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GP Stakes
From a *Niche*
to Mainstream

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IN THIS REPORT

- **Mechanics & Structure** — how GP stakes deals work, the economics an investor owns, and what a typical transaction looks like.
- **Market Evolution** — how the strategy grew from a 2007 niche into a mainstream private-markets allocation.
- **Market Landscape** — the dominant platforms, mid-market specialists, and new entrants, mapped by scale and strategy.
- **Investment Rationale** — why GPs sell stakes and the case for LPs investing in them.
- **Performance** — how returns are generated, and how they compare to traditional private equity.
- **Distribution & Outlook** — the wealth-channel opportunity, GP seeding, and where the market is heading.

EXECUTIVE SUMMARY

GP stakes — acquiring minority equity interests in alternative asset management firms — has quickly evolved from a niche institutional curiosity into a central strategy within private markets. According to Campbell Lutyens, M&A transaction volume jumped 40% in 2025, signaling growth in appetite for investing in GP stakes.

Via buying into a management company rather than a fund, a GP stakes investor captures contractual management fee income, carried interest upside, and in some cases co-investment economics. This is all tied to the long-duration growth of the alternatives industry itself. Owning the fee-generating infrastructure of that growth is a fundamentally different risk proposition than betting on any single fund's performance.

Several themes define the market as it matures. Target GP profiles have broadened significantly, with middle-market managers now the most active cohort. Sovereigns from the Gulf are co-investing directly. European platforms are emerging. The wealth channel is beginning to access the strategy through evergreen and semi-liquid vehicles.

KEY TAKEAWAYS

- 01 This is a proven strategy, not an emerging one.**

According to McKinsey's LP survey, 43% of LP's currently invest in GP Stakes funds. Blue Owl has a decade-long track record. Sovereign wealth funds are investing directly alongside dedicated platforms. The question for wealth channel clients is not whether this works, but how to get access.
- 02 You own the fee stream, not the fund.**

When a GP stakes investor buys into a management company, they receive a share of management fees every quarter, regardless of what markets are doing. As the manager grows and raises larger funds over time, those fees grow with it. That is why Blue Owl Fund III delivered a 3.00x net return with no J-curve dip, while the typical 2016 vintage PE fund returned 1.84x and made investors wait years before seeing any cash back.
- 03 The best opportunities are in the middle market.**

The early deals in this space were with household names like Silver Lake and Vista Equity. Today the most activity is with middle market managers running \$2-10 billion, who face a tougher fundraising environment and have the most to gain from a GP stakes partner.
- 04 The wealth channel is just getting started.**

Semi-liquid funds are finally making this strategy accessible to advisors and their clients. It fits naturally, as the positions generate income, hold up well in down markets, and do not need to be force-sold. The platforms building wealth channel products today will have a head start on everyone who waits.

GP STAKES MECHANICS

How It Works

A GP stakes transaction involves an investor acquiring a minority equity interest (typically 10–30%) in an alternative asset management firm's management company. The management company is the entity that earns economics from running the funds: it collects management fees annually and receives a share of carried interest when funds are realized. Buying into the management company means becoming a co-owner of that earnings stream.

Transactions can be primary (new equity issued, proceeds go to the firm's balance sheet) or secondary (existing partners selling down). The most common structure is a combination of both, providing the GP both growth capital and founder liquidity simultaneously.

LP VS. GP ECONOMICS

This distinction is an important one to clarify. An LP invests capital into a fund and earns returns on that capital. A GP stakes investor is exposed to the management company's earnings, which sit one level above:

- » **Management fees** — typically 1.5–2.0% of committed or invested capital, earned continuously for the life of the fund. Contractual, not performance-contingent, and paid by LPs regardless of public market conditions.
- » **Carried interest** — the GP's profit share (typically 20% above a hurdle rate). Performance-contingent but represents significant upside for well-run franchises compounding over decades.
- » **Balance sheet / co-investment return** — some structures also provide pro-rata exposure to the GP's own fund co-investments, adding direct performance linkage.

The critical insight: management fees are not correlated with public market cycles. A PE firm with \$20 billion in committed capital earns its fee base whether the S&P is up or down. This is the foundation of the low-correlation, inflation-resistant argument for GP stakes.

