

Daily Bulletin

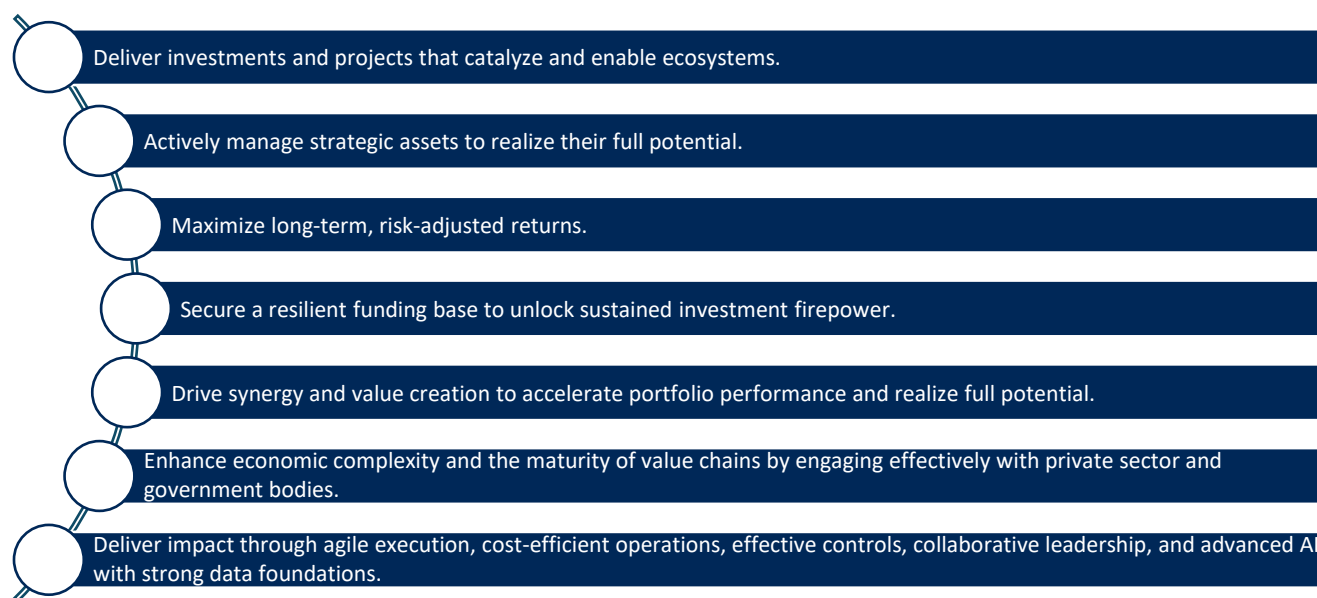
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PIF's 2026-2030 strategy: Shift from scale to efficiency and impact

The Public Investment Fund (PIF) approved its 2026-2030 strategy, following board approval, chaired by His Royal Highness Crown Prince Mohammed bin Salman. The 2026-2030 strategy reflects a transition from a growth framework to an efficiency and returns framework. The 2021-2025 PIF strategy was characterized by rapid AUM growth, high domestic investment commitments, and the launch of multiple large-scale mega-projects. While, the 2026-2030 strategy marks a shift in priorities towards focused, long-term value creation, with greater emphasis on maximizing impact and enhancing investment efficiency. Additionally, the current strategy also places increased emphasis on enabling private sector participation as a key partner in driving economic development.

Under the new strategy, PIF intends to allocate a greater proportion of capital domestically, targeting approximately 80% for local investments, while the international allocations are expected to comprise the remaining 20%, reduced from ~30% allocated previously. Between 2021 and 2025, PIF deployed ~SAR 750 bn into new domestic projects, accounting for around 70% of its total investments, and maintained an average annual portfolio return of over 7% since 2017.

PIF's strategic objectives under 2026-2030 strategy



Source: PIF, anbc research

Structurally, the new strategy reorganizes PIF's investment activities into three distinct portfolios: Vision, Strategic, and Financial.

Vision Portfolio: The Vision Portfolio is the most domestically oriented of the three, with its core function to catalyze six defined domestic ecosystems and drive growth of the local economy. The six ecosystems include: (i) tourism, travel and entertainment, (ii) urban development and livability, (iii) advanced manufacturing and innovation, (iv) industrials and logistics, (v) clean energy, water and renewables infrastructure, and (vi) NEOM.

