



# Public Investment Fund Program

# Public Investment Fund Program 2021-2025









We are endeavoring to build a solid economy based on strong fundamentals that will diversify our sources of income and unlock growth in our reserves



The Custodian of the Two Holy Mosques  
**King Salman bin Abdulaziz Al Saud**



PIF is evolving into a primary driver of Saudi economic growth. We have doubled its scope and we will continue with steady steps towards realizing its Vision 2030 objectives



His Royal Highness

**Mohammed bin Salman bin Abdulaziz Al Saud**

Crown Prince, Deputy Prime Minister

Chairman of the Council of Economic and Development Affairs

Chairman of the Public Investment Fund

---

## Table of Contents

<b>Investing with a Vision</b>	<b>7</b>
In Line with Vision 2030	8
About PIF	10
About PIF Program	12
PIF Purpose	14
Investing for Our Nation	16
<b>Years of Transformation in Investment</b>	<b>17</b>
Where We Are Today	18
Success and Milestones	19
<b>Five Years Ahead in an Ambitious Journey</b>	<b>39</b>
Strategic Pillars	40
Aspirations	49
Targets and Metrics	50
Investment Pools	52
Sources of Funding	55
Governance and Operations	56

**PIF Initiatives, a Future Made Through Investment ----- 61**

Initiatives Portfolio ----- 62

List of Initiatives ----- 63

Initiatives Details ----- 66

**An Inspiring Blueprint ----- 101**

Optimum Use of the Kingdom’s Resources ----- 102

Value for People ----- 103

Investing In The Future ----- 104

Glossary ----- 105

Disclaimer ----- 106

References ----- 108



# Chapter One

## Investing with a Vision



# 01

## In Line with Vision 2030

As a catalyst for Vision 2030, Saudi Arabia's transformation blueprint, PIF Program endeavors to support PIF's efforts that are not only confined to uncovering new growth potentials for the Kingdom by investing in International financially viable projects. Rather, it plays a pivotal role locally, by investing in local projects that will support the advancement of Saudi Arabia's priority sectors. Such measures will unfold new opportunities for non-oil GDP growth, generate more jobs, increase local content, empower a thriving private sector, improve quality of life, and solidify the Kingdom's leadership position.

In line with 2030 vision, in its second edition (2021-2025) will continue its endeavor as one of the Vision Realization Programs (VRPs) to achieve its objectives and contribute in diversifying the kingdom's economy, cultivate new sectors and leading towards vibrant society, thriving economy and ambitious nation.



## Vision 2030 Direct Objectives of PIF Program

### Level 1

<b>A Vibrant Society</b>	Strengthen Islamic Values & National Identity
	Offer a Fulfilling & Healthy Life
<b>A Thriving Economy</b>	Grow & Diversify the Economy
	Increase Employment
<b>An Ambitious Nation</b>	Enhance Government Effectiveness
	Enable Social Responsibility

### Level 2

Grow Contribution of the Private Sector to the Economy
Maximize Value Captured from the Energy Sector
Unlock Potential of Non-Oil Sectors
Grow the Public Investment Fund's Assets and Role as a Growth Engine
Position Saudi Arabia as a Global Logistic Hub
Further Integrate Saudi Economy Regionally & Globally
Grow Non-Oil Exports

### Level 3

Grow the Assets of the Public Investment Fund
Unlock New Sectors through the Public Investment Fund
Localize Cutting-Edge Technology & Knowledge through the Public Investment Fund
Build Strategic Economic Partnerships through the Public Investment Fund

# 02

## About PIF

### PIF History and Context

The Public Investment Fund is considered Saudi Arabia's Sovereign Wealth Fund, a pivotal factor in achieving the Kingdom's Vision 2030, and a leading economic catalyst.

With PIF at the heart of Saudi Arabia's rapid transformation, the Royal Decree No. M/62 in 2014 came to broaden the scope of PIF's activities, granting consent to establish new companies both nationally and internationally without requiring the Council of Ministers' approval, whether independently or through public and private sector cooperation.

As a leading economic catalyst for the Kingdom, PIF has created several national private-sector champions, funded key projects and companies, and provided financial support to initiatives of strategic importance to the national economy, with the impact felt well beyond Saudi borders.

Today, PIF remains one of the top-tier sovereign wealth funds in the world. Such success was epitomized by the Kingdom's active presence within the G20, delivering many breakthroughs in strategic investment operations, acquisition deals, infrastructure, and establishing strategic partnerships. These significant achievements came to resonate with Vision 2030's mission, programs and initiatives to spark a change fueled by a robust, reliable and stable economic arm. PIF plays a vital strategic role in realizing Vision 2030's objectives to drive Saudi Arabia's economic transformation for a flourishing future.

### Success and Future

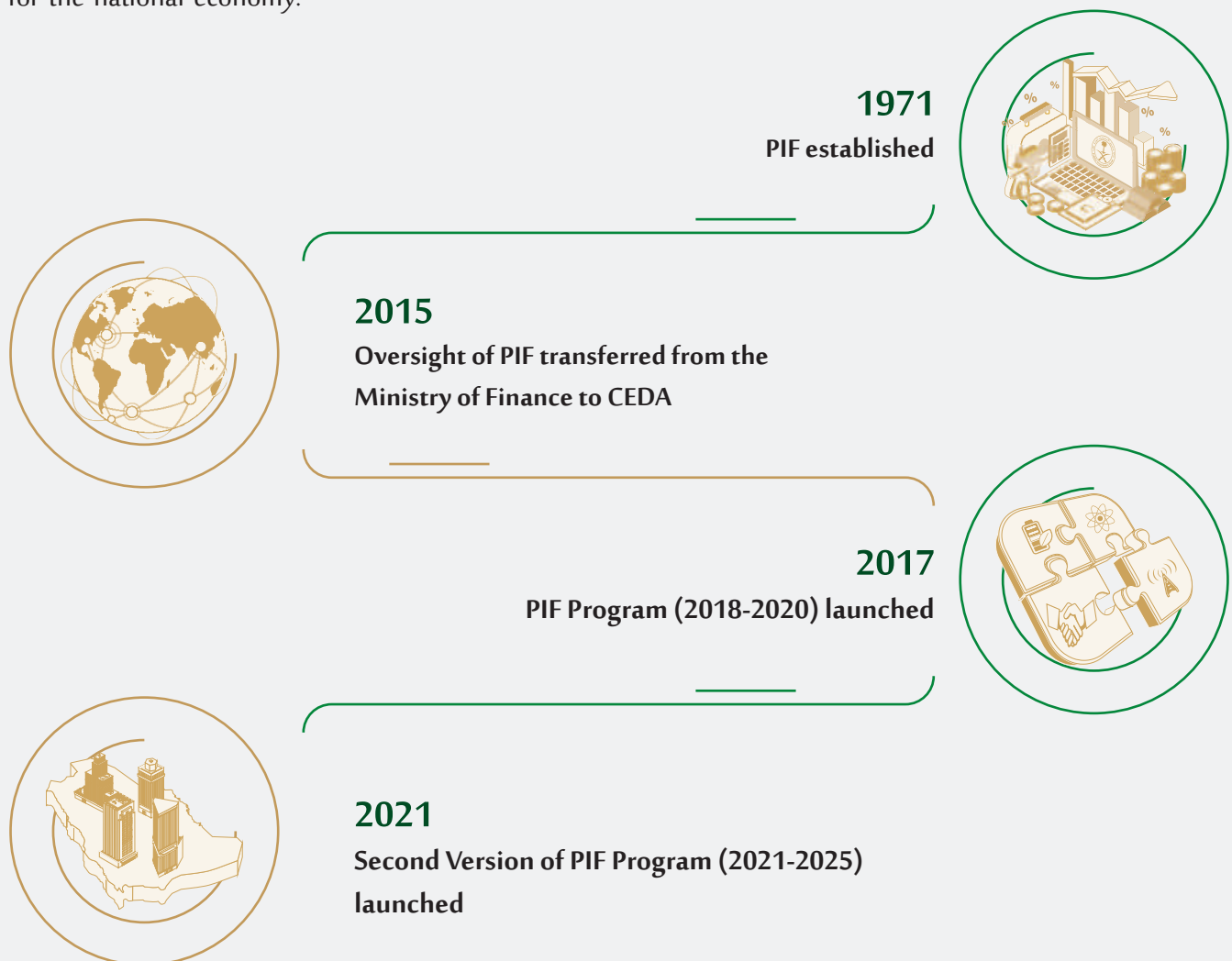
PIF is Saudi Arabia's sovereign wealth fund and among the largest SWFs globally based on the large leaps it has made at the local and global economic levels. This was accomplished through several large investment projects that have contributed to advancing the national economic transformation and deepening the concept of sustainable positive change in the context of global investment efforts.

As a responsible and significant investor with a pivotal role in realizing Vision 2030, PIF holds itself to the highest global standards of governance while adjusting to a fast-changing worldwide economy and remaining as a supporter of creative organizations. PIF aims to be the investment partner of choice for global opportunities, and enable the economic development and diversification of the Saudi economy.

## In Line with Vision 2030

In a stepping-stone that transformed PIF into an investment powerhouse, the Council of Ministers issued Resolution No. 270 in 2015, transferring oversight of PIF from the Ministry of Finance to the Council of Economic and Development Affairs (CEDA). Accordingly, PIF's Board of Directors was reconstituted with the Chairman of CEDA becoming PIF's Chairman. In 2017, PIF's Program first version was launched blaze the path for Vision 2030 realization.

This change denotes a significant institutional change for PIF. With its mandate broadened, PIF is now tasked with a vital and specific strategic role within Vision 2030 to lead the charge in building a national economic transformation for positive, sustainable change in Saudi Arabia. PIF supports the development of the local economy, endeavors to expand its portfolio of international assets, and aims at maximizing sustainable returns for the national economy.



# 03

## About PIF Program

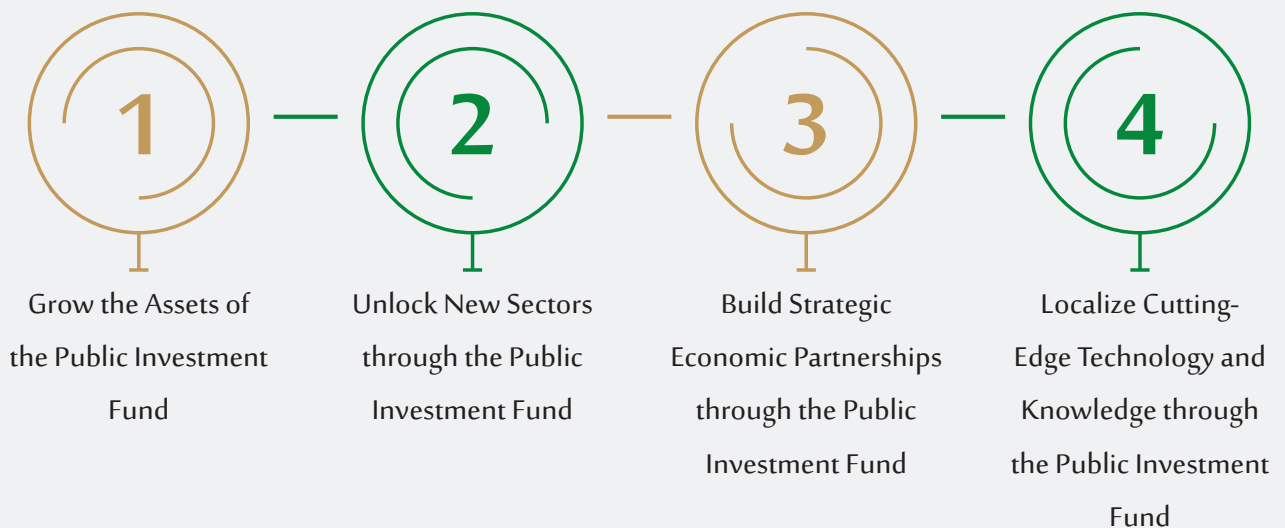
PIF Vision Realization Program (VRP) was launched by CEDA in 2017 as part of an integrated programs to achieve the Kingdom’s Vision 2030, and to work in joined forces with other VRPs to contribute to the Kingdom’s economic social growth, further its global position, and uncover its pioneering investment power.

PIF VRP is directly mandated to realize the Vision’s second pillar “Thriving Economy”. During the first edition of the program (2018-2020), PIF contributed in achieving tangible impact at the investment and economic levels, transforming mindsets, international performance, planning and implementation.

PIF has come a long way since its beginning, achieving many of its ambitious investments and institutional plans, and now is ready for the next stage of growth by setting its policies, strategies, plans and vision for the coming years (2021-2025) through identifying its main objectives on the local and international investments levels. PIF aims to act as an economic diversification engine, developing strategic sectors and solid economic partnerships that deepen the Kingdom’s regional and global influence.

### PIF Program will continue to fulfill the objectives directly assigned to PIF to achieve:

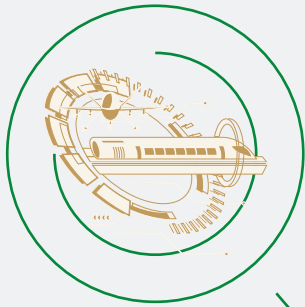
#### Direct Objectives



# 04

## PIF Purpose

We started by defining our Purpose Principles, by asking ourselves “Who is the Public Investment Fund at its best?” The four Purpose Principles that best capture PIF’s core and which helped shape the PIF Purpose are:



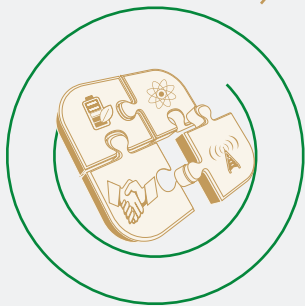
### Champion Tomorrow

When we go to work, we carry with us the dreams of future generations. We embrace the responsibility and honor of serving a worthy mission. Through bold, broad, and wise investment we honor our proud Saudi heritage and grow our Kingdom’s prosperity. By expanding our people’s opportunities, we enable a brighter tomorrow for our children



### Innovate Boldly

We are the drivers of change. We are doers of what has never been done. As pioneers, we transform our passion and pride into performance, our restlessness into results. Our work fuels profit to reinvent industries, accelerate innovation, and make possible the transformation of the Saudi economy



### Cultivate Connection

As investors, we are connectors. We foster relationships to unlock the Kingdom’s true potential and pursue the world’s most promising opportunities. As stewards of precious financial and human capital, we cultivate a vital network of collaboration. Through carefully selected partnerships, we co-create a strong financial foundation and flourishing culture for the Kingdom



### Inspire the World

We are a force for good. Our decisions have the potential to improve the quality of life around the globe. Emboldened by a shared vision, we make deals that develop sectors and advance progress. Our ambition is broad and our strength runs deep. We capitalize on opportunities at grand scale and take our place on the world stage as creators of genuine value

PIF' has defined a purpose that stems from a local standpoint and expands to reach the global level. This purpose serves as a beacon that guides PIF's vision, strategy and mission, which is:

# “Elevate the Kingdom.. Uplift the World”



# 05

## Investing for Our Nation

Since its inception, PIF has played a pioneering role in advancing the Saudi economic transformation, diversifying its sources and shaping the future of the global economy.

As the Kingdom's primary investment arm, PIF collaborates with top-tier international investment entities to obtain tremendous financial returns and long-term stable value.

PIF remains a major investment force and enabling player, the PIF Program came as one of Vision 2030 VRPs that endeavors to build a diversified investment portfolio, empower promising sectors, invest in innovative companies in the world and build partnerships that push the Kingdom to lead the world economically.







# Chapter Two

## Years of Transformation in Investment

# 01

## Where We Are Today

During the course of its initial program (2018-2020), PIF's performance was exceptional despite many shifts, disruptive circumstances and challenges. PIF delivered tremendous impact locally & Internationally by creating jobs directly and indirectly. At the institutional level, PIF launched a number of initiatives, established new departments, and developed an ambitious plan for its executives from all departments and experts in various fields.

At the institutional level, PIF launched several initiatives, established new departments, and developed an ambitious plan that comprised executives from all departments and experts in various fields.

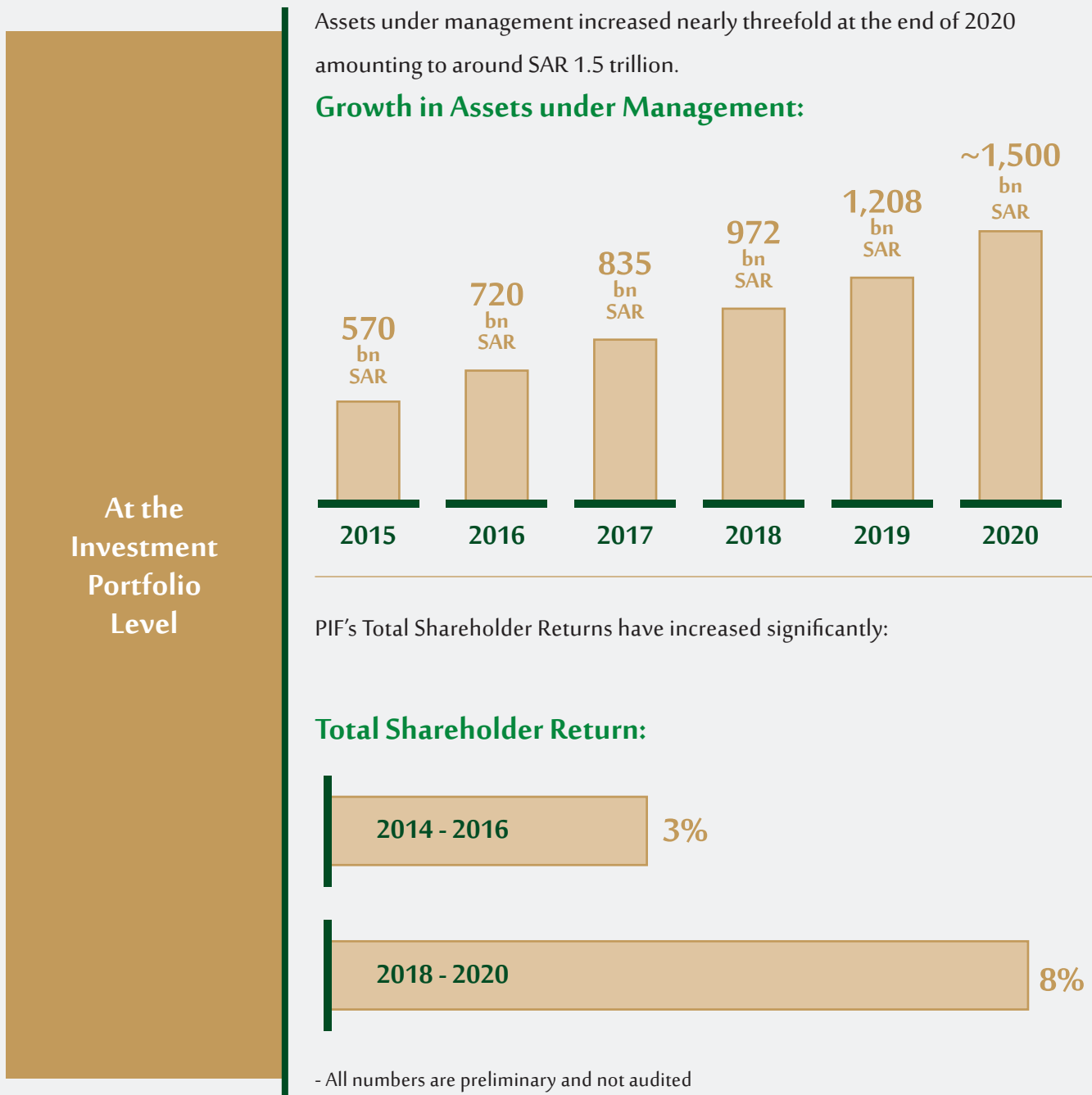
Building on PIF's Initial Program (2018-2020) momentum, 2021 represents another milestone in the development journey that aims to invest in promising sectors, unlock their growth potential and maximize sustainable returns for the national economy.



# 02

## Success and Milestones

PIF has garnered outstanding achievements since its transformation in line with Vision 2030 and transferring its oversight to the Council of Economic and Developmental Affairs in 2015. Between 2018 - 2020, the Program has surmounted many challenges and contributed to achieving a clear impact locally and globally. Key examples include:



## At the Local Level

PIF has established more than 30 companies across 10 strategic sectors to grow PIF assets by unlocking new sector to diversify Saudi Arabia's economy, localize, and invest in promising sectors. These steps were vital in generating more than 331,000 direct and indirect job opportunities. The most prominent PIF achievements at the local level are as follows:



NEOM, نيوم

### NEOM

NEOM developed its strategy in 2017, with the company established in 2019 on the Red Sea in Its strategy revolves around developing 16 diverse sectors: Energy, Water, Mobility, Biotech, Food, Manufacturing, Media, Entertainment Culture and Fashion, Technology and Digital, Tourism, Sport, Design and Construction, Services, Health and Well-Being, Education, and Livability.

NEOM has its own airport. Moreover, it is in the process of building an environmentally friendly hydrogen production facility, providing sustainable solutions to the global transport sector, and addressing the challenges of climate change through practical solutions that reduce carbon emissions.

NEOM landscape is one of a kind. It is hospitable to integrated renewable energy systems that rely 100% on renewable energy sources such as sun and wind, and produces clean fuels like green hydrogen. In 2020, the company's headquarters moved from Riyadh to NEOM, and more than 450 employees relocated to live and work in the company's main village.

NEOM is distinguished by a unique design and infrastructure built from scratch that supports development and improvement in the surrounding environment. NEOM launched its first phase to build a 5G based infrastructure while signing an agreement with Bechtel International to develop the infrastructure for the NEOM project.

At the beginning of 2021, HRH Prince Mohammed bin Salman Al Saud, Crown Prince and NEOM Chairman of the Board of Directors, announced "The Line" project. The first of the mega-development projects, it brings to life to a dream city with a length of 170 km. "The Line" strives to foster an attractive environment for inventors, entrepreneurs, and investors, with a future vision centered on people and nature, and a city unmatched in any of the global smart cities. Everyday life will be seamless through invisible AI-enabled infrastructure. The Line will have:

- Zero automobile community that preserves 95% of the natural environment.
- The longest journey on The Line will never be more than 20 minutes, via an ultra-high-speed transit system.
- A project completely powered by clean energy.
- Everything needed for daily life will be just a 5-minute walk away.

---

## The Red Sea Development Company

A luxurious experience in the tourism sector that combines nature, culture and adventure, the Red Sea Project will enhance the Kingdom's position within the global tourism landscape and provide an array of opportunities for companies to be part of one of the world's fastest growing tourism markets.