GP STAKES MECHANICS

Typical Deal Structure

Stake Size	10–30% minority interest in the management company
Pricing	10–15x management company EBITDA for established managers; premium for carry pipeline depth and platform diversity
Revenue Share	Pro-rata share of management fees distributed quarterly; carried interest distributions after vesting / fund realization
Governance	Passive, non-voting. Board observer rights are common. Voting rights are rare and deliberately avoided to preserve founder control.
Exit Provisions	Older deals: no defined exit, relying on secondaries. Current standard: put rights, drag/tag, ROFR. As 2016–2020 vintage puts begin to vest, market is testing these mechanisms for the first time.
GP Commitment Financing	Many deals include provisions to fund the GP's commitments to future funds — a key constraint for growth-stage managers that GP stakes capital directly addresses.

HISTORY

Market Evolution

2007–2010

GP stakes as an institutional strategy traces back to 2007, when Goldman Sachs Asset Management launched Petershill with an initial focus on hedge fund managers. Dyal Capital Partners followed in 2010, spinning out of Neuberger Berman with a sharper focus on private equity managers and the thesis that large, durable PE platforms were essentially perpetual fee machines worth owning directly. These two firms spent the better part of a decade building the category largely in the dark — most institutional investors had never heard of the strategy, and the universe of willing GPs was still limited to those with genuine succession or liquidity needs.

2016–2022

The 2016–2022 period was when the market broke open. Dyal's Fund III vintage established the category's benchmark portfolio — Silver Lake, Vista Equity, Sixth Street, Cerberus, Starwood, KPS — and demonstrated that GP stakes could work across PE, credit, real estate, and European managers simultaneously. Blackstone launched its Strategic Partners effort. Bonaccord was founded. Hunter Point was formed by ex-Goldman professionals in 2021, the same year Dyal merged with Owl Rock to form Blue Owl and go public on the NYSE, and Petershill listed on the London Stock Exchange. By the end of this period the strategy had gone from niche to mainstream, and every major alternative manager knew what a GP stakes conversation looked like.

Since 2022

Since 2022 the market has matured and broadened. Blue Owl raised GP Stakes V at \$12.8 billion, the largest fund ever in the category, while the center of gravity shifted toward the middle market — managers under \$10 billion in AUM who face a harder fundraising environment and have more to gain from a strategic partner. A new wave of platforms launched in 2024 and 2025, most founded by veterans of the established firms. Sovereign wealth funds moved from passive LPs to direct co-investors. And the wealth channel began accessing the strategy for the first time through evergreen and semi-liquid vehicles. According to Campbell Lutyens, M&A volume jumped 40% in 2025, signaling growth in appetite for investing in GP stakes.

MARKET LANDSCAPE

The Dominant Platforms

The GP stakes market has a clear structure. A handful of large, established platforms dominate deal flow and have built portfolios that define the category. Below them sits a growing tier of mid-market specialists with distinct mandates and target profiles. And a new wave of entrants — most founded in the last two years by veterans of the established firms — is filling out the bottom of the market.

Blue Owl, Petershill, and Blackstone Strategic Partners built the category and still account for the majority of capital deployed. With roughly \$75 billion in platform AUM and 35+ active investments, Blue Owl is the largest dedicated GP stakes platform in the world. What started as Dyal Capital Partners in 2010 — a Neuberger Berman spin-out — merged with Owl Rock in 2021 and went public on the NYSE. The portfolio reflects fifteen years of compounding: early Vintage 2016 anchors like Silver Lake, Vista Equity, Sixth Street, and Starwood Capital are now among the largest alternative managers in the world, having grown 3–5x in AUM since Blue Owl first invested. Later vintages added HPS, Golub Capital, Stonepeak, CVC, and Ardian. The table below illustrates some of the top managers Blue Owl has backed.

Notable Blue Owl Investments

AUM by firm. A portfolio collectively running roughly \$1 trillion in AUM.

