarbons than its peers, with close to half of revenues derived from non-oil sources such as taxes and dividends from state-owned enterprises. Combined with low-cost production, this gives the UAE one of the lowest fiscal breakeven oil prices in the region.

In terms of the energy transition, the UAE is pursuing a pragmatic two-track strategy: optimizing the value of its hydrocarbon resources while accelerating diversification for the post-oil era. Unlike many producers grappling with the uncertainty of a global low-carbon transition, the UAE is increasing its production capacity in the medium term, targeting roughly 5 million barrels per day by 2027, while channeling capital into clean energy.

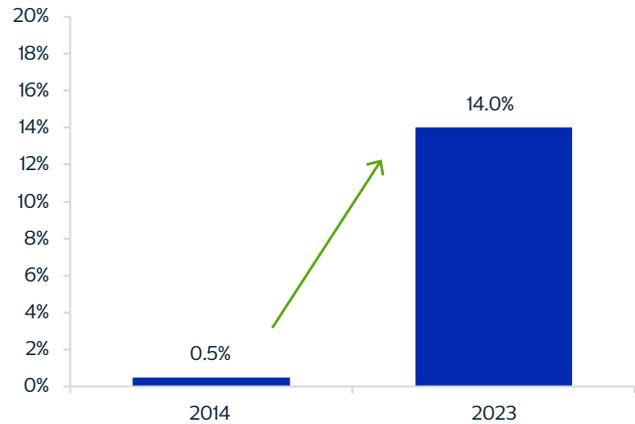
Digital infrastructure is another key theme of the GCC, one that consistently came up during our conversations with large, local allocators throughout the region. The GCC is laying the foundations of a new digital economy, with governments driving innovation and building regional hubs for AI, fintech, crypto, and cloud hosting. The region's land, power availability, strategic location, and competitive energy costs create a compelling advantage versus the mature Western markets.

Within the corporate space, at KKR we are seeing more embedded-value opportunities through carve-outs and partnerships, echoing European patterns from the last decade, as corporates accelerate deployment and capex. This also fits into our KKR mega-theme of 'Capital Heavy to Capital Light', as the global corporate sector looks to not only improve return on capital, but also to improve the valuations currently being assigned to conglomerates with non-strategic subsidiaries that may deliver better results elsewhere.

Meanwhile, the UAE has also accelerated its trade integration, as shown by the country's growing network of Comprehensive Economic Partnership Agreements. To date, it has concluded 31 agreements, with more than five new deals struck in 2025 alone. Already handling more than half of the GCC's container port throughput, the UAE is building the trade architecture to cement its role as a crucial node in commerce.

**Exhibit 17:** Renewables Now Account for 14% of the UAE's Electricity Generation, Up From Less Than 1% a Decade Ago

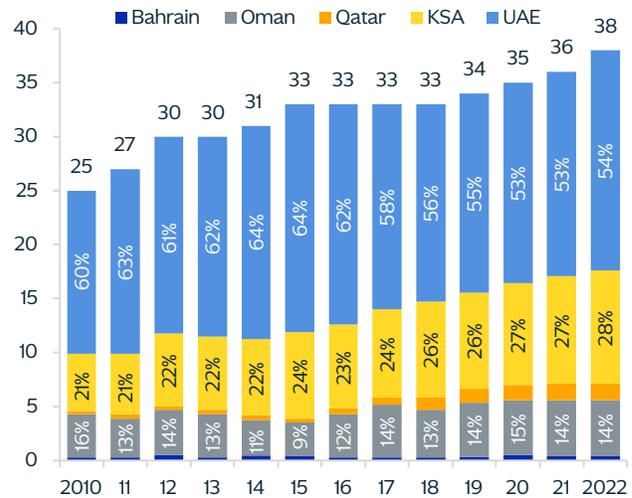
**Renewables Capacity, % of Total Electricity Capacity, 2014 vs. 2023**



Data as at December 31, 2023. Source: IRENA.

**Exhibit 18:** The UAE Already Handles the Majority of the GCC's Container Port Throughput

**GCC: Container Port Throughput, 2010-2022, TEU Millions and %**



Data as at December 31, 2022. Source: UNCTAD.

# Conclusion

Similar to my recent trip to Asia, I came away from the GCC region with a clear sense that there is a significant opportunity for global allocators, especially those who traffic in the private markets with a long-term focus and an emphasis on collateral-based cash flows. Both regions are inexpensive and under-owned at a time when regulation, corporate reform, and economic momentum appear to be shifting. Against this backdrop, there is a significant role for private capital in both markets, particularly for long-term focused investors in Infrastructure, Real Estate, and Asset-Based Finance. Asia, however, is further along in its corporate reform narrative as well as its consumption upgrade journey. Therein, we think, lies the opportunity in the GCC for those driving policy in key markets such as Saudi Arabia, Kuwait, Qatar, and the UAE.