The Custodian of the Two Holy Mosques approved the Red Sea project masterplan in December 2018. Moreover, a partnership was signed with the Helicopter Company to secure emergency medical services during the construction phase, in addition to a Public-Private Partnership (PPP) agreement with ACWA Power, one of top-tier companies in its field, to build the infrastructure for water services and sewage treatment, solar and wind energy generation, and construct the largest battery storage station in the world, in addition to building a cooling plant.



---

## Qiddiya Investment Company

In April 2018, the Custodian of the Two Holy Mosques and HRH the Crown Prince launched Qiddiya, as one of the Saudi Giga-projects. It aims to make Qiddiya the capital of entertainment, sports, and arts in the Kingdom – an integrated destination that provides unmatched experiences.

The company's vision is to develop a creative destination that is internationally recognized as a unique combination of the most innovative experiences and establish distinctive buildings to host these activities.

Qiddiya operates on a large scale with local companies to build infrastructure, roads, bridges, site security, and other support operations. Several contracts have been signed to start infrastructure construction work, including a contract to implement roads and bridges for the Lower Mountain region with a value exceeding SAR 600 million. In addition to tendering for the construction of roads at the top of the project site, which is estimated at SAR 1.1 billion, the company awarded 10 construction worth SAR 2 billion contracts to local companies. Further, the Qiddiya master plan project has kick-started with the first phase scheduled to open in 2023. It will include more than 60 projects and more than 300 activities bringing life to creativity, arts, hospitality, culture, entertainment, and sports.

The second and subsequent phases to expand Qiddiya's offerings and increase project capacity is already planned to enable sustainable growth and ensure high turnaround.

Furthermore, there are plans to link the project to Riyadh Airport via the metro and other public transport. The company focuses on ensuring effective waste management by reducing waste in the first place, reusing and recycling waste, and increasing biodiversity in Qiddiya lands, while promoting optimal use of water resources by reducing consumption, using water efficiently, and creating a pleasant outdoor climate to help pedestrians.



ROSHN

## ROSHN Real Estate

A PIF portfolio company and a national real estate developer, ROSHN is dedicated to developing modern and aspirational communities for the people of Saudi Arabia.

The company is working to leverage available opportunities in the real estate market stemming from evolving demand for the housing sector in the Kingdom while supporting Government efforts to increase the homeownership rate to 70% in line with Vision 2030 and PIF objectives.

ROSHN will develop modernized and integrated residential neighborhoods in four regions and more than nine major cities. These neighborhoods will unlock new growth potentials for local content through strategic partnerships with local and global institutions to enhance the growth of Kingdom's real estate sector.

In a short span, since its inception in mid-August 2020, ROSHN announced its first residential neighborhoods in Riyadh, spread over an area of more than 20 million square meters and more than 30,000 housing units -- the first milestone in a plan to develop communities and residential neighborhoods across the Kingdom over the next ten years to meet society's aspirations. The company awarded contracts worth SAR 1.6 billion to a number of local and international companies to commence the first phase of its first district in Riyadh, which includes construction and development such as earthworks, a sales center, and other enabling operations like site supervision and other necessary equipment selection. Off-plan sales are expected to be available in 2021.



AMAALA

## AMAALA Company

The company was established to develop and manage AMAALA resorts on the Red Sea, as a super-luxury tourist destination specialized in rehabilitation, health and treatment; and placed among the best luxury tourist destinations.

AMAALA revealed the design of its international airport, applying a set of unique design practices inspired by its location and its picturesque desert nature. The airport is scheduled to be completed in 2023, and is expected to receive about one million visitors when it is officially opened.

The company also announced the awarding of a design and construction contract for the first phase of the residential workers' village in AMAALA to a specialized local company. The contract also includes the second and third phases of civil works and the village's infrastructure, and is in line with Amaala's sustainability objectives. The workers' residential village relies on off-site manufacturing methods and standard building techniques, which will reduce the environmental impact of manufacturing and installation processes in the village. Such an approach will help speed up delivery and ensure the best quality.

Sustainability is the cornerstone of Amaala's progress. The company is committed to net-zero carbon dioxide emissions and implementing more than a dozen sustainability standards covering everything from the use of all-solar energy to waste management and recycling.



## King Abdullah Financial District (KAFD) Development & Management Company

KAFD Development and Management Company was established in April 2018 to expedite the pace of development in an area of 1.6 million sqm. KAFD comprises more than 70 towers, office, residential, and hotel buildings of the highest international standards, the largest of which is the 380-meter PIF Tower, with 77 floors. This is an iconic and unique spot in the Kingdom.

KAFD is a vibrant business, which provides areas designated for cultural and entertainment activities, including cinemas, theatrical performances, and entertainment events.



## Elm Information Security Company

Elm Information Security Company was established in June 1988 and then transformed into a joint-stock company owned by PIF in November 2007. The company offers an array of technological solutions, e-products, and consulting services, in addition to solutions for digital outsourcing, and provides training courses for its clients from the public and private sectors.

Elm's robust human resource base, across 13 sectors, provides innovative and customized solutions and products to public and private sectors clients in various fields like general government services for individuals and companies such as public services for the Ministry of Interior, municipalities, labor, and social development, in addition to healthcare, financial, real estate, transportation, Hajj, and law sectors. Such solutions can transform the daily lives of millions of Saudis and expatriates alike. One of these products is the "Absher" platform from the Ministry of Interior. Absher is an integrated digital platform that allows citizens, residents, and business owners to conclude more than 160 interactive electronic operations, in addition to many other vital services: Muqem, Yakeen, Umrah, Tamm, health insurance link, and others.

In 2020, Elm signed a share purchase agreement to acquire Tadabul, forming a national champion in the IT services sector. This epitomizes PIF's commitment to promoting its portfolio companies' growth by bolstering partnerships and unlocking growth opportunities for the economy. Therefore, this deal will integrate the value chain of logistics services into establishing an integrated technological, strategic system, consistent with PIF Program objectives to push digital transformation forward and empower technology infrastructures as a part of Vision 2030 objectives.

Elm is also navigating new horizons of innovative solutions through its national competencies with integrating its solutions with its subsidiaries to unfold new opportunities, digital solutions, services, and e-products to various national sectors and initiatives. All these measures seek to solidify the company's position locally and regionally.



## ACWA Power

ACWA Power is a developer, investor, and operator of power generation and desalinated water plants with 62 assets in operation, construction, or advanced development across 13 countries, with more than 3,500 employees. PIF acquired a 50% stake in the company.

The company has steered many projects in water desalination employing advanced technologies in many countries, including Saudi Arabia, Bahrain, Oman, and United Arab Emirates.

ACWA Power, a national champion that can compete globally, along with other PIF assets in the power sector, will support developing PIF projects and building up of domestic capacity in renewable energy.



## Saudi Arabian Investment Company

One of the companies fully owned by PIF, the Saudi Arabian Investment Company was established in October 2009 with capital of SAR 20 billion and a strategy based on long-term investment, locally and internationally. It plays a pivotal role in maximizing PIF's assets by investing in various assets that will pave the way for development in the Kingdom. SANABIL also contributes to increasing PIF's investment returns while formulating strategic partnerships that blaze the trail for a more prosperous future.

In 2019, the company evaluated and updated its strategy - in line with PIF's objectives and strategy- through its focus on private growth investments and in various stages, starting with the angel investment stage and up to the post-IPO stage on a commercial basis for profit locally and internationally. The value of the company's assets reached approximately SAR 30 billion by the end of Q3 2020.





## National Unified Procurement Company

PIF has 100% ownership in the National Unified Procurement Company (NUPCO), which is mandated with providing procurement and logistics services to secure pharmaceutical supplies and medical devices for the Kingdom's health sector. The company strives to boost the efficiency of government spending in the health sector by investing in logistics and digital infrastructure while harnessing investment opportunities to localize pharmaceutical industries.

NUPCO played a vital role in the Kingdom's endeavors to address the COVID-19 pandemic by providing PCR tests, preventive equipment, and vaccines. It has also launched many projects to raise the level of health services, including Wasfaty service, Sehhaty app, Anat app, and virtual clinics. NUPCO has concluded a strategic partnership to establish a center for storing and distributing medicines in King Abdullah Economic City, one of the largest logistics hubs in the region, covering an area of 97,000 sqm and containing 50-meter-high shelves that operate automatically employing breakthrough technologies for storing and managing goods. In addition, there are 56 gates to receive all types of trucks and a parking area equipped to accommodate 180 trucks to facilitate operations.

NUPCO played a key role in receiving the first batch of COVID-19 vaccines from Pfizer to the Kingdom. The company designed and operated a workflow to ensure that vaccines arrive at the right time and in the right quantity under the right conditions.



## Saudi Agricultural and Livestock Investment Company

PIF has 100% ownership in SALIC, which was established in 2009. Its primary role is to contribute to Saudi Arabia's food security strategy through various local and foreign investments that guarantee sustainability and growth.

SALIC has SAR 4.8 billion of paid-in capital, and invested in several international companies in agriculture and trade in grains, rice, and meat in Ukraine, Canada, India, Brazil, Australia, and the UK. Despite all the challenges that SALIC faced during the pandemic, it was able to deliver many successes in 2020. It established the National Company for Grains, in a strategic partnership with the Bahri Company, to build a Yanbu grain station. It also supplied the first shipment of wheat from the production of its investments in Ukraine with 64,000 tons of high-quality wheat to be available upon request by Saudi Grains Organization. In addition, SALIC was vital to rapid intervention in supplying some basic food commodities and contributing to stabilizing prices, such as for eggs, onions, and red meat.

During the coming years, SALIC aims to supply larger quantities of basic commodities through its international investments and work to raise the operational efficiency of existing investments in addition to developing its connections with top-tier global companies in grain trade and food processing. The company also plans to expand local and international investments according to its strategy, including investment in agricultural technologies that aim to rationalize water consumption, raise production efficiency, and preserve the environment.



## noon Company

A leading national company, noon contributes to developing and expanding the e-commerce sector, with 50% of its shares owned by PIF. noon services have extended to cover more than 120 cities and provinces in the Kingdom, all of the United Arab Emirates, and Egypt. Moreover, noon has a wide delivery fleet, one of the largest in the region, which played a vital role in supporting its customers during the COVID-19 pandemic.

The company launched the “Mahali” platform to support SMEs by advertising their products on the platform and expand their reach to new customer segments.



## The Saudi Information Technology Company

The Saudi Information Technology Company or “SITE” was established in May 2017. It is fully owned by PIF and mandated with providing digital and cyber services and solutions. The company employs Saudi staff to enrich local content, secure the sensitive national infrastructure and the most critical information assets, and qualify and develop specialized human capital. Such measures lay the foundation for a sustainable economic knowledge system in digital, cybersecurity, and technology development in the Kingdom. The company is capitalizing on its digital capabilities, innovative expert solutions, and advanced services that qualify it to be an essential partner in innovation and building a promising future in this sector.

Since its inception, SITE has achieved several milestones, including doubling the number of the company’s clients in 2020 and providing services to more than 200 national entities to secure and shield the sensitive national infrastructure.



## Saudi Arabian Military Industries

The Saudi Arabian Military Industries is a PIF company established in May 2017 to support achieving Vision 2030 goals to be a catalyst in unlocking the military industries sector, driving localized spending, and transferring key capabilities and know-how to Saudi Arabia. The company relies on breakthrough technologies and employs top national competencies to develop innovative military products and services with international specifications through its central business units: aerospace systems, ground systems, weapons, missiles, defense electronics, and new technologies.

As part of the progress it has achieved in localizing the industry, SAMI acquired Advanced Electronics Company and Aircraft Accessories and Components Company. SAMI also signed many joint ventures with top-tier global companies in the field, including the Spanish Navantia, the American L3 Harris, the Belgian CMI, and the French Thales Group.



## Saudi Real Estate Refinance Company

SRC was established in 2017 to uncover new horizons for the housing finance market in Saudi Arabia and revitalize the real estate sector by enabling lenders to provide long-term financing solutions that help increase homeownership. SRC is the first company to obtain a real estate refinance license.

The company plays a vital role in delivering the Vision 2030 housing sector goal of increasing its contribution to GDP and the number of citizens owning their homes, with homeownership reaching 70% in 2030. The company's assets reached around SAR 6.1 billion in the third quarter of 2020.



## The National Energy Services Company

PIF established the National Energy Services Company with a clear purpose of supporting the energy efficiency sector and Kingdom's objectives of building a diversified, sustainable economy. TARSHID plays a significant role in developing this sector by attracting top-tier global drivers of the energy industry, foreign investment, and contributing to highly skilled jobs.

Among the most prominent achievements in the past period was replacement of more than a million streetlights in many cities of the Kingdom, and rehabilitating more than 1,200 government buildings to cut costs and boost efficiency.



## Saudi Investment Recycling Company

The Saudi Investment Recycling Company was established to contribute to GDP growth, generate job opportunities, and improve the Saudi economy by developing the recycling sector in the Kingdom.

The company acquired "GEMS," a leading company in the field of hazardous industrial waste recycling, as a starting point for operations and expansion of other waste treatment. The company is also involved in the launch of the first plant to treat construction and demolition waste in Riyadh with a capacity of 600 tons per hour, which will contribute to recycling accumulated waste in the city.



## The Helicopter Company

A PIF company established as the first to provide helicopter services in the Kingdom to meet various needs. THC recently signed an agreement with Airbus to purchase 10 “H125” helicopters, the first of their kind in the Kingdom, to provide tourist flight services, photography and aerial surveys. THC currently has 17 helicopters serving air medical transportation, private transportation, aerial signs and photography.



## Saudi Entertainment Ventures Company (SEVEN)

A PIF company that endeavors to unlock the potential of the entertainment sector in the Kingdom in partnership with AMC, SEVEN was the first to obtain a license to operate cinemas in 2018, and in the same year, it opened the Kingdom’s first cinema. The company’s business plan includes opening more theaters in partnership with AMC, the largest operator of cinemas in the world, in addition to entertainment cities and complexes across the Kingdom.



## Jada Fund of Funds Company

Jada was established with the aim of increasing opportunities for SMEs to have access to capital by investing in private equity funds and venture capital.

As part of the progress made in the past period, it invested nearly SAR 1,150 million in 14 investment funds, in addition to launching a program titled “Improving Emerging Fund Managers” to provide mentoring and professional development.



## SAFE Company

SAFE aims to develop the Kingdom's security sector by providing an array of services in line with the best standards and technologies. The company plays a pivotal role in empowering technologies and human capabilities in the security services sector by providing advanced training programs that support professional and personal growth, thus generating more job opportunities and promoting professional standards. Such measures include:

- Security consulting services.
- Integrated security solutions services.
- Globally recognized training and development programs that meet the requirements of security guards working in the Kingdom's private sector.
- High-tech command and control centers directly linked to various security agencies.



## Future Investment Initiative Institute (FII Institute)

The Future Investment Initiative was launched in 2017. The initiative reinforces PIF to become an effective and influential institution in line with global investment trends across various economic sectors. Since 2017, more than 550 speakers have been invited, with more than 13,000 participants, and in 2019, the initiative succeeded in becoming one of the world's top three economic events.

### Future Investment Initiative Institute Objectives

FII Institute will solidify the Kingdom's global image as a primary driver of the global economy. It seeks to uncover new solution for pressing community issues through:

- Uncovering innovative solutions focused on four societal challenges in four areas of influence: healthcare, sustainability, AI, and robotics, in a way that contributes to forming alliances and strengthening relationships that will contribute to achieving common purposes.
- Acting as a knowledge-sharing hub for the top-tier investor community to drive investment decisions
- Cultivating and supporting groundbreaking innovative ideas via media content.
- Launching programs that contribute to enhancing leadership and creating peer communities for Saudi entrepreneurs in investment, as well as their international counterparts.

FII Institute is also responsible for managing the Future Investment Initiative Conference and implementing many similar initiatives globally along with other activities throughout the year.



## At the International Level

### PIF launched two international investment pools:

- International Strategic Investments
- International Diversified Pool

International investment pools include investments that are outside the Kingdom and the MENA region. PIF has built deep connections with top-tier international investors and partners, asset managers, investment banks, and international brokerage firms to become one of the world's largest investment institutions.

PIF succeeded in solidifying its position globally, with the volume of international investments increased to constitute 30% of AuM compared to 5% in 2017 – at the same time, diversifying its investments geographically across various asset classes and sectors. Geographically, PIF has expanded its investments in North America, Europe, Asia, Latin America, and Africa.

PIF has also succeeded in investing in various asset classes to include direct and indirect investments in public and private markets, stocks, fixed income, real estate, infrastructure, and others. PIF has worked on diversifying its investments in healthcare, technology, real estate, infrastructure, consumer services, transportation, etc.

PIF's investments' long-term strategy does not restrict it from seizing short-term opportunities whenever they arise. PIF completed many deals in global public markets in 2020 to leverage opportunities emerging out of COVID-19 pandemic.

## 1- International Strategic Investments

The “International Strategic Investments” pool has grown significantly since its inception. It currently encompasses many international direct and indirect investments in growth companies, industries of the future, and strategic partnerships, including PIF’s investment in the largest private equity fund ever. PIF will continue to contribute and invest in international sectors, in line with Vision 2030 objectives, which includes growing and diversifying PIF’s assets and returns, establishing economic and strategic partnerships, and expanding the Kingdom’s reach and influence as a leading powerhouse in the global economy. Examples of these investments include:

## SoftBank Vision Fund

### SoftBank Vision Fund

PIF is the major investor in SoftBank Vision Fund, the largest technology-focused investment fund after committing \$45 billion. Since its inception, the SoftBank Vision Fund invested and continues to invest across many technology sectors such as Internet of Things (IoT), Artificial Intelligence, Healthtech and Fintech.

## Blackstone

### US Infrastructure Investment Program

PIF has committed up to \$20 billion to the “Blackstone Infrastructure Fund Program”, one of the largest dedicated infrastructure fund program in the world, which mainly aims to modernize US infrastructure at scale.



### Russian Direct Investment Fund

PIF and the Russian Direct Investment Fund concluded a series of agreements for investments of up to \$10 billion in joint projects between the Kingdom of Saudi Arabia and Russia. PIF invested nearly \$2 billion in diverse sectors including infrastructure, manufacturing, logistics and retail sectors.





## Investment program in Brazil

In October 2019, during the Future Investment Initiative, PIF announced its intention to invest up to \$10 billion in the Federative Republic of Brazil. PIF is currently building relationships to help execute this program in accordance with PIF's goals and strategy. To date, PIF has committed to two funds in private equity and infrastructure.

# Uber

## Uber

PIF invested \$3.5 billion in Uber Technologies. Uber is a global leader in the transportation and technology sectors, which is transforming mobility.



## French Private Equity Investment

A memorandum of understanding was signed with AFIC in June 2015, to invest \$2 billion with French asset managers, whereby PIF, until the end of 2020, committed in eight funds for private equity, credit, and infrastructure.



## Jio Platforms

Jio Platforms is a leading telecommunication and digital services platform in India. PIF has invested ~\$1.5 billion to acquire a ~2.32% equity share in the company.



## Reliance Retail

Reliance Retail is the largest physical retailer in India. PIF has invested ~\$1.3 billion to acquire a ~2.04% equity share in the company.

# LUCID

---

## Lucid Motors

In 2018, PIF invested in Lucid Motors, a US electric vehicle manufacturer. Since PIF's investment in 2018, the company has made many breakthroughs including:

- In September 2020, Lucid unveiled the Lucid Air a pure-electric luxury sedan.
- In December 2020, Lucid have finished the first phase of the construction of its factory in Casa Grande, Arizona with an annual initial production capacity of 30,000 units per year initially and up to 400,000 units annually.

# ACCORINVEST

---

## AccorInvest

PIF joined forces with a group of investors to acquire a 55% stake in the French company in 2018. AccorInvest is both owner and operator of hundreds of hotels worldwide largely focused in Europe.

# babylon

---

## Babylon Health

Babylon Health is a telemedicine company which offers virtual consultations with doctors, a symptoms checking service and a chronic condition management through its app. PIF, along with a group of investors, invested in the company, which targets putting accessible and affordable healthcare services in the hand of people all around the world. The app employs cutting-edge technologies like AI used as a chatbot interface for patients and helps doctors by downloading patient records, consultation transcripts, and prompting questions to aid diagnosis.

# magic leap

---

## Magic Leap

Magic Leap is a mixed/augmented reality technology company in the US. PIF is a major investor in the company.

## 2- International Diversified Pool

The International Diversified Pool covers diversified international investments in the public and private markets including but not limited to fixed income, equities, hedge funds, real estate, and infrastructure investments. This pool aims to deliver large and diversified returns in the long term.

Recently, PIF has succeeded in deepening connections with various asset managers, investment banks, and international brokerage companies to become one of the world's largest investors. Such measures have led to its significant growth in commitments and investments with various global fund managers across multiple asset classes such as public and private equity, credit, real estate, infrastructure, etc. in different geographical areas.



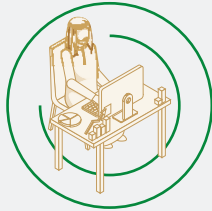
## At the Institutional Level

### Establishing the National Development Division

PIF set up a specialized division to support national development through PIF investments to drive PIF's national development agenda and oversee its successful implementation of Vision 2030. The Division is mandated with three main objectives:

- 1. Analyzing and improving the economic development impact of current and future PIF investments through:**
  - Participating in studying the feasibility of local fund investments and their impact on GDP, generating jobs, increasing Saudization, boosting local content, and promoting new industries' localization to diversify the national economy and unlock new horizons for knowledge transfer.
  - Cooperating with VRPs, to enable them to implement their initiatives through financial or non-financial support.
  - Aligning with the Kingdom's national strategies and work with government entities to deliver Vision 2030 objectives.
- 2. Defining PIF strategic directions regarding the Kingdom's economic and social development and support its implementation, with emphasis on the following areas:**
  - **Private sector participation:** as an investor and partner in PIF investments and as a resource for PIF portfolio companies and projects with plans to enhance that role in delivering set objectives.
  - **Securing supply chains for Giga-projects:** develop a comprehensive strategy to secure the supply chain while uncovering new private sector growth opportunities.
  - **Localization,** by introducing a strategy to boost local content in PIF's portfolio companies and its future investments.
  - **Supporting organizational changes to enable national development:** formulate and modify PIF's internal policies to enhance private sector participation, raise the economic impact of PIF's investment portfolio, and encourage its portfolio companies to incorporate relevant amendments.
- 3. Evaluating the economic impact of PIF Program; by setting up a mechanism for measuring PIF's economic targets and evaluating them periodically to define ways to enhance PIF's performance towards achieving its targets.**

## Launching PIF Academy for Training and Development in cooperation with the most prestigious international universities and institutes



Training of more than  
**160** graduates  
at PIF's Graduate  
Development Program



Training  
**675** employees over two years  
with 1,023 external and internal  
training programs

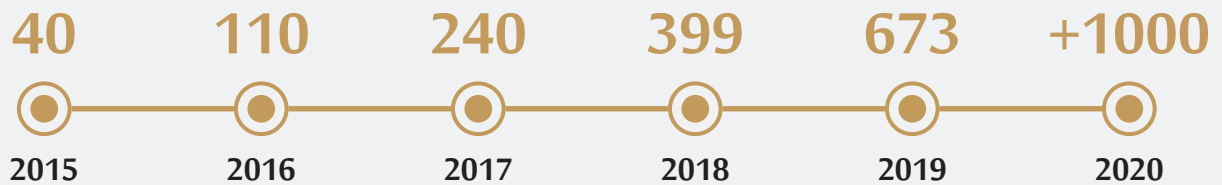


Launching  
"Executive MBA program"  
with a participation of  
41 employees



Launching a cooperative training program to train  
**15** Saudi engineering graduates  
in cooperation with Lucid Motors, utilizing  
the latest technologies at the company's  
headquarters in the US. Seven of the first  
cohort students received full-time job offers at  
the end of their training.

