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Whether you are a business owner, consumer, investor, employee or even a student, you have probably heard a great deal about the Public Investment Fund since 2016.

The reason is simple: the sheer scale of the fund, whose assets have surpassed SR3.4 trillion, after Saudi Vision 2030 positioned it as the principal engine of the Kingdom's economic modernization. An institution of this size creates opportunities for businesses and entrepreneurs, for individuals and their careers, and reshapes the range of products and services available to consumers across different sectors.

You may also be closer to the fund than you realize. You might buy a home from ROSHN, pay your monthly bill to stc, in which PIF owns a majority stake, or book a flight with Riyadh Air.

Because of this close connection, when PIF announced an updated strategy for the next five years, I received a flood of questions from followers who found the details of the announcement unclear.

This article is intended, quite simply, for them and for readers more broadly. It seeks to answer the most common questions: What will change, and why? What was the experience of the past 10 years, and how will the next five differ? Most importantly, how will this change affect me, and how can I benefit from it?

HOW DID PIF OPERATE?

Until 2015, the Public Investment Fund functioned more like a conventional development arm. Established in 1971, it helped found several companies, including SABIC, Saudi Telecom Co. and the Saudi Railway Co., while also contributing to the development of the banking sector.

The transformation began in 2015, when its board of directors was formed under the chairmanship of Crown Prince Mohammed bin Salman. The fund was placed under the Council of Economic and Development Affairs, becoming one of the most important instruments of Saudi Vision 2030 in diversifying the economy.

Since then, PIF has pursued an approach that can be described as direct intervention: it identifies the sectors it wants to build and then takes action itself.

When no domestic player exists in a particular sector, the fund establishes a new company from the ground up, as

> *All these indicators point in one direction: PIF can no longer continue as the sole financier"*

it has done in tourism, entertainment and automotive manufacturing.

When it identifies an existing Saudi company with strong potential, it restructures the business and injects capital and partnerships, as it did with Ma'aden and ACWA Power.

As for the major projects, such as Neom, The Red Sea and Qiddiya, PIF financed them almost entirely from its own capital, without co-investors or external partners.

This approach progressed through four phases: repositioning from 2015 to 2017; transformation and the launch of major projects from 2018 to 2020; expansion and growth from 2021 to 2025; and now, value maximization from 2026 to 2030.

WHY IS PIF CHANGING?

The model that delivered these results also had its limitations. When a single entity finances projects on the scale of Neom, The Red Sea and Qiddiya entirely from its own capital, without partners or co-investors, pressure on its capital budget becomes inevitable.

This has been reflected in the reprioritization of some major projects. Commitments tied to fixed deadlines, such as Expo 2030 and the 2034 FIFA World Cup, have taken precedence over projects that allow greater flexibility in their timelines. Perhaps the most prominent example is the reassessment of The Line project at Neom and the redirection of resources toward Oxagon and priority infrastructure projects.

Major projects, such as Neom, The Red Sea and Qiddiya, PIF financed them almost entirely from its own capital

The economic environment in which the new strategy will operate is also different from that of its predecessor. Oil prices have declined from the levels seen in previous years, limiting the government's ability to inject additional capital into the fund.

At the same time, PIF has expanded its borrowing through successive international bond and sukuk issuances, while encouraging its portfolio companies to borrow independently on the strength of their own balance sheets.

This has also extended to the sale of supporting assets. According to Bloomberg, the King Abdullah Financial District is negotiating the sale of its district cooling business for about $500 million.

All these indicators point in one direction: PIF can no longer continue as the sole financier.

When the fund's governor was asked about major projects relying entirely on PIF capital, he said this had not been the ideal approach, but framed it as part of a phased process. The fund had absorbed the initial risks, he explained, and now that the projects had taken shape on the ground, it had become easier for investors to participate.

That explanation is reasonable. However, a more candid assessment is that the more sustainable course would have been to attract capital from outside the government at an earlier stage, both locally and internationally.