CVC Capital Partners PRIVATE EQUITY		\$200B
Silver Lake PRIVATE EQUITY		\$110B
Starwood Capital Group REAL ESTATE		\$115B
Vista Equity Partners PRIVATE EQUITY		\$107B
Stonepeak INFRASTRUCTURE		\$71B
Sixth Street MULTI STRATEGY		\$75B

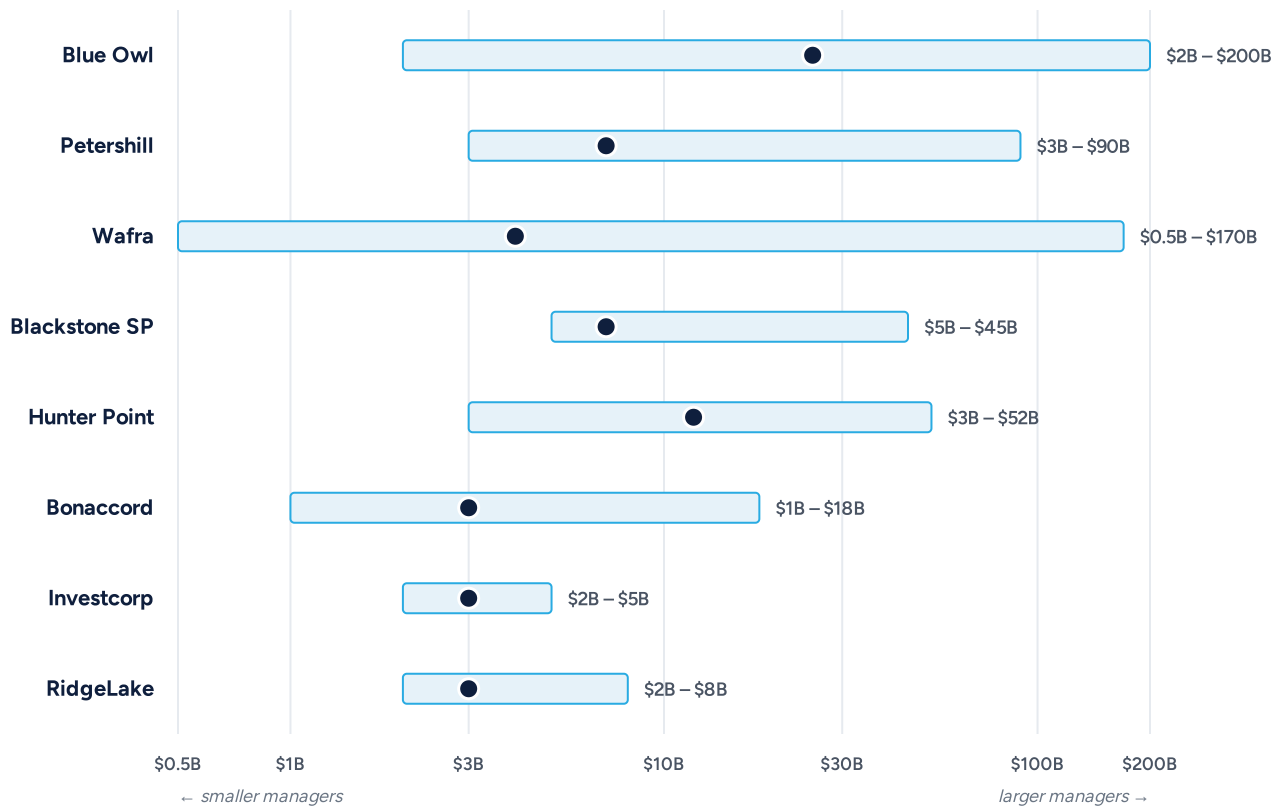
These are not small managers needing a lifeline. Rather, they are some of the most sought-after franchises in private markets. The fact that firms of this caliber have sold stakes to firms like Blue Owl is a clear signal that GP stakes has moved from niche to mainstream. It also illustrates the fee base that underpins the strategy: a portfolio of managers collectively running \$1 trillion in AUM generates billions in annual management fees, of which the GP stakes investor captures its pro-rata share in perpetuity.

MARKET LANDSCAPE

Notable Platform AUM Footprint

GP AUM Range by Platform

Where each platform's portfolio managers sit on the size spectrum, smallest to largest.