## Doubling the number of employees annually



**26%**  
of PIF employees are women in line with its objectives to promote the role of women at  
all levels of employment including leadership positions.

## At the Level of Portfolio Companies and PIF Representatives on the Board of Directors

### Launching the “PIF Way” Initiative

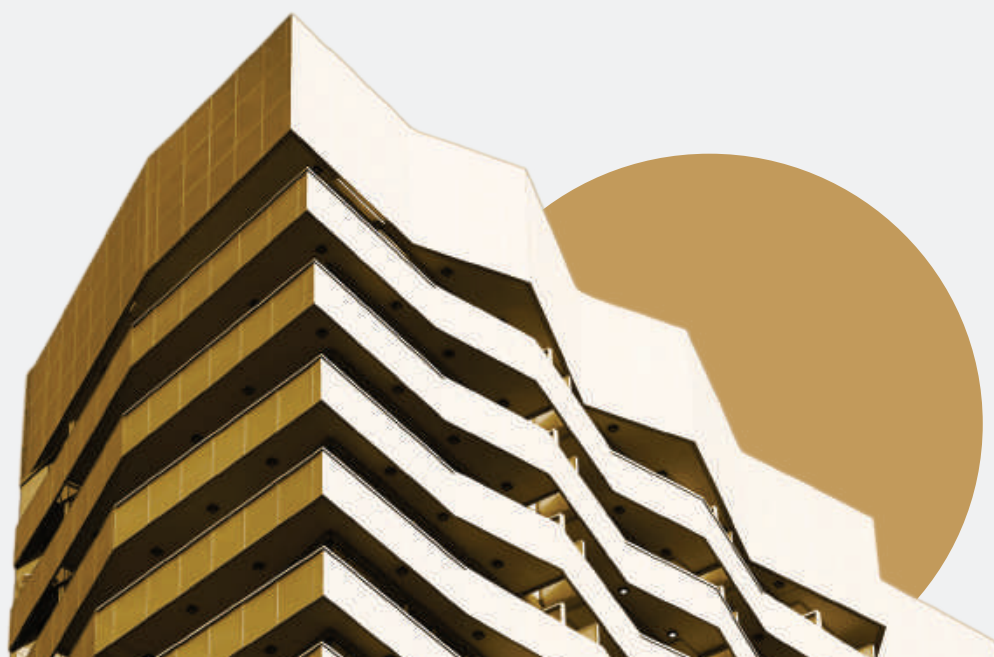
PIF launched the “PIF Way” initiative to create added value with its portfolio companies. PIF Partners Forum represents a platform that attracts executives from PIF local portfolio companies to share ideas, opportunities and experiences. The first PIF’s Partners Forum was held in November 2019 under the title “How to Reach Excellence in an Era of Digital Breakthroughs.”

### Establishing the Center for Governance

Mandated with developing the skills of board members in portfolio companies, the Center for Governance seeks to cultivate corporate governance practices in the Kingdom and keep pace with best local and global best practices.

### PIF Representatives Nomination

PIF has adopted a very precise procedure for the nomination and selection of its representatives in a manner that considers the various details of each particular company. The procedures for nominating representatives of PIF start from examining the company and its board of directors in a comprehensive study to determine the type of specialization, skills, expertise and experience required in order to select representatives of the best competencies from PIF’s candidate database, which exceed 1,200 candidates. The nomination process is carried out in accordance with approved policies that ensure high governance in selecting the most suitable candidates. This procedure was followed when appointing more than 400 representatives.





# Chapter Three

Five Years Ahead in an Ambitious Journey

# 01

## Strategic Pillars

PIF program has developed eight strategic pillars through which it designs and develops its initiatives. This includes initiatives across several sectors and asset classes globally to achieve its 2025 and 2030 aspirations, given their direct compatibility with the goals of Vision 2030. They are also compatible with the directives issued by CEDA's Strategic Management Committee (SMC) and PIF's Board of Directors.

**PIF Program's pillars vary, including investment, value creation, and institutional pillars, namely:**

### Launch and Grow Domestic Sectors

This strategic pillar is a catalyst to the Kingdom's transformation and contributes to maximizing the value of PIF's investments in Saudi companies and developing local sectors.

It bundles all initiatives that aim to develop new sectors, or established ones that can benefit from the Kingdom's significant growth.

Such initiatives that fall within the strategic pillar are identified at the sector level and are mapped to four themes for domestic investment:



Create industries  
at scale



Diversify  
revenue sources



Unlock resources  
potential



Improve quality  
of life



## PIF Strategic Sectors

To deliver the best outcomes, achieve the highest goals and support the national economy, PIF Program identified 13 strategic sectors that constitute a priority in the local market, namely:



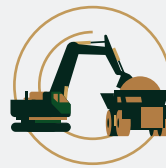
**Aerospace and Defense**



**Utilities and Renewables**



**Automotive**



**Metals and Mining**



**Transport and Logistics**



**Health Care**



**Food and Agriculture**



**Consumer Goods and Retail**



**Construction and building  
Components and services**



**Telecom, Media, & Technology**



**Entertainment, Leisure, and sports**



**Financial Services**




**Real Estate**





## Develop Domestic Real Estate Projects


The Kingdom's Real Estate and Infrastructure sector is a key part of Vision 2030 and is different in scale, type and nature from other sectors and other Real Estate and Infrastructure sectors globally, thus warranting its own pillar. This Strategic Pillar contributes to developing local Real Estate and Infrastructure projects and companies along the value chain. More precisely, it bundles all initiatives that are building development companies or supporting new companies in the Real Estate and Infrastructure sector in Saudi Arabia.


The initiatives within the strategic pillar are structured by regions in Saudi Arabia (Central, Western, Southern, Eastern and Northern) and comprise of projects located within each region. The initiatives in this sector aim to achieve several goals, including, for example:


 Contributing to the Vision 2030 objective of raising home-ownership level to 70%


 Developing world-class urban communities


 Diversifying revenue sources


 Enhancing the quality of life for Saudi citizens


 Improving the Hajj and Umrah experience for both local and international visitors


 Developing and promoting Saudi Arabia as tourism destination

 Instilling construction and design best practices into the sector, following global best practices

 Improving primary infrastructure of the Kingdom and supporting economic development

 Reinforcing strategic partnerships with investors (local and international)

 Driving local supply chain growth for the Real Estate sector

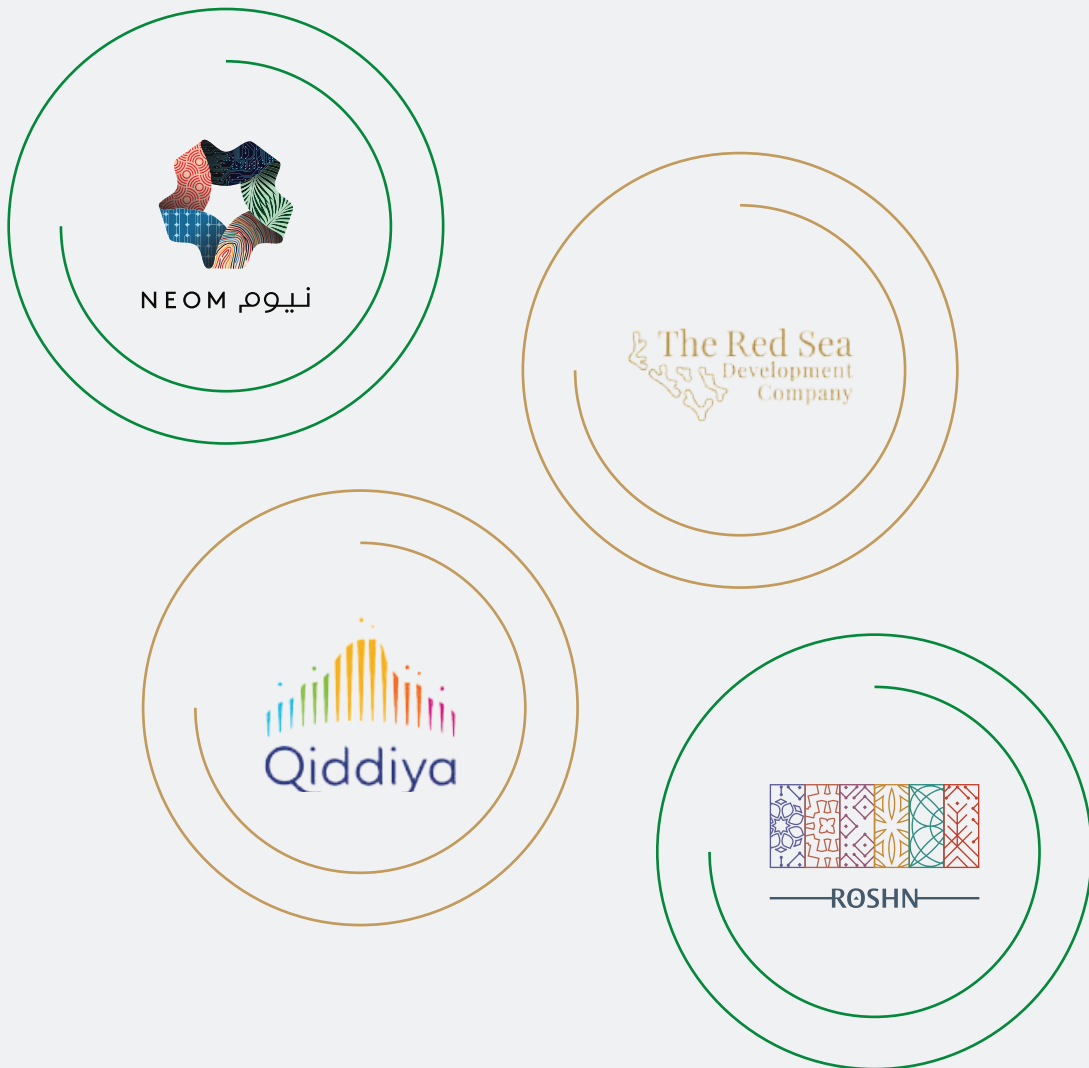
 Cultivating and fostering innovation

## Develop Giga-projects

This strategic pillar is focusing on the Kingdom's giga-projects, which enable the creation of new ecosystems and unlock new sectors through the Public Investment Fund, heavily enabled by and promoting technology and knowledge in Saudi Arabia.

The giga-projects are designed to stimulate the economy and their benefits are expected to expand significantly beyond the real estate and infrastructure sectors, helping to diversify the economy away from oil, especially given their sheer scale. They support the Kingdom's economic transformation efforts and promote investments in several sectors, while achieving high returns over the medium and long terms.

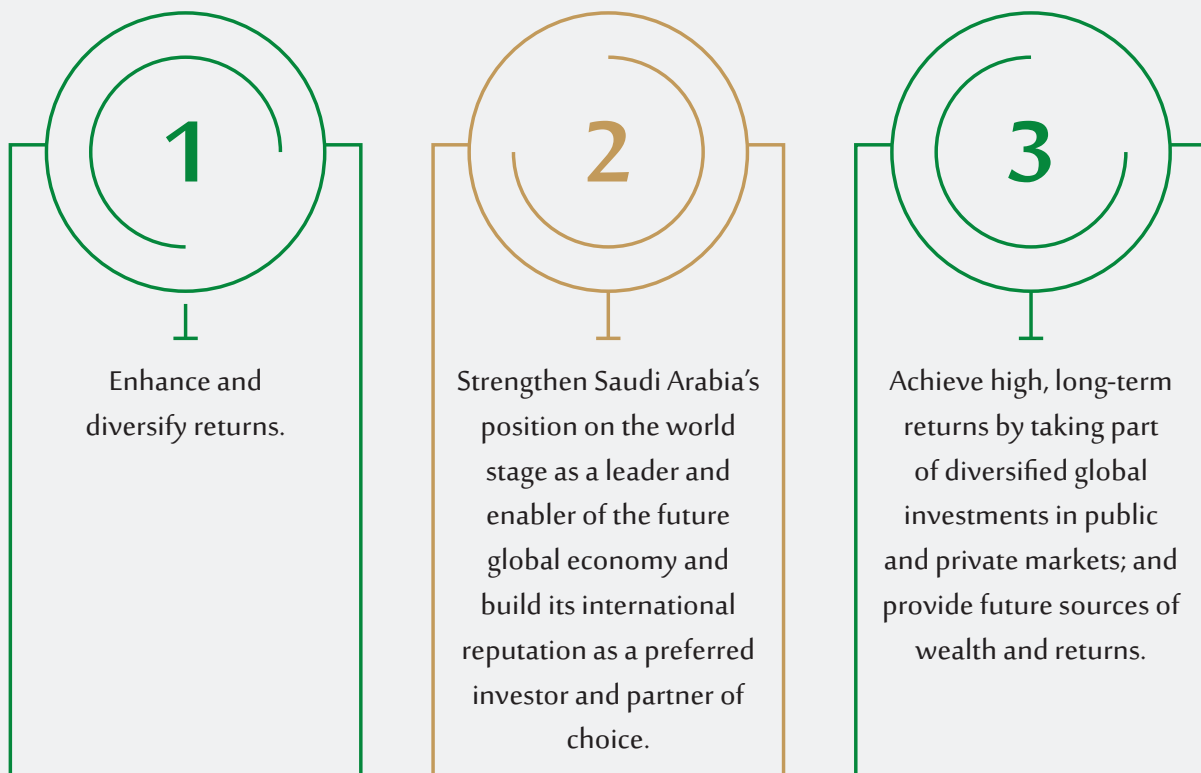
There are currently four giga-projects in the Kingdom:



## Grow and Diversify PIF's Assets Internationally

Initiatives in this strategic pillar aim to develop international strategic partnerships and engage in International investments to diversify sources of wealth and income. PIF will participate through megatrends investing, international partnerships, and diversified exposure.

The main goal of this pillar is to grow and diversify PIF's international portfolio investments broadly, across geographies, asset classes and sectors, and away from the domestic economy and oil and gas industries. Continuously allocating capital to public and private market investments internationally will deepen and increase the number of PIF's strategic partnerships. Moreover, additional international investments will reduce portfolio risk by providing greater diversification. The initiatives in this pillar aim to:



## Support National Development and Act as an Enabler of Vision 2030

---

This Strategic Pillar is focused on PIF value creation and supporting national development through:

- **Securing supply chain and localization:** PIF developed a supply chain strategy to avoid delays to projects, ensure availability of materials and services for the projects at reasonable prices, increase localization through large local spending and make use of investment opportunities in PIF projects' supply chains, without crowding out the private sector.
- **Enhancing private sector engagement:** Increasing private sector participation in the Kingdom's economy is an important component of PIF's business model. PIF consistently evaluates the potential impact of an investment initiative on the private sector. PIF developed a strategy to include the private sector as:
  - **Investors:** Engage the private sector as an investor in PIF projects and in investment opportunities in companies' supply chains, in sectors led by PIF portfolio companies.
  - **Suppliers:** Open PIF procurement opportunities to a wider breadth of private sector suppliers within Saudi Arabia and build the capabilities of private sector suppliers that are key for PIF.
  - **Financiers:** Involve the private sector as a third-party funds provider to PIF, its portfolio companies and its projects.
- **Enabling the Kingdom's vision 2030 through collaboration with other VRPs:** PIF is not only one of Vision 2030 VRPs, but also an enabler for other VRPs. As a result, it is necessary for PIF to collaborate with other VRPs, investing in opportunities that are commercially viable across sectors in the Kingdom (which are also aligned with PIF's strategy and investment requirements).

This strategic pillar is expected to drive domestic value creation and maximize long-term economic growth, and PIF becomes an enabler to other VRPs in the Kingdom.

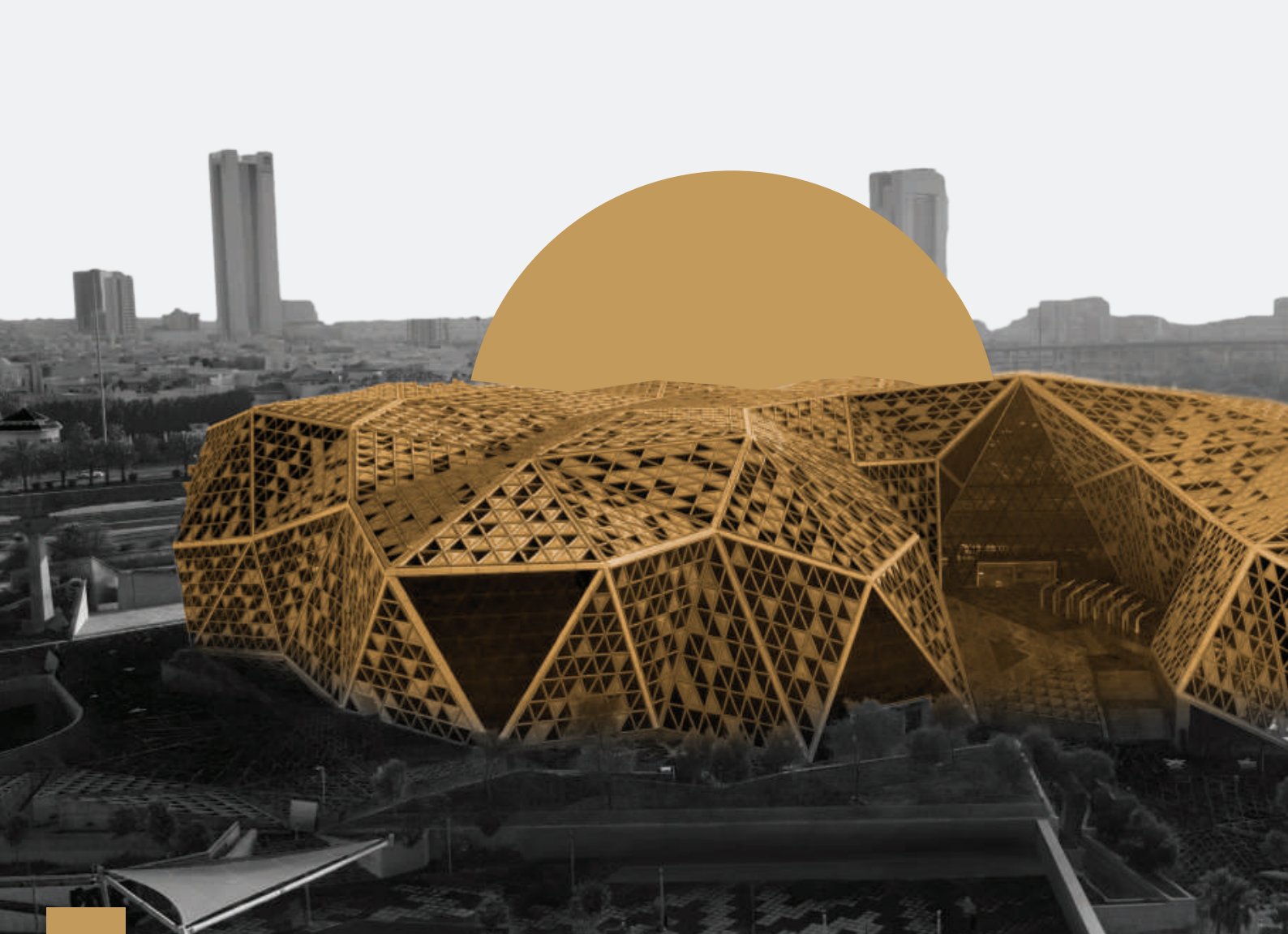
## Exploit Portfolio Synergies and Create Strategic and Operational Value

---

### This pillar aims to:

- Build an interconnected network of PIF portfolio companies across geographies and sectors, with a focus on increasing collaboration and realizing synergies between them.
- Establish and grow PIF's Center for Governance to drive sustainable value creation through Board representatives and steer PIF's agenda in impact investing with a specific focus on sustainability (ESG) investments that will address the Kingdom's long-term prosperity and resilience goals.

Initiatives will impact investments across all pools, aiming to build an interconnected network of portfolio companies across sectors, exerting PIF's influence by developing high caliber board representatives, driving impact investing, both in the Kingdom and globally. These initiatives will also support PIF's overall investment agenda to achieve Kingdom's prosperity and resilience.