This was not an easy task for a fund building entire sectors from scratch and taking on risks that were difficult to persuade others to share. The result, however, was that external financing remained below expectations, and the new strategy is, at its core, an attempt to strengthen it.

Financial pressure was not the only reason for the review. The experience itself also revealed that, in some cases, private-sector companies proved more efficient than PIF-owned businesses.

The question now is: What has actually changed, and where will the money go?

HOW WILL PIF CHANGE?

The comparison between the 2021–2025 strategy and the 2026–2030 strategy sets out the differences across six dimensions.

PORTFOLIO RESTRUCTURING

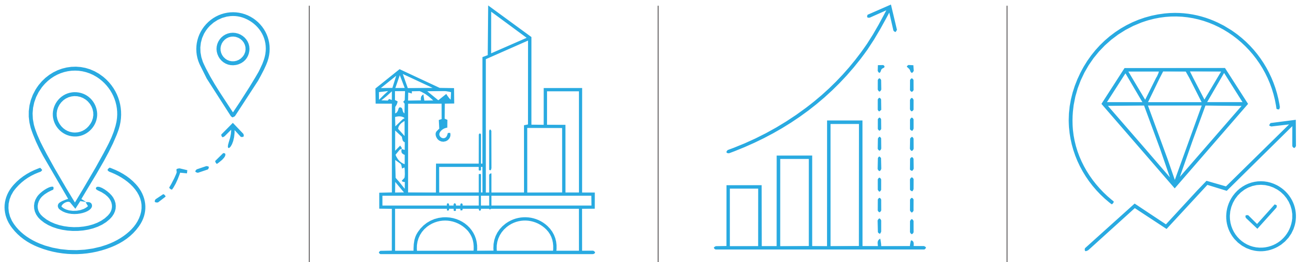
The most notable feature of these dimensions is the restructuring of PIF's portfolios. The fund's investments are now divided into three portfolios instead of six.

The Vision Portfolio comprises the six ecosystems driving Saudi Arabia's economic transformation and is

> *"This was not an easy task for a fund building entire sectors from scratch"*

"Qiddiya", an "entertainment city" spanning 334-square kilometres and that would include high-end theme parks, motor sport facilities and a safari park

PERIOD PHASE



2015–2017	2018–2020	2021–2025	2026–2030
Repositioning	Megaprojects	Expansion and growth	Maximizing Value (current phase)

focused on developmental impact and integration across sectors.

The Strategic Investments Portfolio includes major national companies such as ACWA Power, Ma'aden and Bahri. It focuses on expanding these companies regionally and globally, while also investing in international businesses that support the domestic ecosystem.

The Financial Investments Portfolio, as its name suggests, deals with financial instruments in global markets, including bonds, listed equities, private equity and other assets. It is the clearest of the three portfolios and the easiest to assess, because its model is familiar and well established. Many sovereign wealth funds around the world limit their activities largely to this type of investment.

In terms of size, the Strategic Investments Portfolio remains the largest by assets, reflecting PIF's focus on maximizing the value of established national companies. The Vision Portfolio, however, continues to have the greatest impact on the domestic economy because its projects are reshaping entire sectors.

Each portfolio is measured according to a different criterion: the Vision Portfolio by impact, the Strategic Investments Portfolio by growth and the Financial Investments Portfolio by financial return.

FROM SECTORS TO ECOSYSTEMS

The second fundamental change is the shift from sectors to ecosystems.

Yasir Al-Rumayyan explains that the previous 13 sectors were managed largely in isolation from one another. Each sector developed its own plans, submitted its own budget and implemented its own projects without sufficient coordination with adjacent sectors.

This resulted in duplicated investment, internal competition for resources, and difficulties in setting priorities when projects overlapped.

The ecosystem model addresses this gap by bringing planning, budgeting and accountability under a single umbrella, connecting companies and projects that are functionally interdependent.