Bar = AUM range of portfolio companies · Dot = median · Log scale

Source: Dakota GP Stakes Universe Database, 2026

Petershill has been at this longer than anyone, deploying capital since 2007. Its four funds have backed names across PE, credit, hedge funds, and venture — Permira, Clearlake, Francisco Partners, Accel-KKR, and most recently Millennium Management in a roughly \$2 billion deal, the largest single GP stakes transaction on record. Blackstone's Strategic Partners operates more selectively, functioning as a co-investor and opportunistic participant rather than a standalone platform at the scale of the top two.

MARKET LANDSCAPE

Mid-Market & New Entrants

ESTABLISHED MID-MARKET PLATFORMS

Below the top tier sits a group of well-capitalized platforms that have each carved out a distinct lane. Hunter Point Capital, founded in 2021 by former Goldman Sachs professionals, closed its inaugural fund at \$2 billion in March 2024 and is now deploying its second. The portfolio spans PE, credit, infrastructure, and secondaries — L Catterton, Inflexion, Collier Capital, Pretium Partners, and Equitix. Hunter Point has brought in Abu Dhabi sovereign wealth as a co-investor on select deals, adding a distribution and relationship dimension that pure-play financial buyers cannot offer.

Bonaccord Capital Partners, part of publicly listed P10, has raised two funds totaling roughly \$3 billion with a deliberate focus on managers under \$10 billion in AUM, which is the cohort most underserved by the top-tier platforms. Its portfolio includes Revelstoke Capital Partners, Kayne Anderson Private Credit, Park Square Capital, and Synova. Wafra, backed by Kuwait's sovereign wealth fund, is the most connected player in the market: it shows up as a lead investor and co-investor across more deals than almost any other platform, and its Capital Constellation joint venture has been seeding and backing emerging managers for over a decade. Investcorp's Strategic Capital Group has quietly built a 12-investment portfolio across two dedicated funds, focused on the mid-market PE and credit universe.

NEW ENTRANTS AND SPECIALISTS

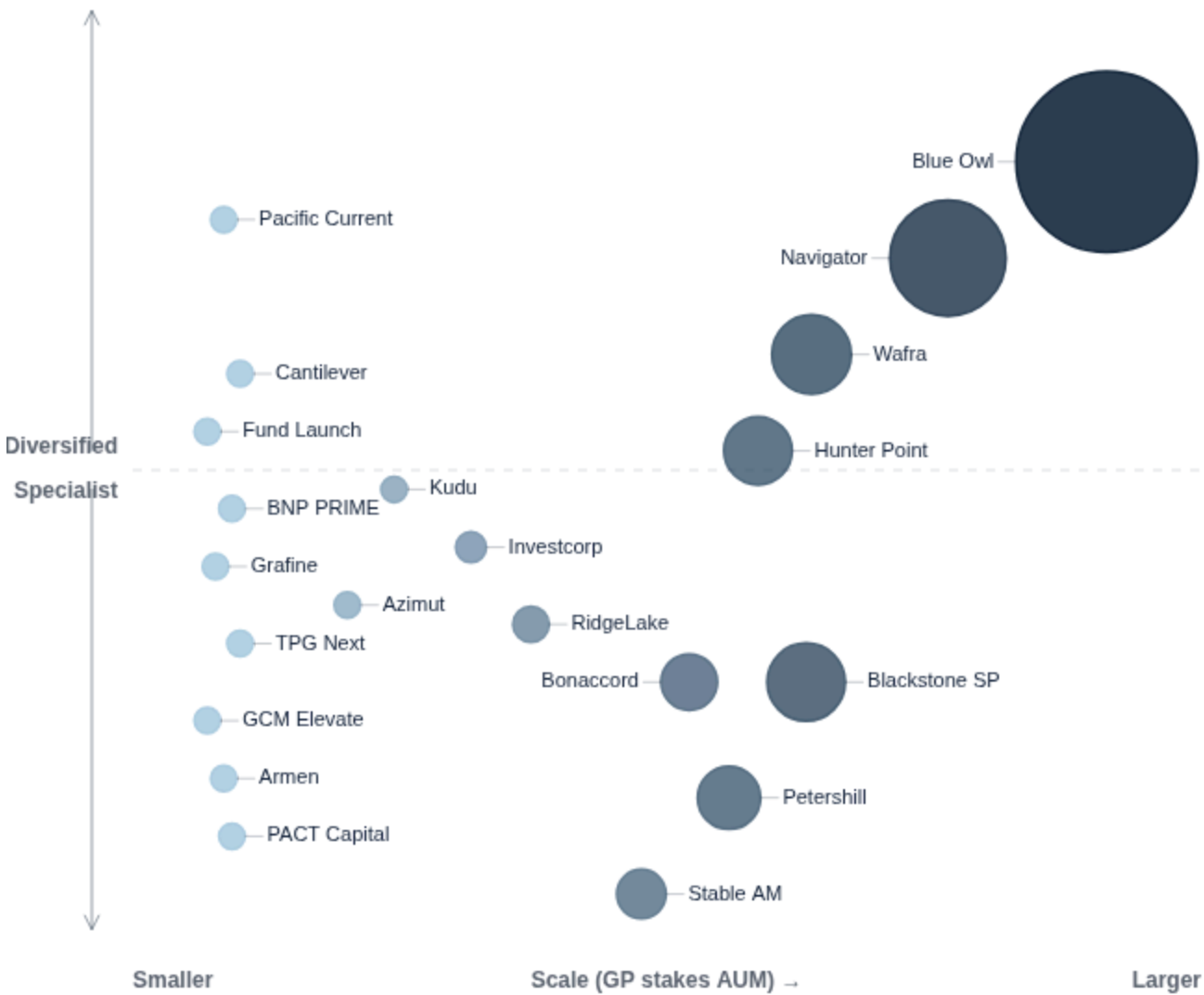
Since 2024, a cohort of new platforms has launched, most founded by veterans of the established firms. PACT Capital Partners was founded in 2025 by Christian von Schimmelmann, formerly of Petershill, and has made early investments in Graham Partners and Accel-KKR. Grafine Partners is building a European-focused portfolio. Cantilever Group, backed by BTG Pactual, is targeting the US mid-market. GCM Grosvenor's Elevate Fund, which closed at \$800 million in January 2025, is one of the few platforms explicitly focused on seeding diverse and emerging managers. TPG's Next platform also is involved in GP seeding.