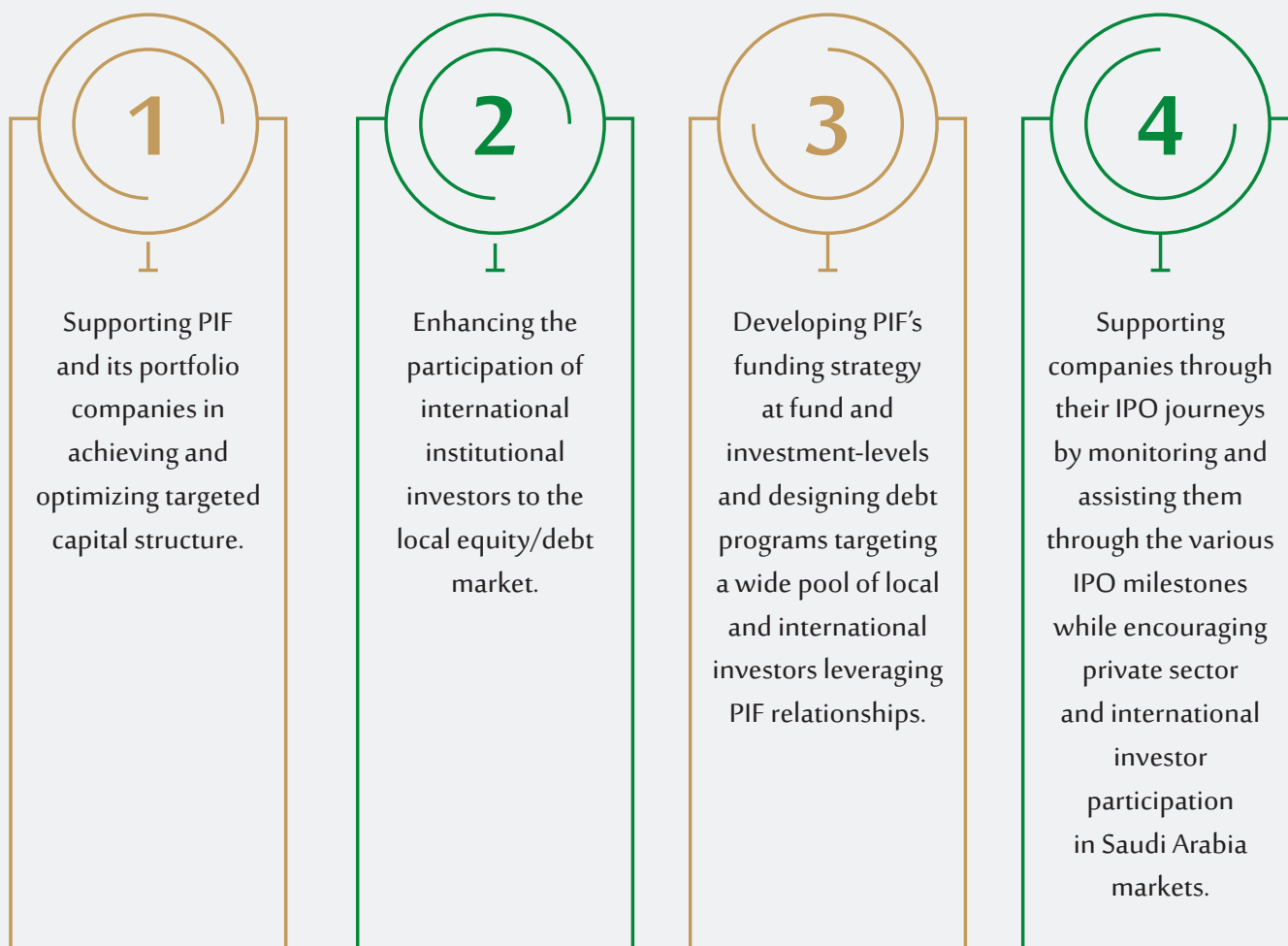


## Diversify Funding and Strengthen PIF Balance Sheet

As PIF engages in an ambitious growth strategy, funding optimization and balance sheet strengthening will be key for several reasons: maximizing risk-adjusted returns, increasing diversification of portfolio, engaging the private sector, and supporting capital recycling to re-invest in high growth projects, which will help achieve PIF's strategic objectives.

PIF leverages several sources of funding, both organic and inorganic. Examples include earnings in the form of dividends and divestments, capital injections, asset transfers from the government, loans and debt instruments raised at PIF level.

The initiatives in this pillar are aimed at:

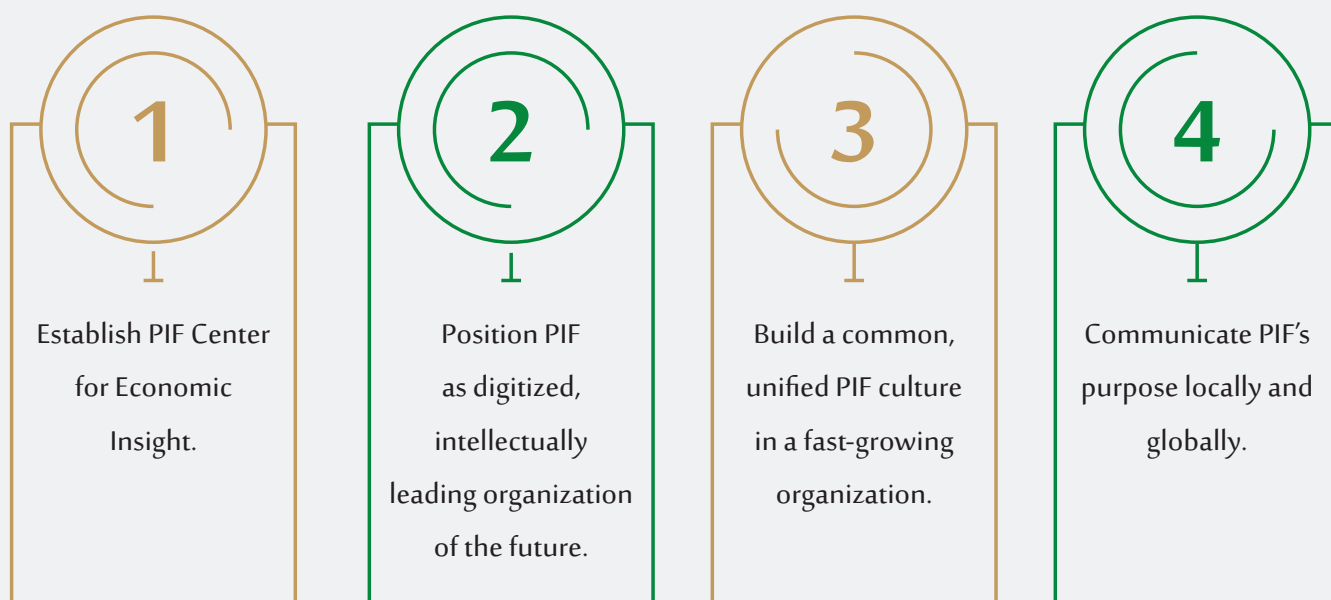


## Strengthen PIF as an Institution

---

This strategic pillar will enable PIF as an institution to create even more value across other strategic pillars, by elevating PIF's thought leadership in economic development and forecasting topics, transforming PIF into a digital-leading organization, implementing a common culture across PIF, and developing a communication strategy.

To meet the objectives of its program and in line with its key role in achieving Vision 2030, PIF seeks to strengthen its institutional capacity through the following initiatives:



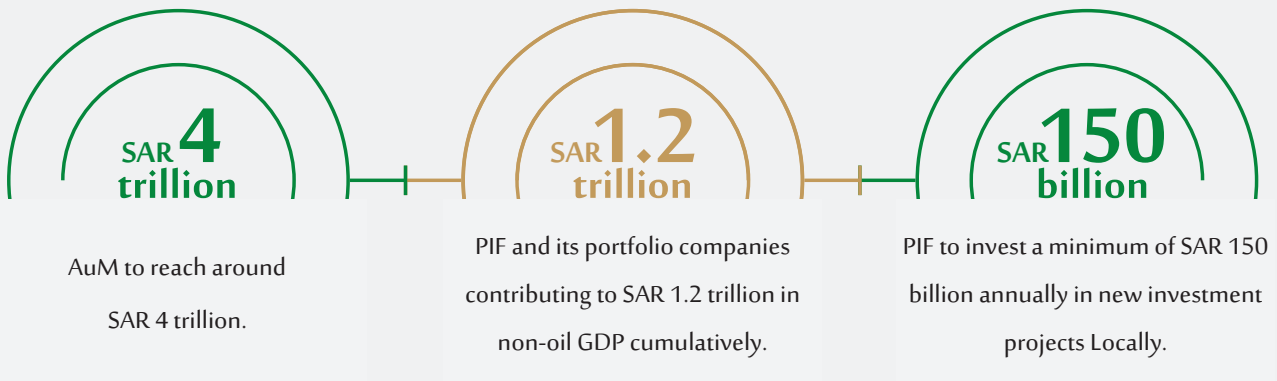


# 02

## Aspirations

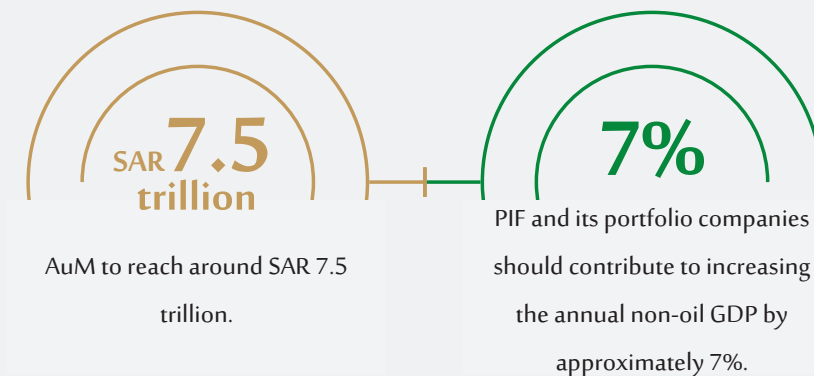
The Program seeks to achieve PIF 2025 objectives of diversifying the economy, developing new sectors and improving the quality of life. By the end of 2025, PIF will:

### 2025



Such targets are expected to contribute to the achievement of PIF's primary ambitions in line with Vision 2030 by the end of 2030, mainly:

### 2030



# 03

## Targets and Metrics

In collaboration with relevant government entities, PIF developed metrics to measure and track the achieved impact to reflect the program's priorities derived from Vision 2030 and associated with its strategic directions, the most prominent of which are:

### Program Metrics

#### Target by End of 2025



#### Assets under Management (AuM)

**SAR 4 trillion**  
Baseline: SAR ~1.5 trillion in 2020



#### New Local Investments

Minimum of SAR 150 billion annually



#### Share of PIF Assets in New Sectors

21%  
Baseline: 15% in 2020



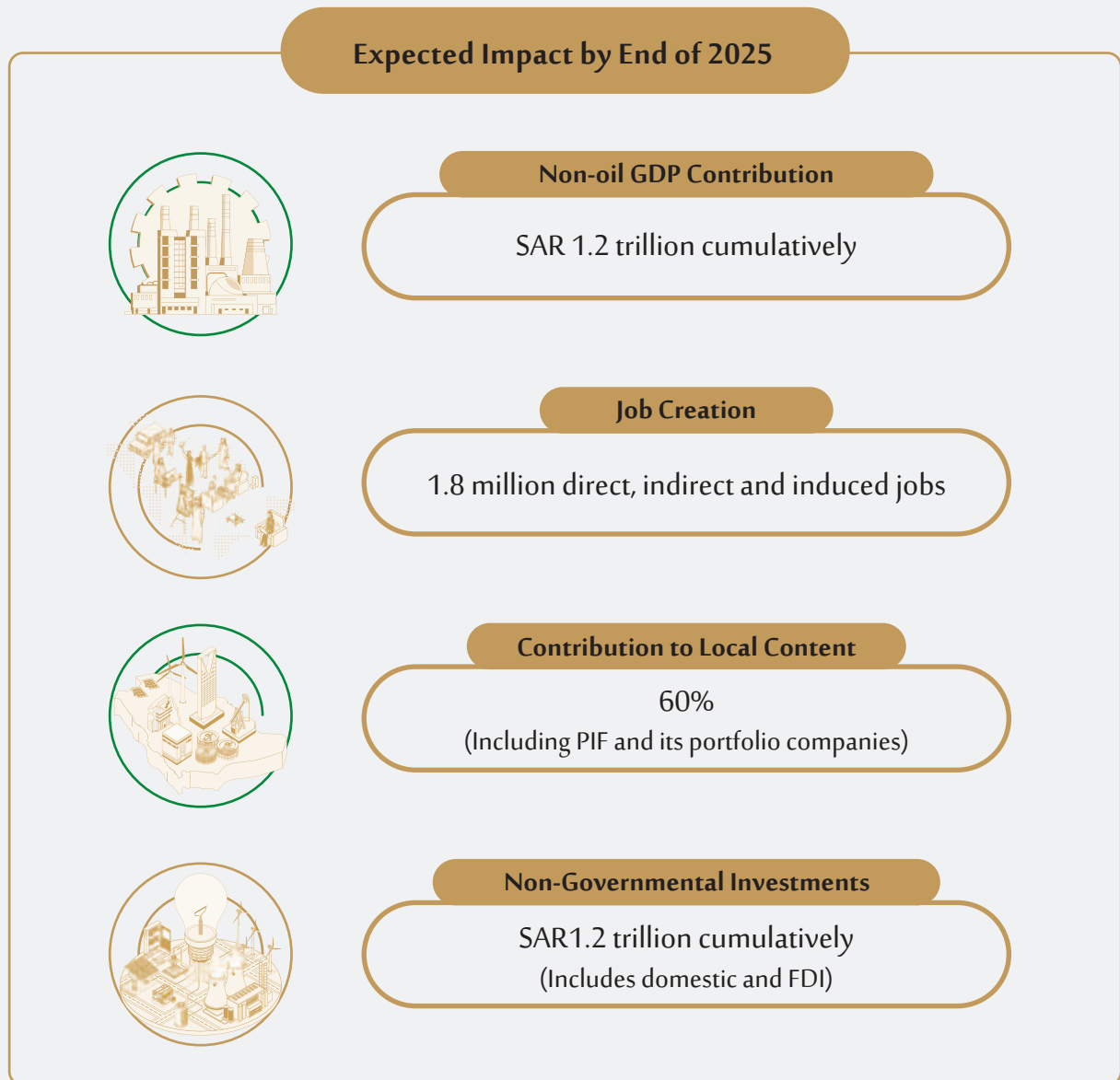
#### Share of PIF Assets in International Sectors

24%  
Baseline: 30% in 2020

- All numbers are preliminary and not audited

According to the above mentioned metrics, investments are expected to lead to:

## Expected Impact on Macroeconomic Indicators



- All numbers are preliminary and not audited

# 04

## Investment Pools

PIF conducted a review of the investment pools' current situation, which included reviewing its priorities in the context of the new program, the inputs from asset managers and investment advisors, and set out to classify the pools based on respective guidelines.

After reviewing PIF's Assets under management, PIF developed six investment pools, four of which are local and two are international, which are as follows:

### 01 Saudi Equity Holdings

These assets include companies listed in the stock market and companies non-listed in the stock market distributed to a number of sectors. The pool will help PIF to fulfil its targets by striving to maximize the value of subsidiaries and achieving sustainable long-term returns. The allowed investments include investments shares in Saudi and the MENA region companies that may be listed joint-stock companies or private companies. It may also include indirect investment through other parties or externally managed funds. Investment is also allowed in other assets in the MENA region.



### 02 Saudi Sector Development

Investment includes new and emerging sectors and companies, whether direct or indirect investments. Throughout such investments, PIF aims to improve and launch new main sectors that promote diversification and improvements in the economy, enabling the private sector to develop and improve such sectors to establish knowledge and technology and create job opportunities in small and medium enterprises.

PIF aims to establish promising sectors in different areas of the value chain and invest in such areas to unlock private sector growth. The general objective of this portfolio is to enhance growth in the sector rather than direct competition within.



## 03 Saudi Real Estate and Infrastructure Development

Assets include investment in real-estate development and infrastructure projects that exist in Saudi Arabia. Such projects meet the population's increasing need for relaxation, recreation, retail and entertainment. The investments also contribute to the promotion of Saudi Arabia as a tourism destination, improves urban livelihood, develop basic infrastructure to support economic development and launches relevant sectors.

Moreover, PIF will also capitalize on these investments to bring best-in-class development expertise, and to attract capital from local and foreign investors.



## 04 Saudi Giga-Projects

Assets in this pool include projects that are large-scale and form complex ecosystems, that significantly transform the Saudi economy. These investments, classified by the Board as "Giga-Projects", are multifaceted, globally unique in scope and ambition, and designed to stimulate overall growth and add significant value to the economy.

These Giga-Projects are developmental with main success measures that will bring macro-related benefits such as non-oil GDP growth, job creation, sector development and FDI, etc.



## 05 International Strategic Investments

Assets in this pool include long-term international direct and indirect investments through selected strategic partnerships. Through this pool, PIF targets investments that focus on industries of the future, foster relationships between PIF and innovative companies and investors, and strengthening links with international counterparts, influential investors and investment managers.



## 06 International Diversified Pool

International Diversified Pool will supply a diversified asset base and source of wealth accumulation and income by investing in liquid and illiquid international assets. The IDP seeks to diversify investments broadly, across geographies, asset classes and sectors, and away from the domestic economy and oil and gas industries. Its investment decisions and focus will be driven by commercial investment returns over the long-term.



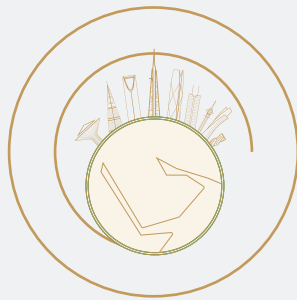
# 05

## Sources of Funding

PIF funding sources are represented through four main sources:



Capital injections from the government



Government assets transferred to PIF



Loans and debt instruments



Retained earnings from investments



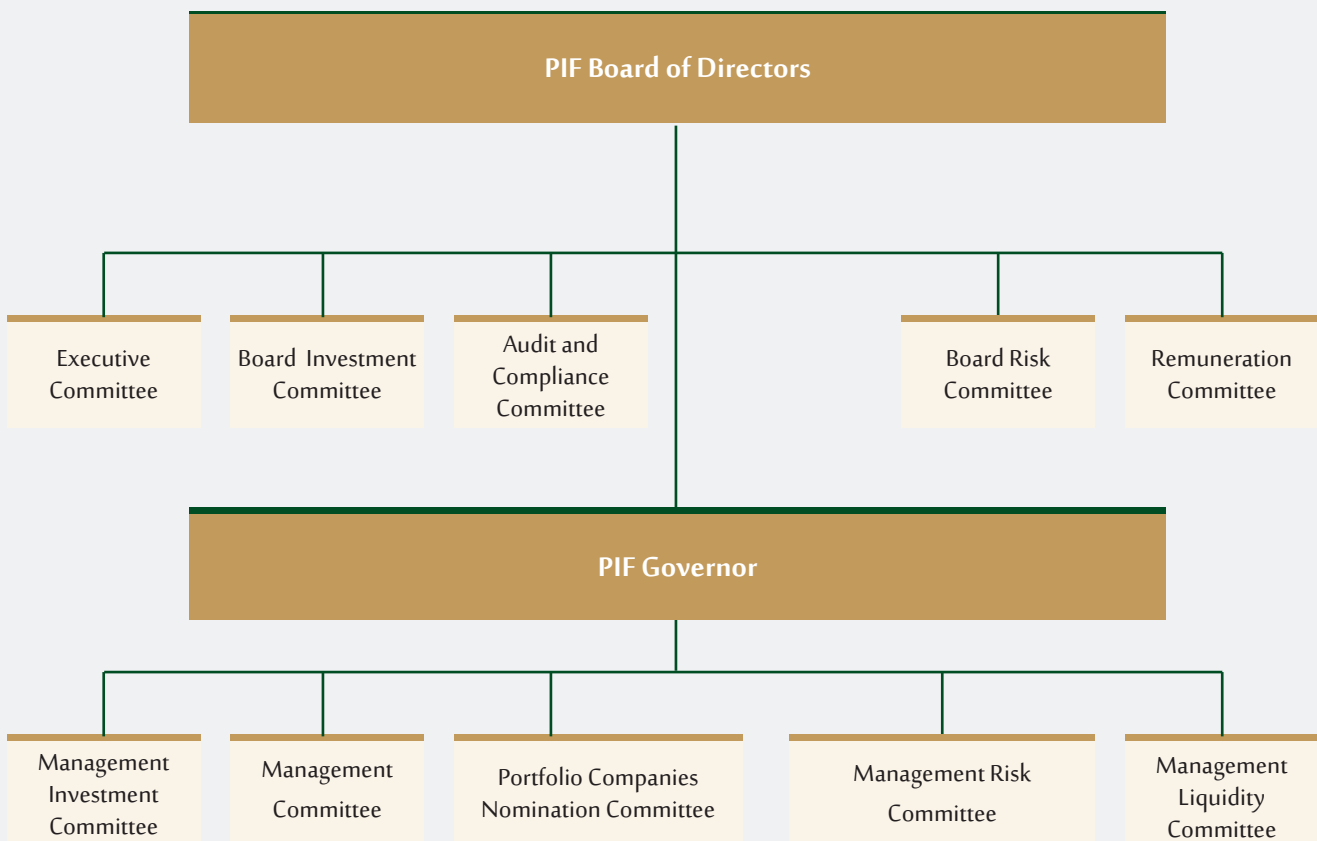
# 06

## Governance and Operations

PIF has adopted a governance and operating model that reflects its mandate and objectives, and builds on global best practices. The operating model ensures transparency, efficiency in decision-making, and the ability to evolve in the future.

On the institutional level, PIF shall report to the Council of Economic and Development Affairs. It shall have a public legal personality as well as financial and administrative independence. Different administrative levels are interconnected under the supervision of PIF Board of Directors to ensure transparent communication, effective work and significant progress to achieve specific and clear results.

### PIF Governance





## PIF Board of Directors

PIF's Board of Directors and its committees comprises of highly qualified leaders with experience and expertise in Economics, Energy, Law, Finance and project delivery. Under the chairmanship and guidance of HRH Prince Mohammad bin Salman bin Abdulaziz Al Saud, CEDA's Chairman, the Board is responsible for overseeing PIF's long-term strategy, investment policy and performance.