The Vision Portfolio has been divided into six ecosystems, each with its own portfolio companies and numerical targets through 2030.

A FUNCTIONAL HIERARCHY OF PORTFOLIO COMPANIES

However, viewing these 80 companies as a single, homogeneous bloc may mislead the reader. Companies within the same ecosystem are not equal in their weight or impact. Rather, they fall into a functional hierarchy that determines how central each company is to the strategy. They can be classified into three categories:

Core companies: These form the backbone of the ecosystem, which could not function without them. They embody the strategic direction on which the entire sector is built.

Examples include King Salman International Airport, Red Sea Global, Qiddiya, Ma'aden, ACWA Power and Diriyah Gate.

Important but non-core companies: These play a critical complementary role in strengthening the ecosystem's capabilities and extending its reach, but their absence would not undermine the ecosystem as a whole. Examples include Riyadh Air, Elm, Saudi Arabia Railways, known as SAR, NUPCO and electric-vehicle infrastructure company EVIQ.

Secondary companies: These were established to raise market standards and develop their respective sectors, or to fill gaps created by the absence of domestic players. They may eventually become dispensable once the market matures. Examples include sports clubs, cinema ventures, Sufun and Noug, Savvy

Games Group and the Saudi Coffee Co.

This hierarchy reveals the portfolio's approach to risk management: capital and executive attention are concentrated on the core companies, while secondary companies are given greater room for experimentation and reassessment, with the possibility of eventual divestment.

HOW CAN YOU BENEFIT FROM THE CHANGE, AND WHERE ARE THE OPPORTUNITIES?

The effects described above will not be the same for everyone. What the change means for a business owner differs from what it means for a stock-market investor or an employee planning their career.

Having reviewed the new strategy and discussed it with a number of specialists and officials inside and outside PIF, I believe the practical opportunities will be concentrated in four main areas, ranging from the most specialized to those with the broadest accessibility:

Filling gaps within the ecosystems; building companies around PIF's thematic bets; transforming national champions into global champions; and, finally, contracts and supply chains.

Each area represents a distinct opportunity and is better suited to some groups than others.

I will explain each one separately, before concluding with what the changes mean for those who are neither business owners nor investors.

THE FIRST AREA: FILLING GAPS WITHIN THE ECOSYSTEMS

For entrepreneurs and startups

Yasir Al Rumayyan has been governor of the Public Investment Fund (PIF) since 2019

COMPARISON OF THE PUBLIC INVESTMENT FUND STRATEGY
From the 2021–2025 Strategy to the 2026–2030 Strategy

DIMENSION	2021–2025	2026–2030	EXPLANATION
NUMBER OF PORTFOLIOS	6 portfolios	3 portfolios	Previously: international, domestic and real estate portfolios. Now: economic transformation, strategic assets and financial returns portfolios.
INVESTMENT BASIS	Geography and asset type	Investment objective	Previously: 'Where do we invest?' Now: 'Why do we invest?'
ORGANIZATIONAL UNIT	13 independent sectors	6 integrated ecosystems	Companies are now grouped into integrated ecosystems serving one objective.
ROLE OF THE PRIVATE SECTOR	Implementer + supplier	Investor + partner + supplier	Private sector now takes part in value creation and decision-making.
NUMERICAL TARGETS	Fund-wide targets	Targets within each ecosystem	Targets assigned to individual ecosystems.
STATUS OF NEOM	Project within megaprojects	Independent ecosystem	NEOM now operates as its own ecosystem.

Source: Official Public Investment Fund strategy documents (2021–2025 and 2026–2030).

When examining the new strategy, your attention is naturally drawn first to what PIF intends to do. But let us reverse the question and consider what it has decided not to do.

Within each of its six ecosystems, PIF has mapped out what it internally calls "essential services": the connecting nodes that link major companies and allow the ecosystem to function on a daily basis. It then made a clear decision: these nodes are not for PIF to operate; they are opportunities for private-sector entrepreneurs to capture.