MARKET LANDSCAPE

The Competitive Map

Platform Positioning by Scale and Strategy

Bubble size reflects platform AUM; placement reflects scale and strategy focus.



Smaller ●●●●● Larger · Bubble size and shade = GP stakes AUM

INVESTMENT RATIONALE

Why GPs Sell Stakes

<p>Founder Liquidity</p>	<p>Allows founders to realize equity at market value without giving up operational control, disrupting management, or triggering a full sale. Partial monetization while retaining long-term upside.</p>
<p>Succession Planning</p>	<p>GP commitments for rising partners are a real constraint. GP stakes capital funds those commitments, facilitates ownership transfer to the next generation, and provides clean capitalization ahead of transition.</p>
<p>Platform Capitalization</p>	<p>Scale requires capital: new strategies, new hires, new geographies, marketing. Management fees alone often don't cover a growth agenda, particularly for mid-size platforms. GP stakes provides capital without leverage risk or control implications.</p>
<p>Strategic Value-Add</p>	<p>Blue Owl's 55-person BSP, Petershill's Goldman Sachs LP network, Hunter Point's institutional relationships all provide distribution access and LP introductions that can meaningfully accelerate fundraising.</p>
<p>Fundraising Headwinds</p>	<p>Fundraising continues to be more difficult, especially for funds below \$1B. A GP stakes partnership with its distribution support and institutional imprimatur is a tangible response to that disadvantage.</p>
<p>Alternative to IPO/M&A</p>	<p>As public listings for alt managers have produced mixed results, the minority stake model has gained relative appeal as an intermediate capitalization path between remaining fully private and a full liquidity event.</p>