### PIF BoD Committees:

<b>Executive Committee</b>	Monitors and aligns PIF's performance with its mandate and provide management with strategic decisions and guidance.
<b>Investment Committee</b>	Reviews and endorses PIF's investment activities that mainly cover: investments in portfolio companies, new direct and indirect investments, establishment of new companies, asset transfers, and investment policy. Except for His Excellency the Governor, committee members are all non-executive members with local and international expertise in different fields.
<b>Audit and Compliance Committee</b>	Approves the audit plan and reviews audit reports and financial statements. It also reviews and ensures PIF compliance with internal and external regulations policies. All members of this committee are non-executive members who offer their knowledge in the fields of audit and compliance to ensure PIF operations are on the right track and match best practices around the globe. This committee was previously named the "Audit, Risks, and Compliance Committee" until 2018.
<b>Board Risk Committee</b>	Ensures that investments comply with risk management policies. It also identifies the risk appetite statement and mitigation plans to avoid any risks PIF might encounter during its investment and non-investment activities. Additionally, as PIF addresses the importance of risk management, a resolution was issued in 2018 that stipulates the risk monitoring scope will be addressed separately to ensure proper controls are in place and with direct and undistracted focus on monitoring it. This resolution led to the establishment of the Risk Committee.
<b>Remuneration Committee</b>	Caters to the overall remuneration pool, each senior management member, the compensation policy for external members in PIF committees and the overall compensation and benefits scheme for the performance management of employees

## Committees at the Management Level

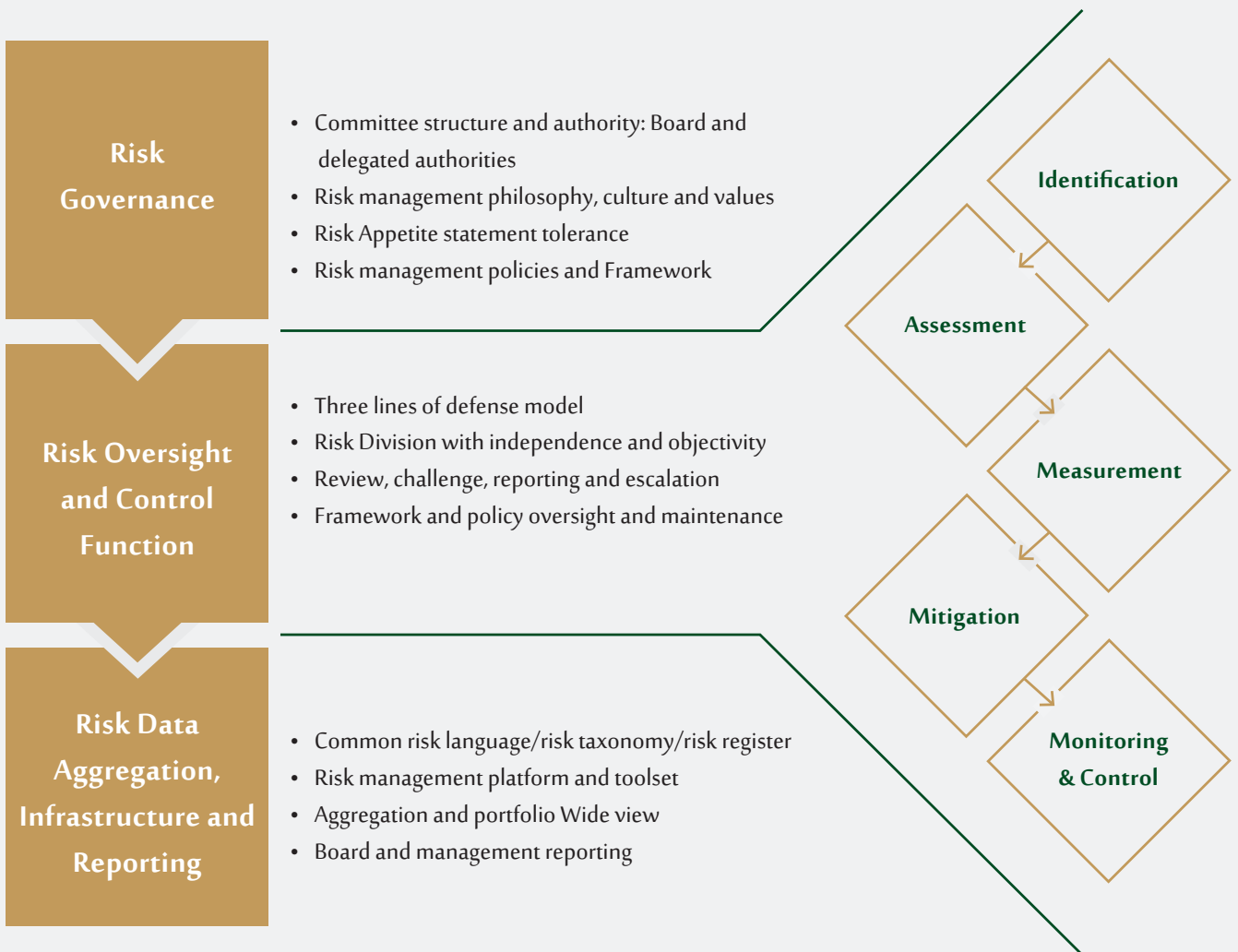
The governance model in the Board of Directors falls under the executive management level with five committees that review strategic and operational activities, and evaluate investment and non-investment proposals before filing them to the Board and its committees to take the proper resolutions. The Executive Committee also exercises the powers granted to them by the Board by authorizing a number of them to administrative committees.

### PIF Management Committees:

<b>Management Committee</b>	Monitors the strategy, business plan execution, and annual operation budget from an institutional perspective. It makes the necessary decisions within its framework of authority and reviews non-investment related proposals that will be issued to the Board of Directors and its sub-committee.
<b>Portfolio Companies Nomination Committee</b>	Proposes candidates to represent PIF in its portfolio companies, reviews the representatives' performance and ensures proper governance practices are in place, in order to maintain integrity and control.
<b>Management Investment Committee</b>	Reviews all investment proposals before they are issued to the Board of Directors and its sub-committees, in addition to authority regarding investments which is delegated by the Board of Directors is practiced by the Executive Management.
<b>Management Risk Committee</b>	Monitors risks and PIF compliance with its risks policies, proposes mitigation action to potential risks and updates to internal guiding documents that match best practices. This committee also identifies business continuity plans to ensure business resilience.
<b>Management Liquidity Committee</b>	Reviews and recommends PIF financing strategy and lending activities to portfolio companies; monitors the liquidity of PIF, develops the capital structure and ensure it is within the desired state to maintain the pace of its activities as desired, in addition to ensuring that funding plans are in place and within aspired targets.

## Risk Management Framework

PIF employs a robust risk management framework to support the execution of the VRP, the main components of which, include governance, oversight and infrastructure/reporting, are depicted in the figure below. Risk oversight and control activities are a shared responsibility, not only performed by an independent Risk Management function but also supported by the broader organization using a “three lines of defense” model. At the framework’s core, oversight is performed as a continuous process of risk identification, assessment, measurement and mitigation, as well as monitoring and control.



## Developing Investment Policies

After approving PIF's initial program (2018-2020), investment policies were developed and approved in order to provide more detailed instructions about management of PIF investment portfolios, and such policies include:

- Comprehensive strategy for the whole investment program that provides common guidelines to all portfolios and identifies how PIF assets are distributed in such portfolios.
- Policies specifically tailored for each individual portfolio.
- The policy of treasury portfolio (Non-investment portfolio).

Investment policies enable PIF to adopt the best global investment practices by identifying the objective of each investment portfolio, providing details on the allowed asset categories, and allocate targets, performance standards and risk tolerance.





# Chapter Four

## PIF Initiatives, a Future Made Through Investment

# 01

## Initiatives Portfolio

PIF has launched a number of initiatives that form the basis of Vision 2030 and aligned PIF's aspirations, strategic pillars and considerations to guarantee PIF targets are achieved.

The initiatives are designed to avoid overlap with other initiatives and guarantees flexibility in identifying and following up on opportunities annually. Moreover, a timetable that extends to the end of 2025 has been developed to implement and manage such initiatives.

To successfully implement the initiatives, the resources needed from PIF have been assessed, including human capital requests, funding amounts and technologies and IT services.



# 02

## List of Initiatives

No.	Initiatives	Objectives	Strategic Pillars
1.	Grow the Kingdom's Aerospace Sector and Solidify its Defense Sector.	<b>Create Industries at Scale</b>	<b>Launch and grow domestic sectors</b>
2.	Develop the Kingdom's Automotive Capabilities by Localizing R&D and Manufacturing of New-age Materials.		
3.	Promote the Kingdom into a Global Transport and Logistics Hub.		
4.	Enable the Growth of Kingdom's Food and Agriculture Sector to Help Achieve a Sustainable Domestic Food Production System, Diversify External Food Supply Sources and Ensure Food Security Resilience.		
5.	Solidify the Kingdom's Position as a Leader in The Construction and Building Components and Services for the Real Estate Sector.		
6.	Diversify and Enrich Entertainment, Leisure and Sports Experiences in the Kingdom to Create a More Vibrant Society.	<b>Diversify Revenue Sources</b>	
7.	Support the Growth of the Financial Sector; a Key Enabler of the Kingdom's Vision 2030.		
8.	Invest Opportunistically Across Diversified Sectors.		
9.	Support the Growth of the Metals and Mining Sector; a key Enabler of the Kingdom's Vision 2030.	<b>Unlock Resources Potentials</b>	
10.	Leverage the Kingdom's Natural Potential to Grow the Utilities and Renewables Sector.		
11.	Stay at the Forefront of Innovation to Improve the Healthcare Sector.	<b>Improve Quality of Life</b>	
12.	Develop the Kingdom's Innovation Capabilities by Localizing the Technology Sector and Developing the Telecom & Media Sector.		
13.	Unlock the Development and Growth of the Retail and Consumer Goods Sector.		

No	Initiatives	Objectives	Strategic Pillars
14.	Develop Real Estate Projects in the Central Sector.	<b>Develop domestic Real Estate projects</b>	<b>Develop Domestic Real Estate Projects</b>
15.	Develop Real Estate Projects in Western Sector.		
16.	Develop Real Estate Projects in Southern Sector.		
17.	Develop Real Estate Projects in Northern and Eastern Sectors.		
18.	Support the Development of the Real Estate Sector Through the Setup of New Companies and Centers of Excellence.	<b>Support the improvement of real-estate projects by diversifying development and supporting construction, services and operation companies</b>	
19.	Develop NEOM Project.	<b>Build Giga Projects</b>	<b>Develop Giga Projects</b>
20.	Develop the Red Sea Project.		
21.	Develop Qiddiya Project.		
22.	Develop ROSHN Project.		
23.	Invest Thematically in Megatrends.	<b>Develop international assets under management and returns</b>	<b>Grow and diversify PIF's assets internationally.</b>
24.	Invest Opportunistically Through International Partnerships.		
25.	Diversify Exposure of PIF International Portfolio.	<b>Diversify PIF international portfolio</b>	



No.	Initiatives	Objectives	Strategic Pillars
26.	Enhance Supply Chain Security and Localization.	<b>Support national development and act as an enabler of Vision 2030</b>	<b>Support national development and act as an enabler of Vision 2030</b>
27.	Engage with the Private Sector.		
28.	Support Vision 2030 by Investing in Suitable Opportunities from other VRPs.		
29.	Create Strategic and Operational Value Across PIF's Portfolio Through the "PIF Way".	<b>Exploit portfolio synergies</b>	<b>Exploit portfolio synergies and create strategic and operational value</b>
30.	Establish and Grow PIF's Center for Governance to Drive Sustainable Value Creation Through Board Representatives.	<b>Create strategic value</b>	
31.	Drive Impact Investing in the Kingdom and Globally.		
32.	Diversify Funding Sources and Attract Investments to PIF Projects.	<b>Diversify funding resources</b>	<b>Diversify funding and strengthen balance sheet</b>
33.	Initiate a Capital Market Program at PIF or its PCs.		
34.	Execute IPO Program for Qualified PIF Investments.	<b>Recycle capital for investments</b>	
35.	Establish PIF Center for Economic Insight.	<b>Strengthen PIF as an institution</b>	<b>Strengthen PIF as an institution</b>
36.	Position PIF as a Digitized, Intellectually Leading Organization of the Future.		
37.	Build a Common, Unified PIF Culture in a Fast-Growing Organization.		
38.	Strengthen PIF's Mandate and Achievements Locally and Globally.		

# 03

## Initiatives Details

### 1. Grow the Kingdom's Aerospace Sector and Solidify its Defense Sector

#### Initiative Description:

The defense and aerospace sector is of strategic importance to Saudi Arabia, showcasing the need for establishing domestic military industries at scale that are able to accommodate growing demand, providing opportunities for PIF along the Aerospace and Defense value chain, including military systems and equipment, parts, components, as well as MRO (Maintenance, Repair and Operations) services. PIF is currently studying setting up a new company to support the aviation sector aspirations locally and regionally.

#### Opportunities:

- Demand for local military sectors, including military systems, equipment, spare parts, and components, as well as MRO.
- Growth in demand for new aircraft and design specifications.

#### Progress:

- Established the Saudi Arabian Military Industries (SAMI) to be the catalyst for unlocking the military industries sector, drive localized spend, and transfer key capabilities and know-how through its strategic partnerships with foreign OEMs.
- Establishing the Helicopter Company as the first company to provide helicopter services in the Kingdom to meet many needs, such as medical air medical transport, private transport, air signage and tourist trips.

#### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund
- Localize cutting-edge technology and knowledge through the Public Investment Fund



## 2. Develop the Kingdom's Automotive Capabilities by Localizing R&D and Manufacturing of New-age Materials

---

### Initiative Description:

The automotive industry's development at the regional level represents an excellent opportunity for import substitution. Given that it is one of the sectors with the largest GDP and job multiplier, it would boost non-oil GDP growth and employment.

The Battery Electric Vehicles (BEV) sector is currently witnessing vast and accelerating growth, and would signify an additional value to PIF's portfolio, which aims to achieve growing returns in the long term. This step intensifies PIF's efforts to boost returns and bolster economic diversification in the Kingdom. PIF is exploring investment opportunities to localize the automotive industrial ecosystem.

### Opportunities:

- The automotive industry is witnessing technological breakthroughs, including the production of new business models such as BEV, which have unlocked many opportunities in the sector.
- PIF also initiated a project to partner with a global Li-Ion battery cells producer and localize the manufacturing of battery cells in the kingdom to support future expected demand from Battery Electric Vehicles (BEV).
- NIDLP's objective of localizing the automotive industry.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund
- Localize cutting-edge technology and knowledge through the Public Investment Fund



### 3. Promote the Kingdom into a Global Transport and Logistics Hub

---

#### Initiative Description:

The logistics sector is crucial to Vision 2030. This initiative aims to contribute to improving connectivity in logistics infrastructure in the Kingdom and its operations, providing services in the required time, boosting the capabilities of the logistics sector and increasing the participation of the private sector in industries that depend on logistics services.

#### Opportunities:

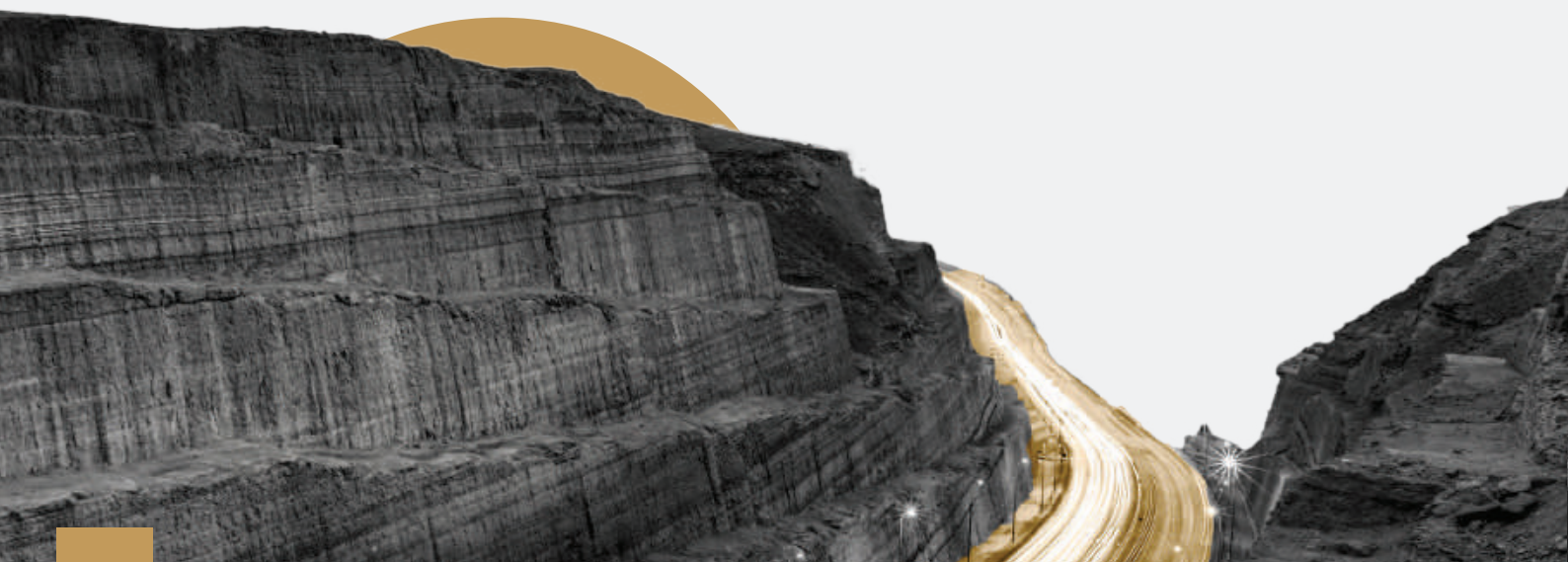
- The Kingdom has the potential to become a competitive trans-regional global logistics hub for air, sea and land logistics, leveraging its unique geographic location and tapping into globalized supply chains through the Red Sea.
- A doubling of visitor traffic, in line with national tourism aspirations will introduce new major projects across the Kingdom.
- The Kingdom's objectives in this sector to increase export, re-export, and domestic cargo volumes.

#### Progress:

- The recent announcement of Elm's acquisition of a 100% stake in Tabadul from PIF (Elm is also owned 100% by PIF). Tabadul is a pioneer in providing innovative digital integration solutions to the logistics sector, enabling the exchange of information, goods, and services across government and private businesses including customs, ports, and the aviation sector. PIF will coordinate with relevant stakeholders in this regard.
- Staying at the forefront of technological developments by monitoring opportunities in innovative transport solutions.

#### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Localize cutting-edge tech and knowledge through the Public Investment Fund
- Build strategic economic partnerships through the Public Investment Fund



## 4. Enable the Growth of Kingdom's Food and Agriculture Sector to Help Achieve a Sustainable Domestic Food Production System, Diversify External Food Supply Sources and Ensure Food Security Resilience

---

### Initiative Description:

The global packaged food market is a SAR ~9 trillion<sup>1</sup> growing market with shifting trends. The initiative aims to stimulate the growth of the food and agricultural sector in the Kingdom, cementing Saudi Arabia's position as a hub for the Halal industry and distribution center to the world, leveraging existing and new partnerships with leading players in different industries.

### Opportunities:

- Saudi Arabia is the second largest global packaged food market within MENA (~SAR 74Bn), growing at 5% per annum<sup>2</sup>, driven by a young and increasingly active population, more economical private labels, and healthier product offerings.
- Certain growing methods such as aquaculture, water-efficient agriculture technologies (hydroponics), or alternative proteins are growing, benefiting from consumer trends.
- Specific growing methods (for example, NIDL has a production target of 600k tons<sup>3</sup> through aquaculture by 2030).

### Progress:

- SALIC continues to manage its operations and efficient specialized investment in the field of agricultural and animal production; to achieve profits within the approved strategy of the company.
- Acquired stakes in Almarai company.
- Acquired stakes in Americana company.
- Final studies were conducted to establish some projects that depend on localizing technology and availing of local resources and agricultural derivatives in coordination with the Ministry of Environment, Water, and Agriculture.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund
- Localize cutting-edge technology and knowledge through the Public Investment Fund
- Build strategic economic partnerships through the Public Investment Fund

## 5. Solidify the Kingdom's Position as a Leader in The Construction and Building Components and Services for the Real Estate Sector

---

### Initiative Description:

As part of PIF's efforts to diversify the Saudi economy, this initiative aims to solidify the Kingdom's position as a leader in the construction and building components and services for the real estate sector. Such measures will secure the supply chain of real estate projects, focusing on strategic products and services, heavy machinery, concrete, cement, tiles, etc.

### Opportunities:

- Boost local content in non-oil sectors.
- BoP's objectives of developing non-oil exports and local content and improving the balance of services.
- Explore potential investment opportunities in other areas such as heavy machinery, elevators, windows, doors, construction chemicals, etc.
- Invest SAR ~3 billion to secure the supply chain of priority products and services in the next 10 years.

### Progress:

- PIF has launched several Real Estate development new companies in Saudi Arabia the last three years, with several more in the pipeline.
- Established Saudi "Pecsa" Company, in partnership with POSCO, to invest in the contracting sector.
- Established JV with "Kattera" to transfer offsite construction technology in Saudi Arabia: initial phase includes building 4,140 individual homes across the Kingdom.
- Acquired 40% of Aramco-Jacobs JV "Jasara" specializing in construction project management services.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Localize cutting-edge technology and knowledge through the Public Investment Fund

## 6. Diversify and Enrich Entertainment, Leisure and Sports Experiences in the Kingdom to Create a More Vibrant Society

---

### Initiative Description:

A growing global middle class and the availability of low-cost carriers drive increase in global travel activity. This initiative aims to diversify and enrich the Kingdom's tourism and entertainment experience to build a more vibrant society and solidify the sports sector's economic and social role on all levels.

The Kingdom is focused on developing the entertainment, leisure and sports sector by creating new destinations and digitizing gaming content, to grow internal tourism and reach its target of overnight visitors by 2030. Developing the Entertainment, Leisure and Sports sector is a collective initiative that requires the collaboration of many government and semi-government entities. A sustainable Entertainment, Leisure, and Sports industry will provide significant job creation opportunities and allow Saudi Arabia to regain most leaked value of entertainment spending abroad.

PIF's hotel pipeline of approximately 136,000 hotel rooms is to go live by 2030. Further down in the value chain, closer to the end customer, PIF is exploring a go-to B2C online booking platform for hotels, flights, adventure experiences, and religious travel bookings specialized in Saudi Arabia.

The sports sector is one where PIF is assessing its investment opportunities in line with its investment mandate and assessment criteria.

### Opportunities:

- Over the past five years, within the entertainment industry, the fastest-growing segments have been personal entertainment, theme parks, and recreational sports.
- Interfacing of emerging technologies like Augmented Reality (AR) Virtual Reality (VR) with entertainment offerings.
- The Kingdom's current focus on developing the entertainment, leisure and sports sector by creating new destinations.
- Saudi Arabia has a national ambition to increase international and domestic overnight visitors from 41M to 120M tourists annually by 2030.

### Progress:

- PIF has invested through one of its companies (Saudi Entertainment Ventures Co. or SEVEN) to improve citizens' entertainment experience in the Kingdom by offering unique products, such as cinemas, entertainment clusters, theme parks and theaters.
- PIF will continue to grow the entertainment offerings through SEVEN. The focus going forward will be developing intellectual property by interfacing with the media sector's ambition in Saudi Arabia. Also, technological advancements such as Artificial Reality/ Virtual Reality will be integrated with SEVEN's offerings to enrich the consumer experience.
- PIF and MoS mutually agreed to a collaboration model, whereby close engagement is assured from both sides to assess investment opportunities in line with PIF investment mandate and assessment criteria.
- PIF sponsored several activities to solidify its role in empowering and unlocking new sectors, such as sports, entertainment, and tourism. PIF is also exploring opportunities to tap into the Red Sea and Mediterranean cruise market by establishing cruise infrastructure and operations, which includes stations and seafronts, in addition to building a fleet of marine vessels.
- PIF sponsored the historic "Clash on the Dunes" at Diriyah, the Formula E, and the Saudi International Golf Championship.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund
- Localize cutting-edge tech and knowledge through the Public Investment Fund





## 7. Support the Growth of the Financial Sector; a Key Enabler of the Kingdom's Vision 2030

### Initiative Description:

The financial sector's progressive growth is a key enabler of Vision 2030. This initiative aims to support the growth of leading financial services agencies, enabling them to transform into a cashless community, and contributing to their ambitions consistent with the "Financial Sector Development Program." PIF will join forces with SAMA, SIDF, and other relevant entities in line with the National Fintech Strategy.