Economists refer to this as the "economy of complements." When Singapore built its giant ports in the 1970s, it left customs-clearance services, small-scale freight operations and hospitality services for sailors open to the market. An entire parallel industry subsequently developed around the ports.

What PIF is doing today is a Saudi version of the same model, but on a scale the region has never seen before.

There are tangible examples in every ecosystem. In tourism, PIF is building hotels and major destinations, but it is not creating the digital destination-management company that will organize the visitor experience, nor the

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industrial laundry services that will serve thousands of forthcoming hotel rooms.

In urban development, ROSHN, New Murabba and Diriyah are being built, but operators will still be needed to manage residential communities after completion, including maintenance, security, events and facilities management.

In advanced industries, billions are being invested in data centers. But who will operate them on a daily basis? Who will provide their cooling systems, cybersecurity and specialist maintenance?

These examples are intended only to illustrate the direction, rather than provide an exhaustive list of gaps. Every investor can examine PIF's announced investments and identify the gap they are best equipped to fill.

THE SECOND AREA: THEMATIC TRENDS

For investors and long-term company builders

Thematic investment is an approach used by several funds around the world, including Singapore's Temasek and GIC.

Instead of allocating capital horizontally across dozens of sectors, the fund identifies five or six major structural transformations that it believes will reshape the global economy over the next two decades, and builds an integrated set of investments around them.

A review of PIF's portfolios, investments and strategic direction reveals six recurring major themes:

First, artificial intelligence and digital infrastructure: This is reflected domestically in Humain and SCAI, as well as in stakes held through major global technology funds. PIF is investing across the entire technology stack, from semiconductors to applications.

Second, the mobility economy: This includes Ceer in manufacturing, EVIQ in charging infrastructure and Lucid internationally.

Third, entertainment and sport: This includes Savvy Games Group, Qiddiya and the major Electronic Arts deal.

Fourth, the energy transition and transition minerals: ACWA Power is active in renewable energy, Ma'aden in lithium and copper, alongside international green-hydrogen partnerships.

Fifth, healthcare and pharmaceuticals: This includes NUPCO and Lifera domestically, as well as investments in global healthcare funds.

Sixth, space and defense: This includes SAMI in military industries and Neo Space Group.

> *Without partners or co-investors, pressure on its capital budget becomes inevitable"*

Anyone who builds a company aligned with one of these themes — through superior technology, an intelligent business model or a strategically advantageous location — will be well positioned to attract capital.

These themes may themselves evolve as new opportunities emerge and others diminish. Anyone seeking to capitalize on them must therefore monitor them continuously.

THE THIRD AREA: FROM NATIONAL CHAMPION TO GLOBAL CHAMPION

For established companies

In the previous two areas, entry depended on a particular proposition: filling a gap within an ecosystem or capitalizing on a global trend. Here, the logic is reversed. The sector matters less than scale and export potential.

Under its new strategy, PIF has set itself an explicit objective: to transform major national companies into global players. It has allocated an entire portfolio to this purpose — the Strategic Investments Portfolio — whose performance is measured by growth and expansion rather than developmental impact.

The classic example is ACWA Power. It began as a Saudi energy company, with PIF later becoming a shareholder. Today, it is developing 70 percent of Saudi Arabia's renewable-energy targets and operates in dozens of countries, from Morocco to Vietnam.

The model has been repeated with Bahri, which evolved from a domestic shipping company into a global fleet of more than 100 vessels.

This door is narrow by its nature. It is open only to companies that have accumulated years of experience, established a dominant market share and demonstrated operational capabilities that exceed those of their domestic competitors.

For those that qualify, however, it offers the prospect of partnering with an institution that has SR3.4 trillion in assets and a global network capable of taking a company from Saudi Arabia to the world.

THE FOURTH AREA: CONTRACTS AND SUPPLY CHAINS

For contractors and suppliers of all sizes

This is the most broadly accessible opportunity.