INVESTMENT RATIONALE

Investment Thesis for LPs

<p>Attractive Risk-Adjusted Return</p>	<p>Mid-teens net IRR historically for top-performing vehicles (Blue Owl Fund III: 21.6% net IRR, 3.00x net MoIC). Returns driven more by AUM growth and fee durability than leverage or exit timing.</p>
<p>Diversification</p>	<p>A single GP stakes fund provides exposure across dozens of managers, strategies, and geographies simultaneously. Management fee and carry revenue streams are driven by different underlying portfolios, multiplying effective diversification.</p>
<p>Inflation Resistant Revenue</p>	<p>Management fees are calculated as a % of AUM. As AUM grows, the fee base grows with it. Carried interest is linked to realized profits, which incorporate inflationary asset appreciation.</p>
<p>Current Income</p>	<p>Unlike most PE strategies, GP stakes generate current income through quarterly management fee distributions, which is valuable for investors with yield requirements (endowments, insurance companies, wealth channel clients).</p>
<p>Secular Tailwind</p>	<p>Alts AUM forecasted to grow at an attractive rate. Owning management company economics is a leveraged long on the growth of the alternative asset management industry itself.</p>
<p>Low Public Market Correlation</p>	<p>Management fees are contractual, not mark-to-market. Correlation to equity and credit markets is structurally lower than traditional PE — a genuine portfolio construction advantage.</p>

PERFORMANCE

Return Mechanics

GP stakes and traditional private equity are both private markets strategies, but they generate returns through fundamentally different mechanisms. Understanding that difference matters more than comparing headline IRR numbers. A GP stakes fund acquires minority interests in management companies. Returns come from three sources that are structurally different from PE:

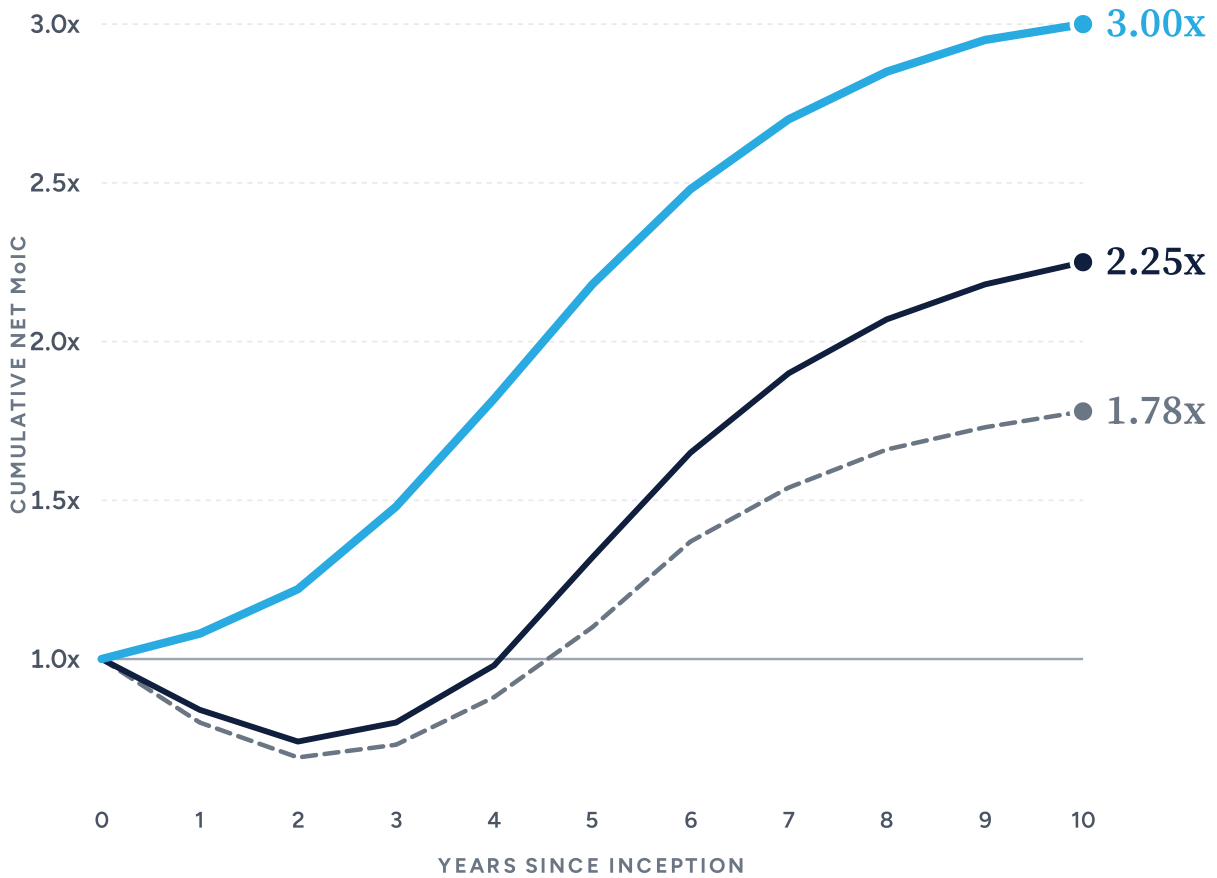
- » **Management fees** begin flowing almost immediately after investment. A GP with \$10 billion in AUM charging a 1.5% management fee generates \$150 million annually, of which the GP stakes investor receives its pro-rata share. These fees are contractual, not performance-contingent, and continue regardless of whether the underlying fund is marked up or down. There is little to no J-curve, as the investment is generating yield from day 1.
- » **Carried interest** is where the upside lives. As the underlying funds mature and portfolio companies are realized, the GP earns carry (typically 20% of profits above a hurdle rate) and the GP stakes investor participates pro-rata. This is the lumpy, long-duration component that can be significant but takes years to materialize.
- » **AUM growth** is the compounding engine. As a portfolio manager raises successive, larger funds, the management fee base grows with it. A firm that manages \$5 billion today and grows to \$15 billion over a decade has tripled its fee revenue without any change in fee rates. The GP stakes investor participates in that growth in perpetuity, not just for a fixed fund life.