### Opportunities:

- The Financial Services sector in the Kingdom is expected to grow significantly by 2030, as SME financing from banks in Saudi Arabia is expected to grow from 5.7% in 2019 to 20% by 2030.
- The Financial Services sector contribution in Saudi Arabia to GDP is also expected to grow from 4.3% in 2019 to 4.7% by 2030.

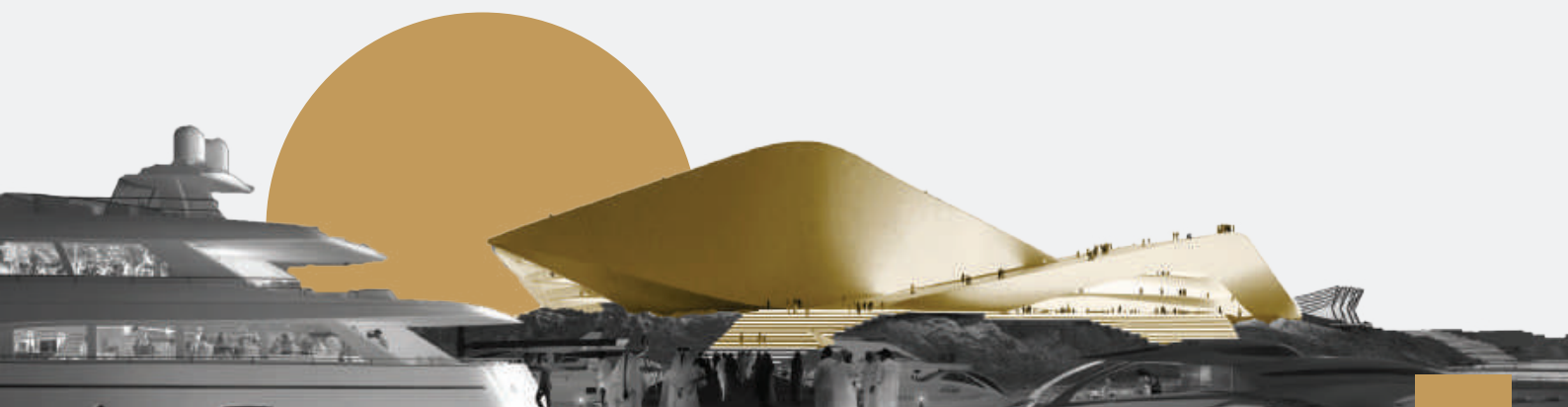
### Progress:

PIF portfolio companies have already made significant achievements to support these objectives, for example:

- Tadawul completed the successful Initial Public Offering (IPO) of Saudi Aramco in 2019.
- National Commercial Bank (NCB) became Saudi Arabia's leader in online/mobile penetration with 50%+ of digital users to total active customers.
- Samba successfully signed with the Saudi Industrial Development Fund (SIDF) the "Letters of Credit Facility Agreement" to facilitate the procurement of fixed assets.
- Riyadh Bank recently was named "The fastest growing bank in 2019 within Arabian Business in the Kingdom."
- Gulf International Bank (GIB) Saudi Arabia entity was established from being a single branch. Saudi Arabia's ownership is 50/50 between PIF and GIB Bahrain.
- Saudi Real Estate Refinancing Company (SRC) signed an agreement with the Public Pension Agency (PPA) to acquire a mortgage portfolio worth more than SAR 3.0 billion<sup>4</sup>. The deal is the Kingdom's largest ever housing real estate refinance transaction.
- Samba Group and NCB merged, transferring the group's assets and liabilities to NCB. This deal formed a financial facility with an asset value of SAR 837 billion, and a market share of around 30%.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund



## 8. Invest Opportunistically Across Diversified Sectors

---

### Initiative Description:

Diversified sectors are those in which PIF will explore opportunities in promising industries, including security, oil-field services and equipment, and industrials (such as energy, and chemicals). This initiative aims to diversify investments between different sectors leading to achieving the goals of NIDLP (National Industrial Development and Logistics Program). In the future, this initiative could be expanded to include other sectors.

### Opportunities:

- The security industry is increasingly more relevant in today's world as many current and emerging threats come in different forms, involving computer networks and new technologies and traditional physical security.
- The oil-field services and equipment industry represents a lucrative market, globally, for upstream equipment, components, other supplies and professional services to companies specializing in oil and gas exploration and production.

### Progress:

- Established the National Company for Security Services (SAFE), which aims to develop and promote the sector of private security services in the Kingdom by providing a set of services that are in line with the best standards and applied technologies.
- Grew the scale and capabilities of TAQA to get into premium well services operations and become a leading regional company in this industry.
- Activated "Dussur" role as a strategic investor in developing promising industries in the Kingdom.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund
- Localize cutting-edge tech and knowledge through the Public Investment Fund



## 9. Support the Growth of the Metals and Mining Sector; a key Enabler of the Kingdom's Vision 2030

---

### Initiative Description:

Saudi Arabia is endowed with healthy mineral reserves that are currently under-explored. The metals and mining sector is one of the most promising, so Saudi Arabia strives to increase the sector's economic contribution as part of Vision 2030, making mining the third pillar of industry alongside oil and gas and petrochemicals.

PIF's role in enabling the goals set out in Vision 2030 for the sector will be through Ma'aden (Saudi Arabian Mining Company). This initiative is in line with NIDLP's goal of making Saudi Arabia a leading producer and exporter of fertilizers.

### Opportunities:

- The size and attractiveness of the global mining sector.
- Saudi Arabia is endowed with healthy mineral reserves.
- As part of its Vision 2030, the Kingdom is endeavoring to take many Sector structural reforms to facilitate private sector investment and intensify exploration.

### Progress:

- Increase mineral exploration activities by deploying the latest digital technologies.
- Commercial operation of new (Ma'aden) projects in the fertilizer, aluminum and gold sectors.
- Completed the initial stages of developing future growth projects in various mining sectors.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Localize cutting-edge tech and knowledge through the Public Investment Fund



## 10. Leverage the Kingdom's Natural Potential to Grow the Utilities and Renewables Sector

### Initiative Description:

The Utilities and Renewables sectors have become increasingly relevant for the world today, as the United Nations defined "Climate Action" and "Affordable and Clean Energy" as two of the sustainable developmental goals (SDGs) for the world through until 2030. This initiative is expected to increase Saudi Arabia's domestic capacity in utilities and renewables, and adopt clean technologies to reduce the Kingdom's carbon footprint while maximizing financial return and developmental impact.

The Kingdom has already set ambitious targets for the Utilities and Renewables sector, with the 2030 target of building renewable energy capacity of 58.5 Giga watts. 70% of the renewable energy development projects will be developed under the umbrella of PIF to drive the growth of Saudi Arabia renewable energy capacity and localize renewable technologies.

PIF will also be playing an integral role in developing the waste management sector and becoming a key enabler to private sector players by driving projects and investments into the sector. PIF mandate complements the Kingdoms' aspiring targets in waste management, where the landfill diversion rate is expected to gradually increase to 82% by 2035.

### Opportunities:

- Local energy consumption in Saudi Arabia is expected to increase significantly by 2030.
- Renewable energy sources are already cost-competitive with conventional energy, making them an attractive area for PIF from a development and manufacturing perspective.
- Building the Kingdom's solar and wind energy capacity and developing the value chain in industries related to solar and wind energy in the Kingdom (manufacturing equipment such as solar cells, models, wind turbines, etc.).
- Expanding SIRC activities to improve the recycling rate of waste in the Kingdom, converting waste into energy, and expanding the customer base in both municipal waste and industrial/hazardous/electronic waste.
- Promote the growth of (Tarshid) and adapt its operating model to evolve over time, enabling it to increase in scope and size.

### Progress:

- Acquired stakes in ACWA Power: a developer, investor, and power generation operator and desalinated water plants.
- Established the Saudi Investment Recycling Company (SIRC). The company is active in managing different waste types, such as construction and demolition waste, municipal solid waste, industrial hazardous waste, electrical and electronic equipment waste. SIRC achieved a significant milestone in 2019 by acquiring GEMS, a leader in industrial hazardous waste.
- Set up National Energy Services Company Tarshid in 2017 to catalyze a more energy-efficient Saudi Arabia. Tarshid aims to be a pioneer in the energy efficiency field, building toward a more sustainable future and diversifying sources of income for the local economy.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund
- Localize cutting-edge tech and knowledge through the Public Investment Fund
- Build strategic economic partnerships through the Public Investment Fund

## 11. Stay at the Forefront of Innovation to Improve the Healthcare Sector

### Initiative Description:

Healthcare is an essential priority sector in Saudi Arabia, with enormous opportunities for growth. PIF seeks through this initiative to become a vital enabler of the sector and drive the utilization and alignment across healthcare services and products in collaboration with the private sector.

### Opportunities:

- The global healthcare market has projected significant growth historically at a CAGR of 7.3% (2014-2018) and is expected to grow at 8.9% CAGR until 2022<sup>5</sup>, driven by rapid growth in the elderly population, strong economic growth in emerging markets, and health insurance reforms globally. Within healthcare, the biggest segment is healthcare services with a CAGR of +9% globally<sup>6</sup> with a high focus of involvement of breakthrough research and clinical facilities to improve and transform the healthcare industry across the world.
- Saudi Arabia and the GCC has strong demand for treating high-prevalence disease.

### Progress:

PIF's National Unified Procurement Company portfolio has actively contributed towards the goal of localizing the pharma industry in Saudi Arabia:

- Signed Memorandum of Understanding (MoU) with Ministry of Defense (Medical Services) to execute the mandate regarding procurement, contract management, and budget transfer.
- Agreed with Center of Spending Efficiency (CSE) for NUPCO to be the strategic purchasing unit in the medical field.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund
- Localize cutting-edge tech and knowledge through the Public Investment Fund
- Build strategic economic partnerships through the Public Investment Fund



## 12. Develop the Kingdom's Innovation Capabilities by Localizing the Technology Sector and Developing the Telecom & Media Sector

### Initiative Description:

Given the preeminent influence of the media and telecommunications sectors' growth in the Quality of Life program, this initiative intends to support the Kingdom as a globally competitive hub of technology, media and telecom. To achieve such objectives, PIF will closely work with its portfolio companies to develop opportunities in various sectors by working with all relevant authorities.

### Opportunities:

- Companies worldwide are increasing spending on technology as digital transformation can increase companies' efficiency and achieve competitive advantage.
- National Transformation Program (NTP) in Vision 2030 aims to digitally enable all economic sectors, such as manufacturing, government, healthcare, banking financial services, and insurance (BFSI).
- Media and telecommunications are also growing rapidly and playing an essential part in the Technology, Media, and Telecom (TMT).

### Progress:

- The Saudi Information Technology company (SITE) was established to design, develop, and operate secure digital computing environments and secure cybersecurity and solution for vital government and private entities.
- Elm signed a share purchase agreement to acquire Tadabul, forming a national champion in IT services sector.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Localize cutting-edge tech and knowledge through the Public Investment Fund



## 13. Unlock the Development and Growth of the Retail and Consumer Goods Sector

---

### Initiative Description:

The initiative is expected to enable the development of the retail and consumer goods sector through the continued growth of noon as a national e-commerce champion that can compete globally and as a regional powerhouse. Beyond core e-commerce, this initiative aims to support the development of noon as the “Digital Platform of the Arab World” - a synergistic ecosystem of digital services around core e-commerce ranging from Fintech services, digital consumer services, digital entertainment and media to digital advertisements.

Additionally, combined with other planned improvements in the logistics sector, this initiative aims to further grow the e-commerce logistics ecosystem in the region, continually raising the bar for the quality of delivery and order fulfillment.

### Opportunities:

- The total MENA e-commerce market is projected to grow to approximately SAR 420 billion by 2030<sup>7</sup>.
- Saudi Arabia features the largest e-commerce market in the GCC and MENA region.

### Progress:

noon continues as a national e-commerce champion that can compete globally and a regional powerhouse, enabling the Kingdom to position itself in the growing MENA e-commerce market strongly. Among the most prominent efforts it has undertaken:

- noon sources millions of products locally and internationally while providing an enabling marketplace platform for local independent sellers and distributors.
- noon’s website and mobile applications attract hundreds of millions in online traffic annually, process payments through its payment gateways, and are instrumental in driving digital payments uptake across the region, enabling the digital economy.
- noon has built one of the largest and most efficient logistics networks in MENA, operating multiple large-scale warehouses and one of the largest delivery fleets.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Build strategic economic partnerships through the Public Investment Fund

## 14. Develop Real Estate Projects in the Central Sector

---

### Initiative Description:

This initiative aims to increase the livability and competitiveness of cities around the Saudi capital, by developing new forms of urban living, centers for business, infrastructure projects, and new destinations by taking advantage of the natural, cultural and historical resources of the Kingdom.

This initiative covers more than 10 projects, and it presents, for example:

- Modern forms of office space.
- New improved forms of living (vertical living, suburban living).
- New daily urban destinations in major cities.
- New logistics/industrial cities.
- Tourism attractions leveraging the historical and cultural heritage.

### An overview of some of the key projects encompassed by this initiative:

#### King Abdullah Financial District:

King Abdullah Financial District is planned to be Saudi Arabia's major central business district and a global center of commerce and finance, spanning over +3M sqm of GLA. Since PIF acquired the project, its strategy has been revised to target more diversified business sectors and encompass a more mixed-use offering, enabling the business activity it ambitions to host. It plans to offer incentives to its corporate tenants, such as fast business setup by regulatory agencies facilitating visa and company registration. For its broader Saudi and non-Saudi community, KAFD will offer new forms of urban high rise working and living outdoor retail, food and beverage, and entertainment for citizens and residents.

### Overall, the initiative will help PIF Portfolio Companies in supporting:

- QoL objective of developing the tourism sector.
- NIDL objective of increasing the percentage of local content in non-oil sectors.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund



## 15. Develop Real Estate Projects in Western Sector

---

### Initiative Description:

This initiative aims to increase the livability and attractiveness of prominent Saudi cities in the Western sector, including areas around Makkah, Madina and Jeddah by developing new forms of urban living, improving access to leisure, entertainment and sports, expanding the Kingdom's infrastructure networks, and launching new destinations by taking advantage of the natural, cultural and historical resources.

This initiative covers more than 10 projects and it presents, for example:

- Increased and upgraded hospitality, retail offering for domestic and international pilgrims.
- Tourism attractions leveraging the historical and cultural heritage of the Kingdom (e.g., UNESCO sites) as well as unique natural resources (mountain or sea tourism).
- Newly improved forms of living (downtown living).
- New daily urban destinations in major cities.
- New logistical and industrial cities.

### An overview of some of the key projects encompassed by this initiative:

#### New Jeddah Downtown:

NJDT is a mixed-use development in the coastal city of Jeddah, with hospitality, residential, entertainment, and office spaces aimed at creating a new modern downtown for the city. The project is planned to develop 5M sqm of prime land along Jeddah's waterfront. A true mixed-use large-scale development, NJDT will deliver +15k residential units, +3.5k hotel keys, +150k sqm of office space and +200k sqm of retail space.

### Overall, the initiative will help PIF Portfolio Companies in supporting:

- QoL's objectives of preserving the Kingdom's Islamic, Arab, and national heritage and developing the tourism sector.
- NIDL's objective of increasing the percentage of local content in non-oil sectors.
- Ministry of Tourism's objective of improving and developing tourist sites.
- DARP's objectives of facilitating hosting more Umrah performers, easy access to the Two Holy Mosques, improving the quality of Hajj and Umrah services provided, and enriching the spiritual and cultural experience of Hajj and Umrah visitors.
- NTP's objective of developing the tourism and national heritage sectors.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund

## 16. Develop Real Estate Projects in Southern Sector

---

### Initiative Description:

This initiative aims to increase the livability, competitiveness and attractiveness of prominent Saudi cities in the Southern sector, including areas around and within the Assir region, by developing new forms of urban living, improving access to leisure, entertainment, and sports, expanding the Kingdom's infrastructure networks, and launching new destinations by taking advantage of the natural, cultural and historical resources.

### This initiative covers more than 4 projects, and it delivers, for example:

- Increased and upgraded hospitality, retail and entertainment offering for domestic and international tourists.
- Tourism attractions leveraging the historical and cultural heritage as well as unique natural resources (mountain or sea tourism).
- New and Improved forms of living (second homes).
- New centers of gravity for a large part of the Saudi population.

### Overall, the initiative will help PIF Portfolio Companies in supporting:

- QoL's objective of developing the tourism sector.
- NIDL's objective of increasing the percentage of local content in non-oil sectors.
- Ministry of Tourism's objective of improving and developing tourist sites.
- NTP's objective of developing the tourism and national heritage sectors.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund

## 17. Develop Real Estate Projects in Northern and Eastern Sectors

---

### Initiative Description:

This initiative aims to increase the livability and attractiveness of prominent Saudi cities in the broader Northern region, from east to west, by developing new forms of urban living, improving access to leisure, entertainment, and sports, expanding the Kingdom's infrastructure networks, and launching new destinations by taking advantage of the natural, cultural and historical resources.

### The initiative covers more than ten projects, and it delivers, for example:

- Increased and upgraded hospitality, retail, and entertainment offering for domestic and international tourists.
- Tourism attractions leveraging the historical and cultural heritage of the Kingdom, as well as unique natural resources (agri, desert, mountain or sea tourism).
- New daily urban destinations in major cities.

### An overview of one of the key projects encompassed by this initiative:

#### AMAALA

AMAALA is planned to be one of the Kingdom's most luxurious projects, expected to place the Kingdom at the forefront of the luxury tourism market. It is planned to deliver a unique experiential offering focused on wellness and sport, as well as sun, sea and living. Once completed, the project will offer over +2.5k luxury hotel keys, allowing guests to explore unique enclaves along the Red Sea coast. Over its 13,000 Sqkm of land, the project will develop three main anchors:

- The Triple Bay (focused on wellness and sports).
- The Island (focused on luxury living).
- The Coastal Development (focused on global arts, environment, and cultural events).

### Overall, the initiative will help PIF Portfolio Companies in supporting:

- QoL's objective of developing the tourism sector.
- NIDL's objective of increasing the percentage of local content in non-oil sectors.
- Ministry of Tourism's objective of improving and developing tourist sites.
- NTP's objective of developing the tourism and national heritage sectors.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund.

## 18. Support the Development of the Real Estate Sector Through the Setup of New Companies and Centers of Excellence

---

### Initiative Description:

This initiative focuses on developing new and promoting existing companies across all real estate sector verticals, from development, contracting, servicing, to operating companies, to help foster the sector's development locally. Additionally, it promotes best practices and synergies within PIF projects' portfolio by bringing in industry-leading knowledge and centers of excellence within PIF.

### Progress:

- PIF currently oversees a series of investments across the value chain of real estate development. These companies include AlAkaria, Dur Hospitality, and others.
- Launching a series of new companies in the sector, such as the Real Estate Registration Services Company (RERSC).
- Launching and expanding PIF's centers of excellence, enhancing best practices, and cultivating collaborations across its portfolio.

### This initiative will help PIF Portfolio Companies in supporting:

- NIDLP's objective of increasing the percentage of local content in non-oil sectors.
- Ministry of Tourism's objective of improving and developing tourist sites.
- NTP's objective of developing the tourism and national heritage sectors.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund
- Build Strategic Economic Partnerships through the Public Investment Fund

## 19. Develop NEOM Project

---

### Initiative Description:

NEOM, on the Red Sea in northwest Saudi Arabia, is PIF's largest project. The commencement of NEOM in 2019 was a significant achievement for PIF. With a name that means "new future," NEOM is being built when the world needs fresh thinking and new solutions. To that purpose, NEOM is expected to be a living laboratory, where new sectors and technologies are launched – a place where entrepreneurship and innovation will chart the course for a new future.

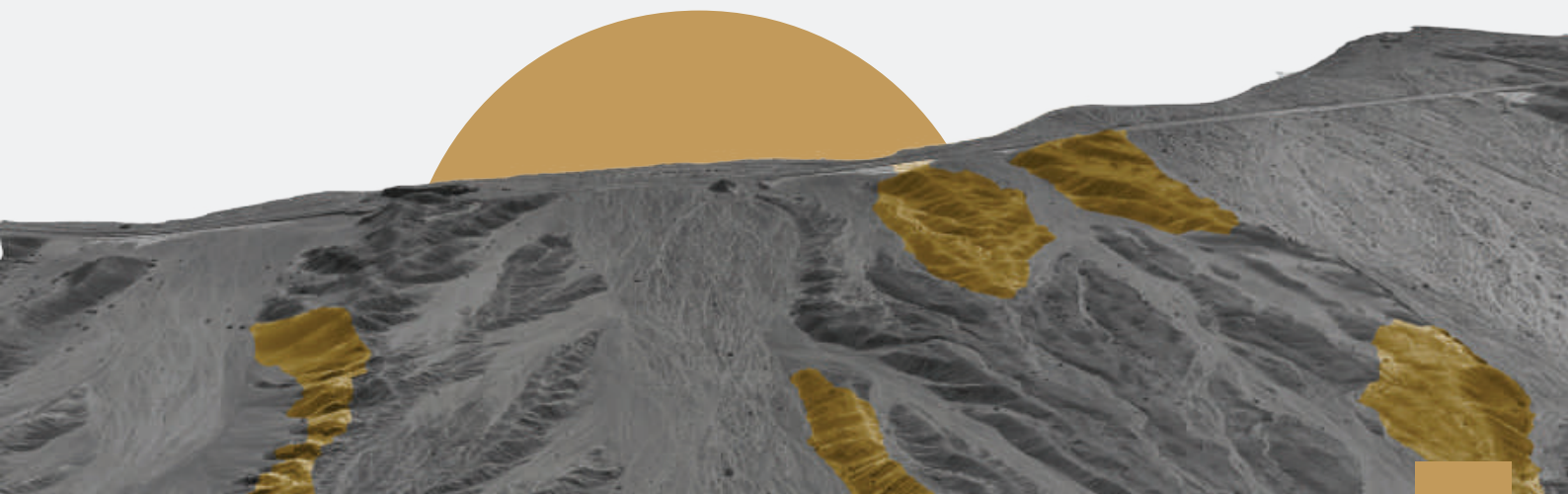
NEOM's strategy is structured around 16 sectors that can bring these elements to life: energy, water, transportation, biotechnology, food, manufacturing, media, entertainment, culture and fashion, technology and digital sciences, tourism, sports, design and construction, Financial services, health and well-being, education, and livability. "The Line" project was introduced as the first of NEOM's mega-development projects, it brings to life a dream city with a length of 170 km. "The Line" strives to foster an attractive environment for inventors, entrepreneurs, and investors, with a future vision centered on people and nature, and a city unmatched in any of the global smart cities.