PIF and its portfolio companies spent about SR590 billion on local content between 2021 and 2024. These funds were distributed across thousands of contracts covering construction, operations, technology, catering and maintenance.

The model is hierarchical. At the top is a main contractor awarded an entire project. Beneath it are medium-sized companies contracted to provide cooling, electrical and telecommunications systems. Below them are smaller suppliers selling cables, insulation and other materials.

Each tier has its own market, and every contract generates a series of smaller contracts beneath it.

One example is enough to illustrate the scale involved. Al-Moammar's contract to equip the infrastructure of Humain's data centers was worth about SR1.88 billion — more than 155 percent of the company's total revenue in 2024.

Accessing this opportunity is relatively straightforward. Any supplier can register through PIF's dedicated portal for securing supply chains and developing private-sector capabilities, and select the sector most relevant to its business.

DIMENSION	Vision Portfolio	Strategic Investments Portfolio	Financial Investments Portfolio
OBJECTIVE	Lead Saudi Arabia's economic transformation	Expand Saudi national champions regionally and globally	Generate sustainable financial returns
INVESTMENT HORIZON	Very long term (>10 years)	Medium to long term (5–10 years)	Short to long term
GEOGRAPHIC FOCUS	Saudi Arabia	Saudi Arabia and overseas	Primarily global markets
EXAMPLES	Six integrated ecosystems including tourism, advanced industries and NEOM	Companies including ACWA Power, Ma'aden, Bahri and SABIC	Global equities, bonds and investment funds
RETURN PROFILE	Economic impact + development returns	Capital growth + operating returns	Direct financial returns
PRIMARY METRIC	Development impact and integration	Growth and expansion	Financial return

WHAT ABOUT EMPLOYEES AND STUDENTS?

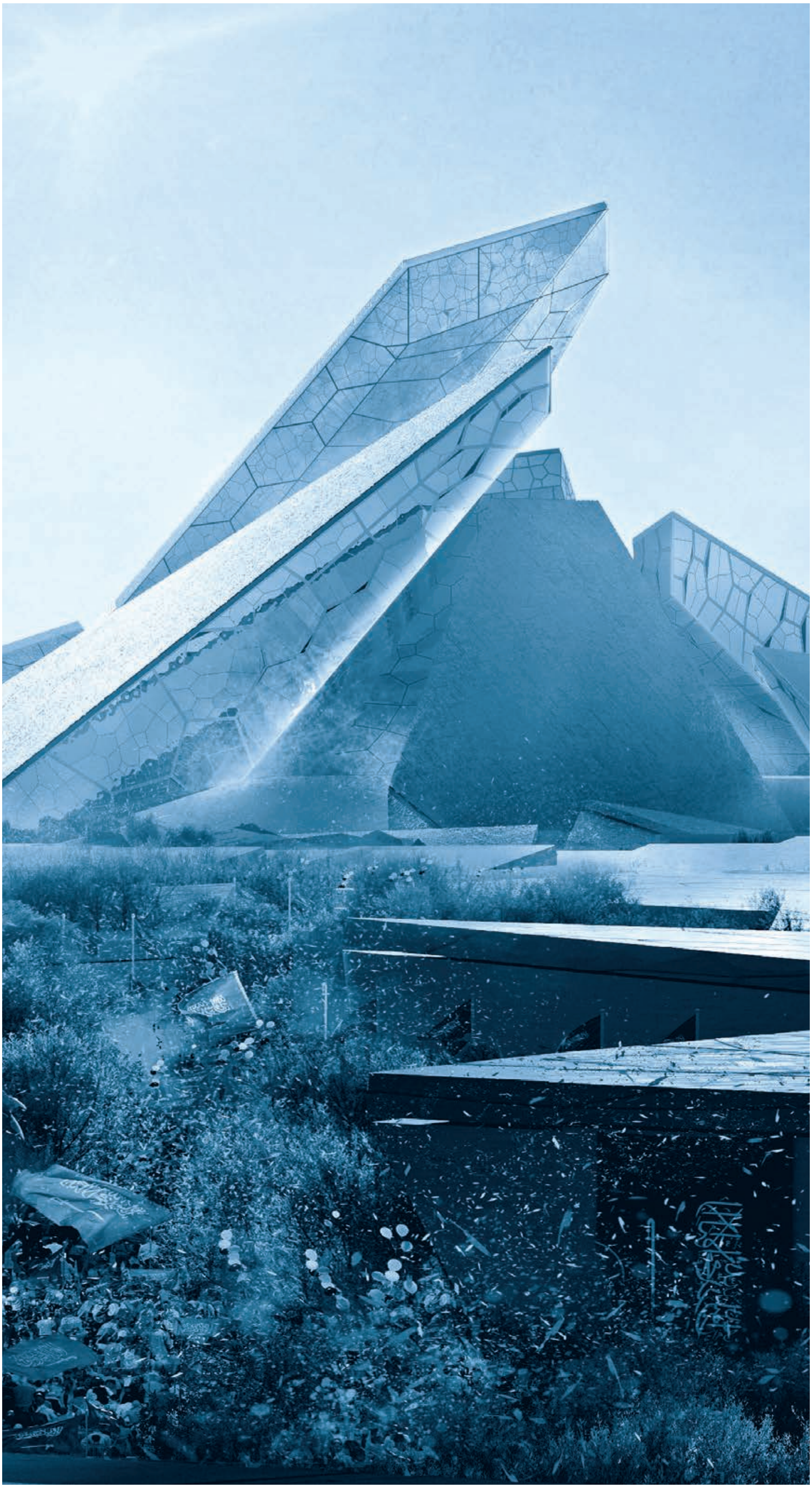
The four areas above are directed primarily at those who own a company or have capital to invest. But the strategy also has implications for those whose principal asset is their skills.