The designation of NEOM as a standalone ecosystem within the Vision Portfolio represents institutional commitment to the project's delivery. However, the updated strategy places emphasis on disciplined execution through phased development and economic viability. His Excellency, Governor of PIF, Yasir Al-Rumayyan, stated that the classification reflects the fund's recognition of NEOM's scale and complexity, and that it grants the project the governance independence needed to make decisions in line with its ambitions. Within this framework, development priorities are based on commercial feasibility, with Oxagon positioned as the initial growth driver. Oxagon is expected to host a world-class port, an integrated industrial district, data center facilities and renewable energy assets. At the same time, The Line, is not considered an immediate priority within the 2026-2030 horizon, reinforcing a more measured approach to execution.

Under the tourism sector, key target initiatives include the development of more than 100,000 hotel rooms and the introduction of over 70 new tourism experiences and planned three stadiums for the 2034 FIFA World Cup. The capacity at King Salman International Airport targeted to reach 96 mn passengers. These efforts align with the national objective of attracting 150 mn tourists annually by 2030 (122 mn tourists in 2025).

Within the Urban Development and Livability ecosystem, PIF targets an increase in homeownership to 70% through the construction of up to 190,000 housing units by 2030 from homeownership rate of ~66% by 2025. Alongside, the strategy aims to add around 5 mn sqm of commercial space by 2030.

Under the Advanced Manufacturing and Innovation ecosystem, PIF aims to build export-oriented industrial capacity, through development of artificial intelligence, automotive, pharmaceuticals, and aviation, space and defense sector. The targets include expanding Saudi Arabia's data center capacity to 3,000 MW, with PIF committing 1,800 MW. Furthermore, the strategy is expected to contribute up to SAR 7 bn to domestic pharmaceutical manufacturing, and to produce 285,000 vehicles toward a national target of 500,000 units by 2030.

Strategic Portfolio: The Strategic Portfolio will actively oversee key strategic assets within PIF's portfolio companies, with the objective of maximizing financial returns and enhancing the economic impact of these companies. It is designed to facilitate their global expansion and support them in attracting capital. Additionally, the Strategic Portfolio will continue to deploy investments aligned with long-term global trends.

Financial Portfolio: The Financial Portfolio encompasses PIF's international investments, with its aim to deliver sustainable financial returns and strengthen PIF's financial position. It will continue to invest across global markets, maintain strategic international partnerships, and contribute to the growth of national wealth for future generations.

PIF's key achievements

The new strategy builds on the progress delivered by PIF's previous strategies. Under its 2021-2025 strategy, PIF outlined targets of reaching Assets under Management (AUM) target of SAR 4 tn, new domestic investments of SAR 150 bn minimum annually, share of PIF assets in new sectors of 21%, and share of PIF assets in international sectors of 24%.

During 2021-2025, PIF achieved significant progress in expanding its asset base and deploying capital across 13 strategic sectors. Additionally, the launch of HUMAIN reinforced the Kingdom's ambition to become a global hub for AI and advanced technologies.

PIF also played a central role in strengthening the Saudi economy and accelerating sectoral diversification. Tourism-focused investments enabled the expansion of hospitality infrastructure, with development of 3,600 hotel rooms and operation of 19 international hotels across key destinations such as the Red Sea, Qiddiya, AIUla, and Diriyah. Additionally, PIF's investment in ACWA Power is supporting the development of ~70% of the Kingdom's renewable

energy targets for 2030. To support SMEs, Jada, a subsidiary of PIF, allocated SAR 3.5 bn across 46 venture capital and private equity funds, while Sanabil Investments committed ~SAR 1.5 bn to support 165 emerging companies. Furthermore, investments in Bahri expanded its fleet to over 100 advanced vessels, strengthening its position in the global shipping industry.

PIF's ecosystem attracted approximately SAR 57 bn in FDI between 2021 and 3Q25, across key sectors including real estate, automotive, transportation and logistics, and telecommunications and technology.

Key performance metrics:

Metric	Performance
AUM	Growth from USD 150 bn in 2015 to over USD 900 bn
Shareholder return	Achieved annualized total shareholder return of over 7% since 2017
New projects	Invested over USD 199 bn in new projects in KSA from 2021 to 2025
Real non-oil GDP contribution	Contributed over USD 243 bn to real non-oil GDP from 2021-2024 (equivalent to ~10% of KSA's total non-oil GDP in 2024)
Spending on local private sector	Spent together with its portfolio companies over USD 157 bn with the local private sector from 2021-2024
Global presence	Expanded PIF's global footprint across priority markets through the establishment of subsidiary offices in North America, Europe and Asia, strengthening PIF's ties in international markets through continued investment in industries and companies shaping the future of the global economy
Credit rating	Strong credit ratings; Moody's rated PIF Aa3 with a stable outlook, while Fitch rated PIF A+, also with a stable outlook

Source: PIF, anbc research

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