### The initiative will help PIF's Portfolio Company Neom in supporting:

- QoL's objectives of developing Saudi contribution to arts and culture; developing and diversifying entertainment opportunities to meet the needs of the population, and developing the tourism sector.
- NIDL's objectives of localizing promising industries, creating special zones and rehabilitating economic cities; and increasing local content in non-oil sectors.
- MCIT's objective of supporting the growth of domestic investment in the communications and information technology sector.
- NTP's objective of developing the tourism and national heritage sectors.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund
- Localize cutting-edge tech and knowledge through the Public Investment Fund
- Build strategic economic partnerships through the Public Investment Fund



## 20. Develop the Red Sea Project

---

### Initiative Description:

The Red Sea Project will be an exquisite sanctuary offering an indulgent experience, seamlessly customized to the unique needs of each visitor.

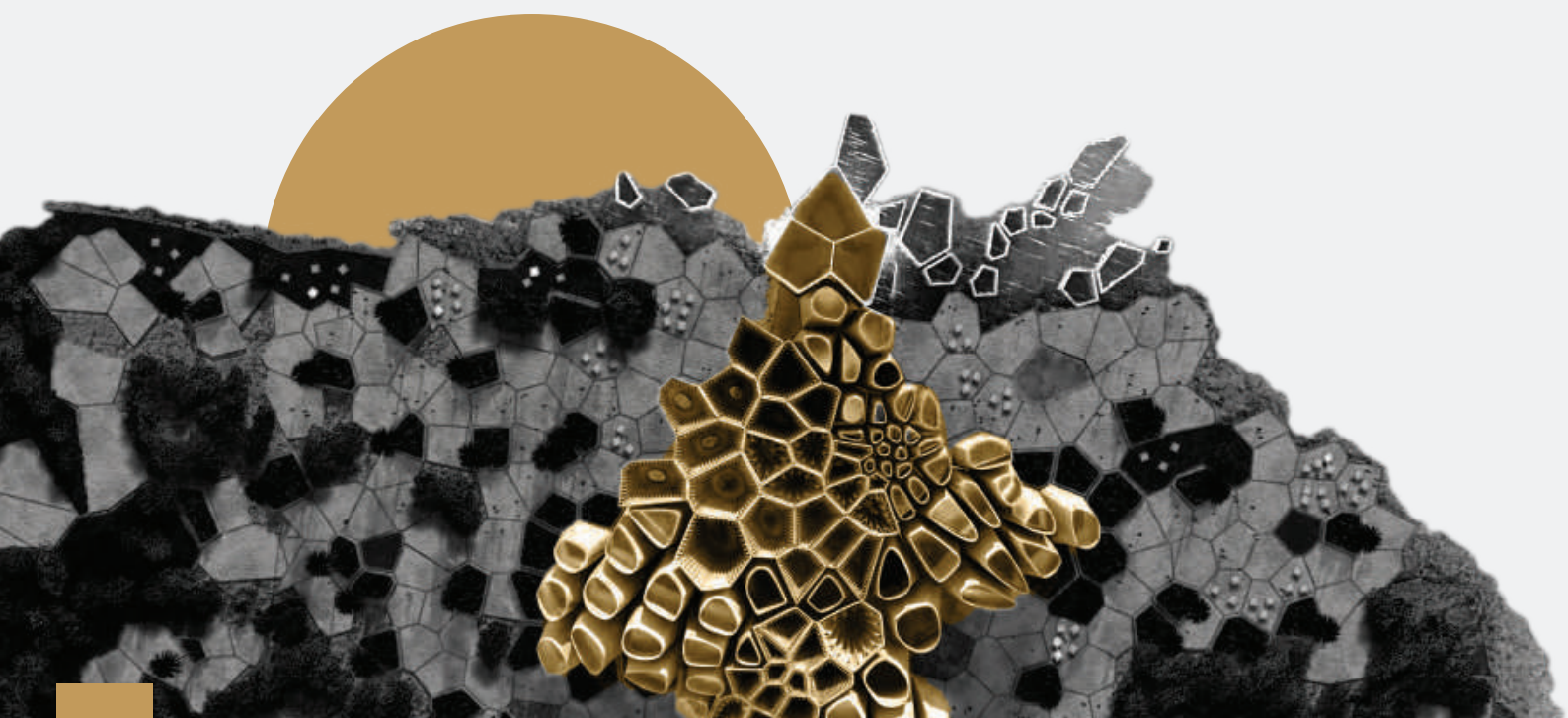
Setting new standards in sustainable development, the Red Sea Project will boost the Kingdom's position on the global tourism map. It will also uncover an array of opportunities for companies to be part of one of world's fastest-growing tourism markets.

### This initiative will help the Red Sea Development Company in supporting:

- QoL's objectives of developing Saudi contribution to arts and culture; developing and diversifying entertainment opportunities to meet the needs of the population, and developing the tourism sector.
- NIDLP's objectives of creating special zones and rehabilitating economic cities; and increasing the percentage of local content in non-oil sectors.
- NTP's objective of developing the tourism and national heritage sectors.
- Ministry of Tourism's objectives to improve and develop tourist sites.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund
- Build Strategic Economic Partnerships through the Public Investment Fund



## 21. Develop Qiddiya Project

---

### Initiative Description:

Qiddiya will be the capital of entertainment, sports and the arts in Saudi Arabia; an integrated destination offering immersive experience, and is one of PIF's Giga-projects.

Qiddiya will be built around five cornerstones:

- Parks and attractions.
- Sports and luxury.
- Movement and transportation.
- Culture and the arts.
- Nature and the environment.

### Furthermore, Qiddiya has already launched several activities across key sectors of focus:

- Qiddiya's master plan has been developed, with the first phase scheduled to open in 2023. It will include more than 60 projects and more than 300 activities to cultivate creativity, arts, hospitality, culture, entertainment and sports. The second and subsequent phases are planned to expand Qiddiya's offerings and increase the project's capacity to enable sustainable growth of the project. and to ensure repeat visitors.
- There are plans to link the project to Riyadh Airport via the metro, and other public transport in Riyadh.
- The company focuses on effective waste management by reducing waste quantities in the first place, reusing and recycling waste, increasing biodiversity on Qiddiya lands, and promoting optimal and efficient use of water resources by reducing consumption, using and reusing water efficiently, and creating a pleasant outdoor ambiance.
- Launched a scholarship program focused on entertainment-related disciplines at some of the most prestigious universities in the world.
- Unveiled Six Flags design, one of the key entertainment facilities.

### This initiative will help support:

- QoL's objectives of promoting sports activities in the community; developing and diversifying entertainment opportunities to meet the needs of the population; and developing the tourism sector.
- NIDL's objectives of creating special zones and rehabilitating economic cities; and increasing the percentage of local content in non-oil sectors.
- Ministry of Tourism's objective of improving and developing tourist sites.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund
- Build Strategic Economic Partnerships through the Public Investment Fund

## 22. Develop ROSHN Project

### Initiative Description:

ROSHN is one of PIF's flagship projects, aimed at increasing home ownership levels in Saudi Arabia. ROSHN is planned to deliver hundreds of thousands of residential units across the Kingdom in Riyadh, Makkah, Aseer and Eastern Region. ROSHN will offer true community living, developing complete townships, that will include a comprehensive real estate asset mix, providing retail, entertainment and workspace for the communities it will host.

Overall, ROSHN is planned to develop more than 395,000 residential units over a land of more than 181 Sqkm, hosting +2M residents. ROSHN is expected to directly contribute to more than 212 B SAR to Saudi Arabia's GDP by 2030, creating more than 101k direct jobs by 2030.

The project is also one of the main instruments that were created to achieve the objectives of the housing program, as ROSHN's mission is to support, enable, and facilitate the increase in the share of homeownership among Saudi citizens to 70% by 2030. The project has complimentary activities because as a master planner and community developer, ROSHN works to revitalize and regulate the housing market landscape through collaborating with the private sector. ROSHN's strategy is primarily focused on enabling more effective development while allocating housing supply to best serve market demand; To serve high-end housing and affordable housing in addition to public housing.

### This initiative will help support:

- QoL objective of developing the tourism sector.
- NIDL's objective of increasing the percentage of local content in non-oil sectors.
- The Housing Program: By joining-forces other entities to boost effectiveness and speed in the delivery of housing in the market. Such measures will help solve and facilitate the regulatory framework when needed, to remove potential barriers to the handover of hundreds of thousands of houses to Saudi citizens in the next decade.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Build strategic economic partnerships through the Public Investment Fund





## 23. Invest Thematically in Megatrends

---

### Initiative Description:

PIF invests strategically across different investment themes to follow sources of growth, including global demand, innovation, value creation, and others.

There are a number of megatrends that can shape PIF's international portfolio under this initiative, such as:

- **Shifting demographics:**  
Trends such as the rise of middle class in emerging markets, aging and growing population, and changes in consumer habits.
- **Sustainable investing:**  
Climate change and de-carbonization, resource scarcity, waste and pollution issues.
- **Urbanization and new mobility:**  
Rise of mega-cities, need for enhanced infrastructure, and new ways of transportation.
- **Increased connectivity:**  
Digital transformation, global supply chain, interrelated computing systems, sharing economy.
- **Tech and Innovation:**  
Big data and analytics, robotics and automation, business model innovation (BMI).

PIF follows an adaptable and flexible approach to achieve this initiative through investing in equities, other financial securities and instruments both private and public in various asset classes including real estate and infrastructure investment via: direct, indirect funds, co-investments, country funds, sector funds, platforms and/ or others.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Build strategic economic partnerships through the Public Investment Fund



## 24. Invest Opportunistically Through International Partnerships

---

### Initiative Description:

PIF invests opportunistically through long term international partnerships. This initiative extends the Kingdom's global reach and contributes to PIF Program objectives of growing the assets of PIF strategic economic partnerships.

The initiative contributes to strengthening PIF's position which enables PIF to gain access to market insights and unique opportunities in non-core investment themes.

PIF follows an adaptable and flexible approach to achieve this initiative through investing in equities, other financial securities and instruments both private and public in various asset classes including real estate and infrastructure investment via: direct, indirect funds, co-investments, country funds, sector funds, platforms and/ or others.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Build strategic economic partnerships through the Public Investment Fund

## 25. Diversify Exposure of PIF International Portfolio

---

### Initiative Description:

PIF supports the Kingdom's objective to diversify from oil and therefore its international investments should also be diversified across geographies, sectors, themes, currencies, asset classes, and others. A diversified portfolio exposure helps PIF's portfolio to achieve an optimal level of risk-return balance. PIF follows an adaptable and flexible approach to achieve this initiative through investing in equities, other financial securities and instruments both private and public in various asset classes including real estate and infrastructure investment via: direct, indirect funds, co-investments, country funds, sector funds, platforms and/ or others.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund



## 26. Enhance Supply Chain Security and Localization

---

### Initiative Description:

This initiative aims to secure the supply chain of real estate (RE) products and services, and drive localization of these products and services.

Given the magnitude of investments PIF is undertaking across its RE projects, PIF needs to secure the supply chain for RE projects in addition to taking advantage of these projects' scale to drive Construction and building industry localization through PIF and private sector investment in the supply chain.

### The initiative will yield multiple benefits to PIF and economic development impact for Saudi Arabia, including:

- Ensuring the timely delivery of PIF strategic RE projects that drive and stimulate economic activity across the Kingdom.
- Localizing a high percentage of the spending on RE projects, creating a ripple effect in the national economy.
- Creating new opportunities for local private sector companies to build long term strategic supplier relationships with PIF, thereby enabling private sector growth and prosperity, building local capabilities and capacity, promoting local employment.
- Creating new investment opportunities for the private sector to increase private sector participation in PIF projects and enable private sector growth.

## 27. Engage with the Private Sector

---

### Initiative Description:

Private sector contribution is at around 40%<sup>8</sup> of GDP, below global levels, with significant potential for PIF to support increased private sector engagement and drive long term economic development for the Kingdom.

This initiative aims to increase private sector participation as an investor, financier, and supplier in PIF-led projects and PIF-led new sector development initiatives.

### This initiative will yield multiple benefits for PIF and economic development impact for Saudi Arabia, including but not limited to:

- Opening investment opportunities for the private sector and encouraging private sector crowd-in.
- Opening opportunities for local private sector companies to build long term strategic supplier relationships with PIF, thereby enabling private sector growth and prosperity, building local capabilities and capacity, promoting local employment, and enabling the development of the SME sector.
- Accessing to new investment flows from innovative investment vehicles offered to international investors, thereby capturing multiple benefits of increased FDI (e.g., increased capital flow, knowledge transfer).

## 28. Support Vision 2030 by Investing in Suitable Opportunities from other VRPs

---

### Initiative Description:

As an investment powerhouse, PIF is not only one of the VRPs in Vision 2030 but also an enabler for other VRPs. Some of the VRPs that PIF will closely work with when developing investment strategy across different sectors.

**PIF's program will collaborate with other programs, either directly or indirectly, as follows:**

- Direct cooperation: PIF is currently examining other program initiatives to identify possible forms of cooperation with it through its projects or its portfolio companies.
- Indirect cooperation: PIF's projects indirectly support achieving the goals of the Vision's programs. The current investments in PIF's companies and projects support the achievement of non-PIF initiatives.

This collaboration will be periodic throughout the lifecycle of PIF Program (2021-2025) to include the above-mentioned programs and any updates to them or any other programs or entities in the initiative's first phase. Such collaboration with VRPs allows PIF to identify and invest in opportunities across sectors in the Kingdom, that are also aligned with PIF's strategy and investment requirements. Since there are many VRPs relevant to PIF's sectors and investment initiatives, strengthening collaboration with other VRPs can help PIF identify potential investment opportunities across sectors, and stakeholders can work closely together to develop comprehensive sector strategies for the Kingdom.



## 29. Create Strategic and Operational Value Across PIF's Portfolio Through the "PIF Way"

---

### Initiative Description:

The initiative aims to build an interconnected network of PIF Portfolio Companies across geographies and sectors, focusing on increasing collaboration and realizing synergies for Local Holding PCs via specialized internal teams and precise engagement models with portfolio companies. In this initiative, PIF will also increase collaboration across both established, mature companies and new companies to support their growth and create value at the portfolio level.

### Progress:

PIF launched the "PIF Way" in the first edition of its annual Partners Forum in October 2019, which was attended by over 200 CEOs from 75 different portfolio companies along with PIF employees.

PIF's objectives from the Forum:

- To provide an opportunity for participants to understand major disruptions and transformations happening in different markets and geographies.
- To introduce and reinforce the PIF Way – a mechanism for supporting and driving value creation.
- To help businesses develop an effective governance structure, identifying and supporting new sources of growth and profitability, leveraging PIF's infrastructure, and making the most of the advantages offered by PIF's extensive local and global network of companies, thought leaders, investors, and government stakeholders.

## 30. Establish and Grow PIF's Center for Governance to Drive Sustainable Value Creation Through Board Representatives

---

### Initiative Description:

The Center for Governance was established to ensure the continuity of support, guidance and development for PIF's board representatives, promote PIF's role as an effective inciter of economic diversification in Saudi Arabia, and maximize the impact of PIF's investments by developing the governance of PIF's portfolio companies.

The Center for Governance specializes in developing the skills of PIF's employees and board representatives in portfolio companies to help align the governance practices of Saudi companies with the best local and international practices. Governance practices also benefit from experts and partnerships with institutes and international universities, that can offer an integrated set of services to the Center's attendees. These services include guidance, communication, and consultation services. The Center for Governance will also be a center of research and studies where pioneering ideas related to corporate governance are developed and published through articles, podcasts, applications, references, distinguished reports, and practical case studies.

## 31. Drive Impact Investing in the Kingdom and Globally

---

### Initiative Description:

The global impact- investing sector has doubled in size over 2018-2020; currently at over 1,340 active impact investing organizations. As such, PIF aims to take a leadership role on ESG within SWFs and the broader global investment community, which will in turn support the Kingdom in achieving its Vision 2030 targets on ESG<sup>9</sup>.

### PIF has already taken significant steps to achieve this goal, such as:

- Being a founding member of the One Planet SWF Initiative.
- Launching several internal initiatives, such as:
  1. Incorporating the Paris Climate Change Agreement in the investment decision process underway, in line with related Royal Decree issued in 2016.
  2. Referencing ESG in PIF Investment Policy Statement.
  3. Developing a Responsible Investing Policy focused on: integrating ESG factors in investment decisions, allocating capital to sustainable themes, actively engaging with portfolio companies on ESG, and screening out sectors and companies that are misaligned with values.
  4. Engaging with more than three of the largest PIF portfolio companies to incorporate ESG factors into their long-term strategies, capital allocation decisions, and day-to-day operations.

## 32. Diversify Funding Sources and Attract Investments to PIF Projects

---

### Initiative Description:

This initiative aims to build an investment ecosystem around PIF portfolio companies. It includes:

- Building the required capabilities at PIF or within its ecosystem to structure investment transactions/deals.
- Launching and managing the supporting vehicles for such investments.
- Expanding and deepening relationships between PIF and strategic partners/investors (local and international).
- Further strengthening PIF's institutional capabilities and its ability to manage investment partnerships.

### For PIF and its portfolio companies, this initiative will:

- Provide access to capital from the private sector and other strategic partners of PIF.
- Give exposure to international domain expertise associated with such capital.
- Signal the success and attractiveness of the projects.
- Further position PIF and its companies as a partner of choice for strategic investments
- Allow PIF to monetize assets and recycle capital as required by its strategic asset allocation and investment strategy.

### For investors, this initiative will:

- Provide access to a relatively untapped set of investment opportunities and diversify their portfolios.
- Ultimately mitigate risks associated with investing in new companies and developments.

Ultimately, this initiative will fuel the investment ecosystem and expand its markets in terms of liquidity and depth, increasing FDI, private sector engagement and participation of the broader Saudi population in its investment activities over the long term.



### 33. Initiate a Capital Market Program at PIF or its PCs

---

#### Initiative Description:

PIF aims to become an active player in global debt markets and support the development of an active local market where it can tap into either at will for short or long-term liquidity and with a broad range of instruments. This initiative aims to further develop PIF's funding strategy and execution capabilities at both PIF and portfolio company levels and enable PIF (or its portfolio companies) to participate in global and local debt markets. It will also support in expanding PIF's debt raising capacity, to be used as a source of funding for PIF investments, in line with PIF's funding strategy, instill cash flow management discipline, and optimize equity returns for PIF and its portfolio companies.

#### Progress:

PIF has already undertaken significant steps that are still underway to prepare its accounts and reporting so that if required, it could access the debt markets including:

- Auditing its accounts, ensuring the required internal systems are in place.
- Developing the required standard policies and procedures (e.g. disclosures policies and procedures).





## 34. Execute IPO Program for Qualified PIF Investments

---

### Initiative Description:

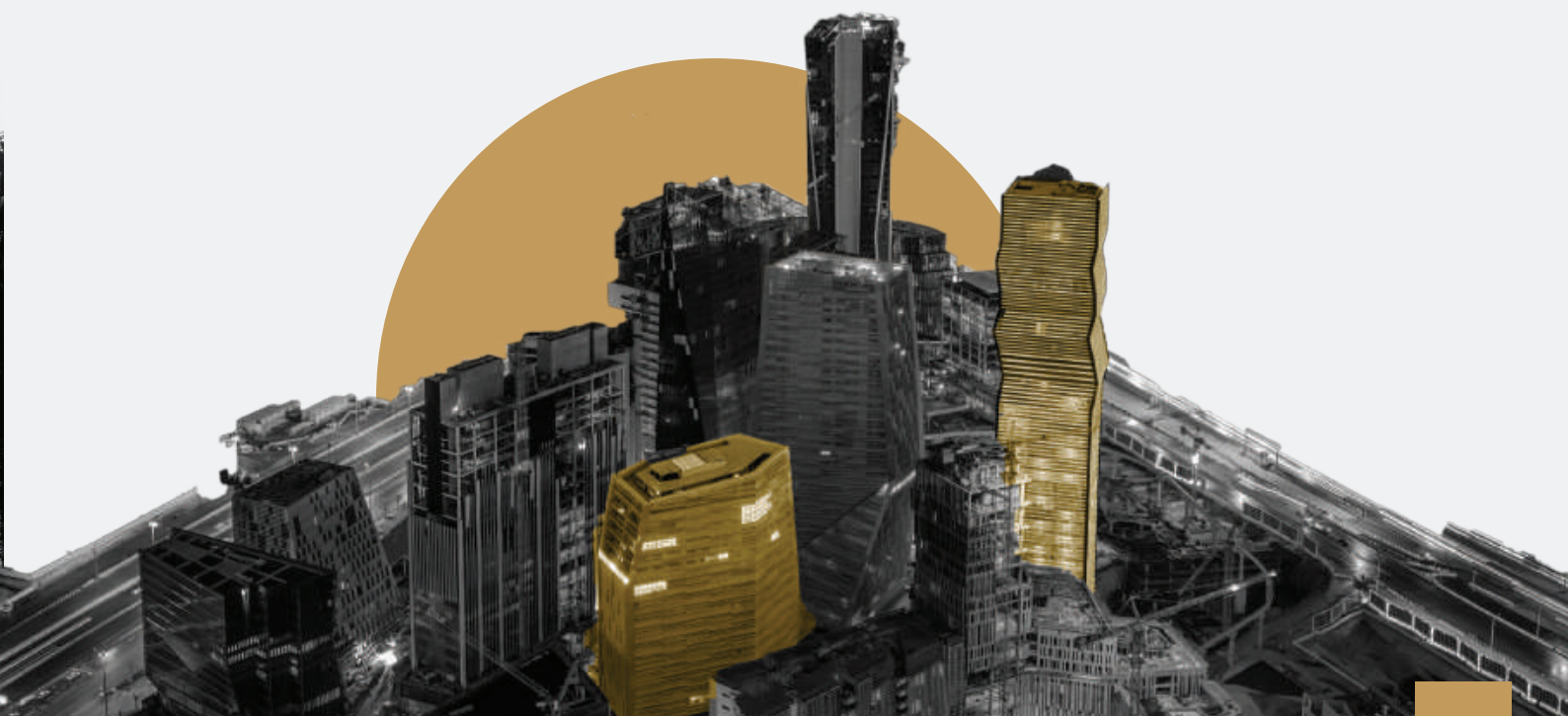
Initial Public Offerings (IPOs) are a common route for SWFs active in private markets to monetize their private holdings and continuously recycle capital through their portfolios.