The same map can serve as a guide to career planning. The sectors in which core companies and thematic trends are concentrated — such as artificial intelligence, tourism-destination operations and renewable energy — are likely to see the strongest demand for jobs and skills in the coming years.

The reverse is also true. Anyone working for a secondary company established by PIF to stimulate a market should recognize that its future will depend on its ability to compete commercially, rather than on the continued availability of sovereign support.

For students choosing their field of study today, the six themes outlined above provide an early indication of where the labor market is likely to be heading by the time they graduate.

What PIF is doing today is a Saudi version of the same model, but on a scale the region has never seen before.



PIF tower (Public Investment Fund Tower) framed by geometric skyscrapers at King Abdullah Financial District (KAFD) in Riyadh, Saudi Arabia

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THE SIX ECOSYSTEMS

NO.	1	2	3	4	5	6
ECOSYSTEM	Tourism, travel and entertain-ment	Urban development and real estate	Advanced industries and innovation	Industry and logistics services	Clean energy and water infrastructure	NEOM
COMPANIES	23	19	17	16	5	1

Total: 81 companies

CONCLUSION

It is important to note that, however coherent the strategy may appear on paper, its implementation will depend on several additional factors.

These include the private sector's willingness to participate as a partner and assume part of the risk; the ability of regulators to issue rules and licenses quickly enough to keep pace with projects; and the stability of oil prices and the cost of capital.

The prudent approach, therefore, is not simply to memorize the strategy as it has been announced, but to pay continuous attention to what PIF does rather than what it says: where it invests, where it divests, which bets are expanding and which are receding.

Strategy documents are written every five years, but opportunities change throughout that period.

Several questions will inevitably remain open, including:

- Will PIF merge some of its companies, particularly those operating within the same ecosystem?
- Will PIF divest from certain investments or sectors in response to their performance?
- Will "financial performance" take greater priority than "national development" during the next phase?
- Will cost monitoring and control become the defining feature of the next phase?
- Will PIF stop establishing new companies during the coming phase?