PERFORMANCE

GP Stakes vs. Private Equity

Illustrative Cumulative Net MoIC

Blue Owl GP Stakes Fund III vs. Dakota 2015 PE vintage benchmarks, by year since inception.



■ Blue Owl GP Stakes III ■ PE 2015 — Top Quartile ■ PE 2015 — Median

Blue Owl GP Stakes III illustrates this cleanly. Against \$3.3 billion invested, the fund has returned \$4.6 billion in realized proceeds with \$5.3 billion still sitting unrealized in the portfolio. The 3.00x net MoIC and 21.6% net IRR were built over a decade, steadily, without a single binary exit event driving the outcome. That is a meaningfully different experience for an LP than waiting for a PE fund's realization window to open.

Benchmark data: Dakota 2015 vintage PE benchmark (top quartile: 2.25x TVPI; median: 1.78x TVPI). Blue Owl GP Stakes Fund III terminal values sourced from Blue Owl Capital investor materials (3.00x net MoIC, 21.6% net IRR). J-curve shape and return timing are illustrative only and do not represent the actual return path of any specific fund. Past performance is not indicative of future results.

DISTRIBUTION

GP Stakes in the Wealth Channel

The wealth channel represents the largest pool of largely untapped capital in private markets — and GP stakes may be among the strategies best suited to accessing it. The historical barriers were structural: illiquid funds, long investment horizons, and the need to underwrite management company economics rather than fund portfolios. These fit institutions well but made wealth channel access difficult.

The semi-liquid evergreen universe is projected to surpass \$1 trillion within five years. GP stakes fits naturally: positions are long-duration, cash-generative, and not self-liquidating, which means there is no inherent pressure to sell and new investors can be onboarded continuously.

Current Wealth Channel Access Points

VEHICLE	MANAGER	NOTES
GP Stakes Advantage Fund	Blue Owl	Non-traded, NAV-based evergreen; institutional-quality management company portfolio accessible to wealth channel
GP Stakes Evergreen Fund	CAZ Investments	Semi-liquid; secondaries component; GP stakes primary exposure
Tokenized GP Stakes Vehicle	Investcorp/Securitize	Blockchain-based access; addresses \$400B+ market opportunity estimate; early-stage
Record GP Stakes Fund	Record GP Stakes	Exposure to 60+ established managers; avg. AUM \$32B; evergreen structure; \$2.5B+ program since 2016

RIA POSITIONING

For RIA and family office clients, GP stakes offers attributes that map directly to wealth channel investment priorities: current income from management fee distributions, low correlation to public equities, inflation-resistant economics, and private markets exposure through a fundamentally different lens than fund investing. The educational challenge is real, but the "owning the toll booth, not the road" framing resonates with sophisticated clients.