As such, PIF aims to become an active participant in both the local and international equity markets by listing its Saudi equity stakes after ensuring each asset's readiness for the public markets. This will further support the development of the Saudi stock exchange, Tadawul, by growing the exchange's total market capitalization, increasing the number of listed companies, and encouraging private sector and international investor participation in Saudi markets. In parallel, the listing will also benefit the portfolio companies themselves through:

- Access to additional sources of funding for future growth plans.
- Closer public market scrutiny ensuring increased focus on stronger financials, governance and reporting.
- Increased market visibility.
- Provision of public currency for acquisitions – i.e. stock-funded acquisitions.

PIF has already a strong track record with several of its portfolio companies going public – such as NCB, STC, Alinma, and others.

Currently, in coordination with FSDP, PIF owns within its local equity portfolio, several companies at a stage of maturity and with a track record strong enough to make good candidates for entering the public markets. Several of these companies are already at advanced stages in the preparations for their eventual IPO that takes ~24-36 months to complete.



## 35. Establish PIF Center for Economic Insight

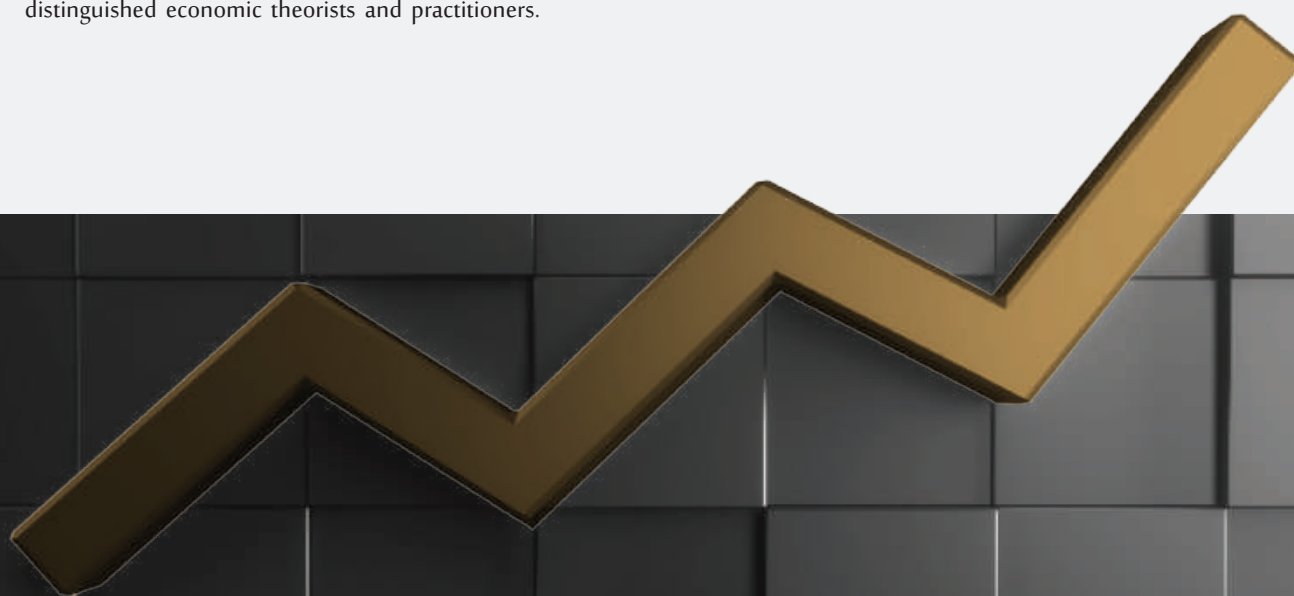
---

### Initiative Description:

This initiative aims to establish an Economic Insights Unit that will elevate PIF's thought leadership in economic development and forecasting topics. On the local level, it will allow PIF to generate insights on the state of the economy, its forecasts under different scenarios and PIF's impact. It will allow PIF to contribute to the Kingdom's success as a major driver of economic impact, not only through its investments, but insights it generates around different areas and levers to unlock economic growth. It will also provide PIF decision-makers with leading macroeconomic insight and analyses to optimize financial and socio-economic returns and contribute to discussions with relevant local and international stakeholders.

### Progress:

- Launched and ramped up, built capabilities in modeling, economic analysis tools, and relationships with other macroeconomic institutions in the Kingdom. The Unit hired internationally renowned economists and analysts as it is actively seeking to further grow the team.
- Developed a VRP analysis of PIF's expected economic impact until 2030. The analysis took into account a counterfactual situation (no PIF) and drove insights into net PIF effect as well as outlined the investments needed to drive the desired impact.
- Designed and started implementing an EIU strategy including the definition of EIU roles, products and services provided to key stakeholder, and the design of enablers: operating model, data and tools, talent and organization structure.
- Developed two economic models: PIF structural model and the now casting model. PIF model focuses on providing forecasts for key metrics of the Saudi economy (economic activity, labor market, foreign trade, investments, consumption, fiscal policy metrics, and others) while at the same time offering scenario analyses. The now casting model is a tailored econometric model focusing on most accurate prediction of GDP and its main components (sectoral GDP).
- Set up Macroeconomic Advisory Group (MAG), an advisory body for CSD and NDD on macroeconomic topics consisting of five distinguished economic theorists and practitioners.



## 36. Position PIF as a Digitized, Intellectually Leading Organization of the Future

---

### Initiative Description:

Recent studies show that digital technology can have a material effect on fund performance – e.g. funds with effective Knowledge Management systems realize gains estimated at ~10-15 bps of AUM<sup>10</sup>. Leading players in the industry acknowledge that digital can be a trustworthy source to gain an edge. PIF aims to become a leader within the SWF ecosystem and the broader investment management industry when it comes to digital capabilities, which will in turn be a major enabler that allows PIF to deliver on its mandate and the broader Vision 2030 goals.

### Progress:

- Completing the infrastructure's implementation by establishing the data center of PIF and launching a number of systems that support information technology operations, such as the enterprise resource planning (ERP) system, the project management system (EPM), and other investment and security systems.
- Establishing an IT Disaster Recovery Center to build disaster management capabilities and business continuity.
- Equipping the technological infrastructure for disaster management and business continuity.
- Boosting the level of efficiency and effectiveness in performance by automating some administrative procedures and operational processes.
- Elevate the digital capabilities by introducing and implementing different solutions such as the supplier self-service system, the procurement system for contracts and services, and the correspondence management System.



## 37. Build a Common, Unified PIF Culture in a Fast-Growing Organization

---

### Initiative Description:

PIF aims to build a common, unified PIF culture in a fast-growing organization, to strengthen alignment between shared values, goals, attitudes, and practices.

### Progress:

- The success of PIF Graduate Development Program (GDP), where 160+ graduates have been trained and graduated from PIF's Academy in cooperation with top universities and institutes such as the University of California, Berkeley and the AMT Institute, where they were trained in four specialized tracks which are: the general track, the project management track, the investment track and the Real Estate track.
- Continuously offering internal and external training courses to PIF's employees in cooperation with top training institutes such as the University of California Berkeley, London Business School and Harvard Business School. In 2019 alone, 42+ internal courses were offered, attended by 700+ employees. Over 689 external trainings were offered in partnership with top international institutions.
- PIF was chosen as one of the five best educational work environments in the public sector in the MENA region<sup>11</sup> by LinkedIn in light of PIF's achievements in training and development programs.

Overall, the initiative is expected to establish high standards of professionalism across the organization while shaping employees' perceptions, behaviors and understanding. It reinforces the sense of belonging amongst employees, and will attract, manage and engage best-in-class talent.

## 38. Strengthen PIF's Mandate and Achievements Locally and Globally

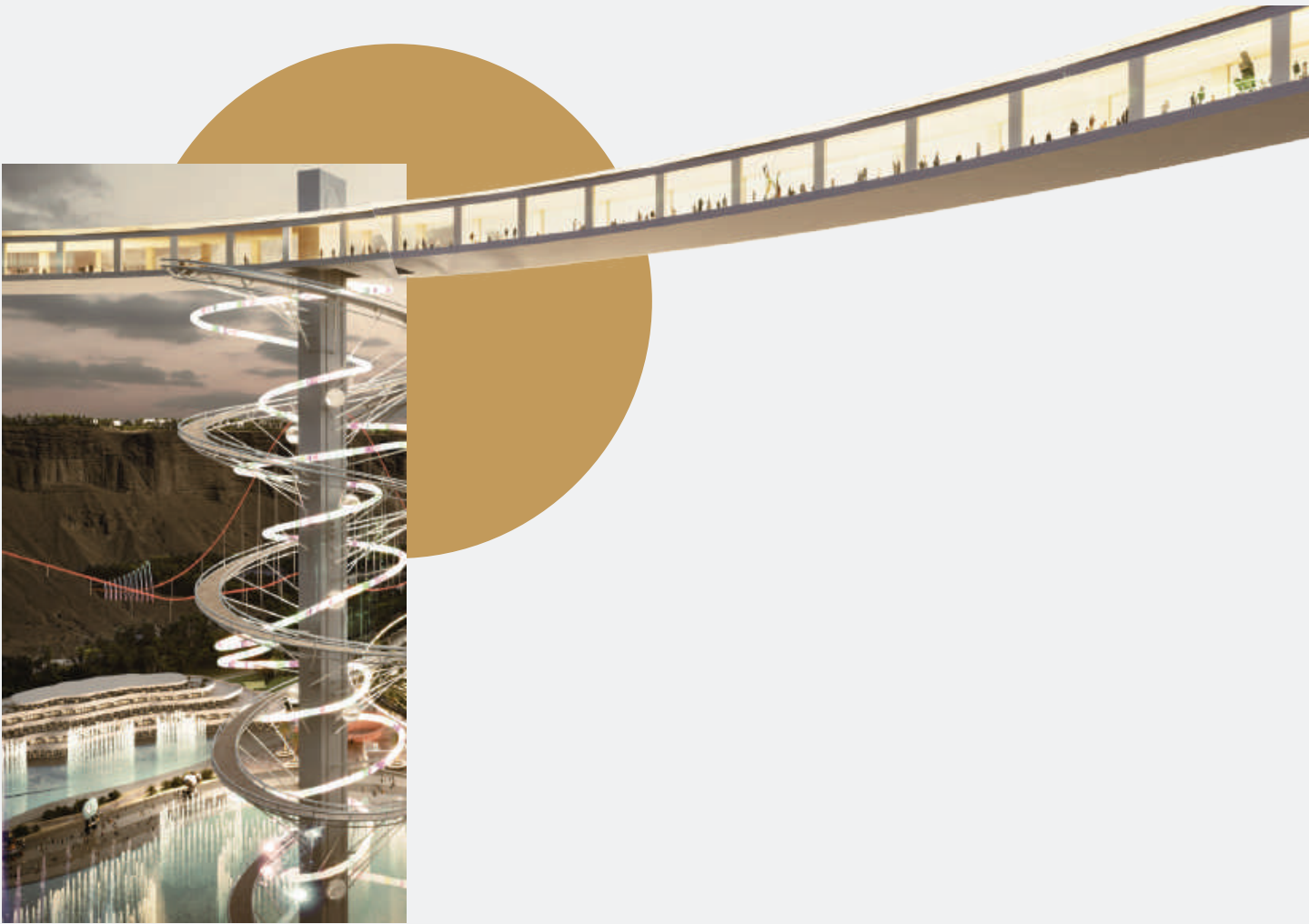
---

### Initiative Description:

PIF has discovered and articulated its unique purpose. Now, it is important to activate it by officially launching and cascading it throughout PIF's communications - locally and globally.

To do so, PIF is planning to introduce coherent strategic communications across its internal and external audience groups. This includes various online and offline communication channels to ensure a consistent flow of information while showcasing PIF's strengths and performance, and increasing positive coverage across prominent publications.

Throughout all phases, the initiative relies on online (e.g. social media, PIF's website, promoted content) and offline (e.g., outdoor advertising, articles as well as ads in journals and newspapers) channels to reach its audience.



# Chapter Five

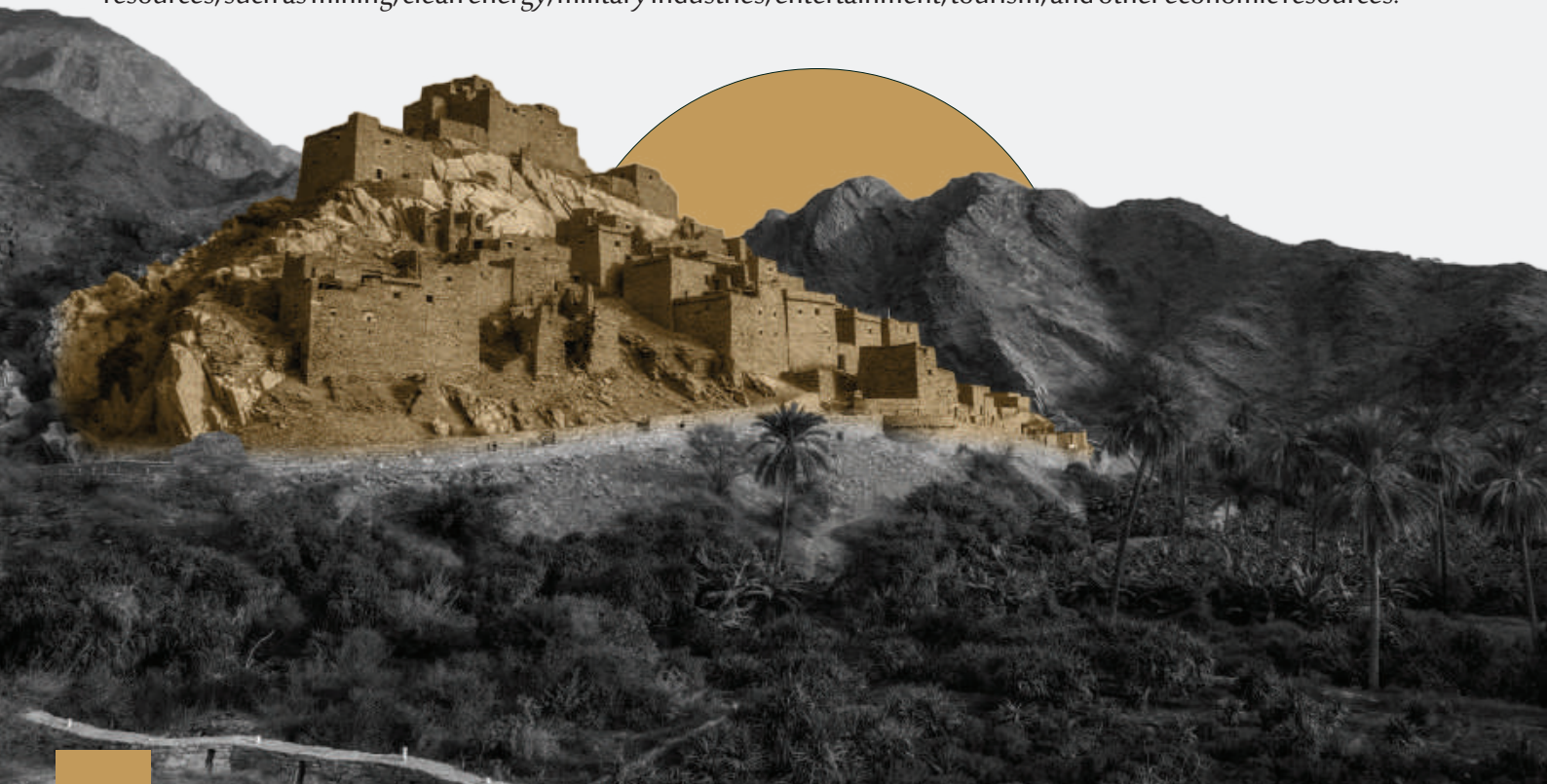
## An Inspiring Blueprint

# 01

## Optimum Use of the Kingdom's Resources

Saudi Arabia has a unique strategic location with a long ancient historical status. Its land is rich with huge and qualitative resources that formed as a result of several main factors, including the Kingdom's economic and geographical position among the world countries connecting the three continents, in addition to its diversified terrain from far north to far south, and from the west coast to the east coast, in addition to its most important resource, the people who are strenuously working to build a prosperous future. These resources, which the PIF Program considers a true national wealth that entails diligence and optimal utilization. Therefore, one of the Fund's local investment areas was to utilize the resources available in the Kingdom.

PIF is also undertaking a number of initiatives to energize and engage the society in executing and implementing some initiatives and objectives by attracting and retaining highly qualified cadres, building future leaders in the fields of management and investment, and expanding expertise in the target sectors. Therefore, PIF focused on attracting the best talents from local and international markets and working diligently to develop its peoples. However, to optimize utilization of geographical resources, PIF was keen on utilizing the tourist attractions and the Kingdom's historical and cultural heritage, such as UNESCO sites, in addition to distinctive natural resources such as mountain or marine tourism. Moreover, the Fund seeks to achieve optimal utilization of non-oil economic resources, such as mining, clean energy, military industries, entertainment, tourism, and other economic resources.



# 02

## Value for People

The economic activity comes to affirm a well-grounded fact. That economy infiltrates human food, drink, housing, clothing and innate activity, and even their personal development, education, and achieving fair high quality lifestyle for current and future generations. Hence, all ambitions, goals and Giga-projects pursued by PIF Program aim to achieve a significant value that will reflect on citizens and future generations.

By reviewing the principles on which the Fund's purpose is based, we will see a strong impact on the lives of local and global people by aspiring to be an ambassador of inspiration to the world, and that all the decisions it makes are aimed at improving the quality of human life worldwide. Through its vision, goals, deals and local and international investments, PIF will ensure a comfortable life for current and future generations. Through its tireless efforts, it will move towards drawing future features taking into account the human dreams and focus on providing adequate and most comprehensive and diversified.

PIF has also taken into consideration through the various initiatives of its program enabling vivid and healthy life with easy access to health services and enhanced opportunities for entertainment, tourism and cultural events, providing opportunities to own adequate housing for Saudi families, and creating direct and indirect jobs, and other values reflected and implications of the program's initiatives and goals.



# 03

## Investing In The Future

PIF Program has set its sights on investing in industries related to future sectors, represented by a specialized portfolio. PIF will work to localize these industries so that all expertise and assets are sustained for future generations.

PIF's investment activity seeks to create a stable Saudi economy and an attractive, stimulating environment for investors around the world. Giga-projects are highly future orientated; integrated ecosystems designed to transform the Saudi economy by stimulating overall growth in key non-oil sectors and generating significant value for PIF over the medium to long term.

The future investments considered by PIF in its activities are mainly concentrated in sectors including aviation and defense, vehicles, modern research, development and manufacturing, tourism and entertainment, minerals and mining, utilities, renewable energy, technology localization, communications and media, real estate projects, military industries, e-commerce, modern global cities, recycling and logistics, investment in start-up funds, water, and energy. Such measures combined will unfold a better future for our country and society.





# 04

## Glossary

The key terms used in PIF Program document:

-	Term	Definition
1	Sovereign Wealth Funds	Investment funds established to manage the wealth and financial reserves of governments and states and made up of diverse assets.
2	Governance	A set of responsibilities and practices carried out by the board of directors and executive management to provide strategic guidance, ensure that objectives are achieved and risks are managed properly, and resources are used responsibly.
3	Investment portfolios	The total shares and investment bonds owned by the organization, which may be in different projects and companies.
4	Gross Domestic Product (GDP)	An economic indicator that measures the monetary value of total goods and services produced within a geographical zone during a specified period of time.
5	Emerging markets	Markets or countries that have some characteristics of developed countries, but do not meet their efficiency and economic standards.
6	Promising Sectors	Sectors that are favorable for investment, such as agriculture, industry, energy, telecommunications and information technology, which are expected to grow and have an economic/ financial impact.
7	Risk Management	Activities related to anticipating and identifying challenges or threats that may affect organizations in various stages of investment, trading or marketing operations.
8	Transparency	One of the most important fundamentals of governance, based on public participation and awareness.
9	Assets	The resources owned by the organization having a certain value with economic and financial benefit in the future.
10	CEDA	Council of Economic and Development Affairs
11	VRP	Vision realization program
12	QoL	Quality of Life Program
13	NIDLDP	National Industrial Development and Logistics Program
14	MCIT	Ministry of Communications and Information Technology
15	NTP	National Transformation Program

---

## Disclaimer

The information contained in this document (the “Document”) is for general guidance on matters of interest only. While we have made all reasonable attempts to ensure that the information contained in this Document has been obtained from reliable sources, the Public Investment Fund (PIF) or the Public Investment Fund Vision Realization Program (the Program) is not responsible for any errors or omissions, or for the results obtained from the use of this information. PIF or the Program may periodically change, improve and/or updates the Document without notice. All information in this document is provided “as is”, with no guarantee of completeness, accuracy, timeliness or of the results obtained from the use of this information, and without warranty of any kind, express or implied. In no event will PIF or the Program or its affiliates, agents or employees thereof be liable to you or anyone else for any decision made or action taken in reliance on the information in this document or for any consequential, special or similar damages, even if advised of the possibility of such damages.

Nothing in the Document shall be construed, implicitly or explicitly, as containing any investment recommendations or be considered as investment advice.

The Document may contain advice, opinions and statements from third parties. PIF or The Program does not represent or endorse the accuracy or reliability of any advice, opinion or statement from any such third party. Reliance upon any such advice, opinion or statement shall be at the user’s own risk.



## **In conclusion**

**This document was developed by a young Saudi team who joined efforts in researching, planning, writing, designing and delivering with one purpose in mind: the prosperity of our Kingdom and the whole world**

---

## References

- 01- Euromonitor: Packaged Food in Saudi Arabia
- 02- National Industrial Development and Logistics Program
- 03- Saudi Press Agency
- 04- ResearchandMarkets.com (Healthcare Global Market Opportunities And Strategies To 2022)
- 05- ResearchandMarkets.com (Healthcare Global Market Opportunities And Strategies To 2022)
- 06- Bain and Google (e-commerce in MENA 2019 report)
- 07- Oxford Economics
- 08- Global Impact Investing Network: Sizing the Impact Investing Market
- 09- BCG Private Equity report December 2019
- 10- LinkedIn 2019 Talent Awards



**Public Investment  
Fund Program**



# Public Investment Fund Program