In terms of specifics, I was impressed by the accelerating momentum in capital formation linked to private and public capital markets, the energizing effect on a diverse workforce, and the potential growth and returns in the infrastructure opportunity. Looking ahead, the key factors should be forward-leaning government policies, worker training and retraining, and capital allocation for infrastructure. The reality, though, is that this region will need to diversify economically during a period when we expect OPEC to keep oil prices largely stable at current levels (i.e., we are not expecting a major improvement in prices to bolster local finances in the region).

Overall, though, the region appears to be at an inflection point, where it is shifting its role in the global economy from a fundraising hub to a destination for capital, growth, and returns. However, more corporate/infrastructure reform and consumption upgrade stories need to be nurtured. Therein lies the opportunity, we believe.

Against this backdrop, there is a significant role for private capital in both markets, particularly for long-term focused investors in Infrastructure, Real Estate, and Asset-Based Finance. Asia, however, is further along in its corporate reform narrative as well as its consumption upgrade journey. Therein, we think, lies the opportunity in the GCC for those driving policy in key markets such as Saudi Arabia, Kuwait, Qatar, and the UAE.

---

## Important Information

The views expressed in this presentation are the personal views of Henry McVey of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR") and do not necessarily reflect the views of KKR itself or any investment professional at KKR. This presentation is not research and should not be treated as research. This presentation does not represent valuation judgments with respect to any financial instrument, issuer, security or sector that may be described or referenced herein and does not represent a formal or official view of KKR. This presentation is not intended to, and does not, relate specifically to any investment strategy or product that KKR offers. It is being provided merely to provide a framework to assist in the implementation of an investor's own analysis and an investor's own views on the topic discussed herein.

The views expressed reflect the current views of Mr. McVey as of the date hereof and neither Mr. McVey nor KKR undertakes to advise you of any changes in the views expressed herein. References to "we", "us," and "our" refer to Mr. McVey and/or KKR's Global Macro and Asset Allocation team, as context requires, and not of KKR. Opinions or statements regarding financial market trends are based on current market conditions and are subject to change without notice. References to a target portfolio and allocations of such a portfolio refer to a hypothetical allocation of assets and not an actual portfolio. The views expressed herein and discussion of any target portfolio or allocations may not be reflected in the strategies and products that KKR offers or invests, including strategies and products to which Mr. McVey provides investment advice to or on behalf of KKR. It should not be assumed that Mr. McVey has made or will make investment recommendations in the future that are consistent with the views expressed herein, or use any or all of the techniques or methods of analysis described herein in managing client or proprietary accounts.

Further, Mr. McVey may make investment recommendations and KKR and its affiliates may have positions (long or short) or engage in securities transactions that are not consistent with the information and views expressed in this document.

This presentation has been prepared solely for informational purposes. The information contained herein is only as current as of the date indicated, and may be superseded by subsequent market events or for other reasons. Charts and graphs provided herein are for illustrative purposes only. The information in this presentation has been developed internally and/or obtained from sources believed to be reliable; however, neither KKR nor Mr. McVey guarantees the accuracy, adequacy or completeness of such information. Nothing contained herein constitutes investment, legal, tax or other advice nor is it to be relied on in making an investment or other decision.

There can be no assurance that an investment strategy will be successful. Historic market trends are not reliable indicators of actual future market behavior or future performance of any particular investment which may differ materially, and should not be relied upon as such. Target allocations contained herein are subject to change. There is no assurance that the target allocations will be achieved, and actual allocations may be significantly different than that shown here. This presentation should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any securities or to adopt any investment strategy.

The information in this presentation may contain projections or other forward-looking statements regarding future events, targets, forecasts or expectations regarding the strategies described herein, and is only current as of the date indicated.

There is no assurance that such events or targets will be achieved, and may be significantly different from that shown here. The information in this presentation, including statements concerning financial market trends, is based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons. Performance of all cited indices is calculated on a total return basis with dividends reinvested. The indices do not include any expenses, fees or charges and are unmanaged and should not be considered investments.

The investment strategy and themes discussed herein may be unsuitable for investors depending on their specific investment objectives and financial situation. Please note that changes in the rate of exchange of a currency may affect the value, price or income of an investment adversely.

Neither KKR nor Mr. McVey assumes any duty to, nor undertakes to update forward looking statements. No representation or warranty, express or implied, is made or given by or on behalf of KKR, Mr. McVey or any other person as to the accuracy and completeness or fairness of the information contained in this presentation, and no responsibility or liability is accepted for any such information. By accepting this presentation in its entirety, the recipient acknowledges its understanding and acceptance of the foregoing statement.

The MSCI sourced information in this presentation is the exclusive property of MSCI Inc. (MSCI). MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI.

# KKR

**Kohlberg Kravis Roberts & Co. L.P.**

30 Hudson Yards  
New York, New York 10001  
+1 (212) 750.8300  
[www.kkr.com](http://www.kkr.com)