ADJACENT STRATEGY

GP Seeding

GP seeding is a distinct but adjacent strategy: providing launch capital to first-time or emerging managers in exchange for a revenue share or equity stake. The risk-return profile is fundamentally different from GP stakes in established platforms. A seed investment in a \$200M first-time fund carries performance uncertainty, LP base development risk, and operational risk that a GP stakes investment in a \$20B manager does not.

The line between the two strategies has blurred. Capital Constellation has backed managers from launch through institutional growth. Blue Owl/Lunate's mid-market JV targets GPs under \$10B in AUM, some of which are earlier stage. TPG Next blends seed capital and GP stakes. What unifies both ends of the spectrum is the same principle: the management company, not the fund, is the asset.

KEY SEEDING PLATFORMS

- » **Capital Constellation (Wafra JV)** — Most active seeding program in alternatives; Gen I–IV deployments including Ara Partners, Motive Partners, Broad Sky Partners, Thompson Street, Citation Capital, Niobrara Capital, and Gallatin Point Capital.
- » **GCM Grosvenor Elevate** — \$800M fund; blend of seeding and GP stakes; focus on diverse/emerging managers (Excolere Equity, Invidia Capital, Matter Real Estate).
- » **TPG Next** — Seed capital + GP stakes + operational support; Cohere Capital and Ardabell Capital among investments.
- » **Fund Launch Partners** — Stage-agnostic platform providing seed capital and launch infrastructure; Optimist Ventures, Ollin Ventures, Enclosure Energy.
- » **Capricorn Investment Group (Sustainable Investors Fund)** — Impact-oriented; backs emerging managers in sustainability and energy transition.

LOOKING AHEAD

Market Outlook

The pipeline for GP stakes transactions is deep and shows no sign of slowing. Middle-market managers are facing a fundraising environment where most LP capital flows to a handful of large established funds, leaving smaller managers structurally disadvantaged. First-generation founders are approaching succession decisions. Growth-stage platforms need capital to hire, expand into new strategies, and fund their own GP commitments. These are durable, structural pressures, and the universe of managers who have never done a GP stakes transaction is still vast. Volume should remain elevated.

The more interesting near-term question is what happens on the exit side. Put rights from deals done between 2016 and 2020 are beginning to vest, and the next two to three years will test whether the liquidity mechanisms built into those transactions actually work as intended. Resolution will happen through a mix of buy-backs, secondary market sales, and negotiated extensions — and however it plays out, it will shape how both investors and GPs think about deal terms going forward. As Akin Gump noted in its 2026 GP stakes outlook, the market should expect further innovation in balancing investors' need for liquidity against GPs' preference for stable ownership structures.

The wealth channel is the longer-term growth story. Semi-liquid and evergreen vehicles are expanding rapidly, and GP stakes is a natural fit for that format, since the underlying positions are cash-generative, long-duration, and don't require forced selling. Blue Owl's Advantage Fund, CAZ Investments' evergreen vehicle, and Investcorp's tokenized structure through Securitize are early entrants. Expect meaningful product development in 2026 and 2027 as more platforms build distribution infrastructure for wealth advisors and their clients.

Geographically, the next wave of activity will come from Europe and Asia-Pacific. European GPs (particularly in private credit and mid-market buyout) are becoming more receptive to GP stakes conversations, and dedicated platforms including Armen, Grafine Partners, and BNP Paribas AM Prime Capital Partners are actively building European portfolios. APAC GP interest is even higher, with 90% of surveyed managers in the region indicating they would consider a stake sale in the next 24 months.

One meaningful risk to watch: as more capital chases a finite pool of attractive managers, entry multiples are rising and the best GPs are negotiating harder on terms. Platforms that bring genuine value beyond a check will continue to win the best deals. Those that compete on price alone will find forward returns compressing.

ABOUT THIS REPORT

This report was built entirely on data from Dakota Marketplace — the most comprehensive private markets database designed for the institutional investment community. Every allocation figure, consultant relationship, CIO transition, and performance data point was researched and verified by Dakota's 60-plus person data team. For further insights, visit dakota.com.

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