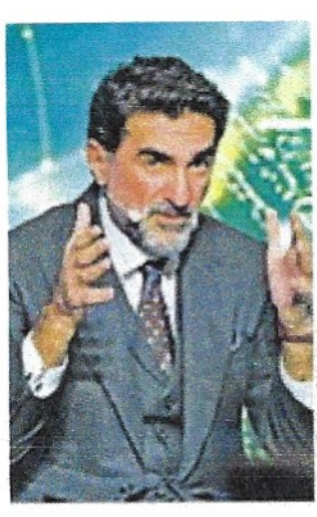


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2024-4-20

WSJ Print Edition



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The Saudi Fund Behind LIV Golf Is Strapped for Cash

BUSINESS & FINANCE

BY ELIOT BROWN

Saudi Arabia's flagship wealth fund is known for backing costly ideas overflowing with ambition, from building a futuristic city to creating a golf circuit to rival the PGA Tour. The fund's vast financial commitments are now forcing it to rein itself in.

Despite having assets above \$900 billion, Saudi Arabia's Public Investment Fund is strapped for cash. LIV Golf appears poised to join a long list of ambitious projects it has all but abandoned. The Iran war has made the fund's outlook even shakier.

LIV Golf, which loses hundreds of millions of dollars a year, is facing the possibility of imminent closure as the PIF is on the verge of pulling its support for the league, The Wall Street Journal reported.

The golf struggles came to light just as the PIF unveiled a strategic plan for the final years of its Vision 2030, a grandiose agenda to turn Saudi Arabia into an economic and cultural hub that has been under way since 2016. The fund said it is pulling back on some large investments including Neom—the planned desert city where megasize aspirations led to extraordinary costs—and pinning hopes on outside investment for other ventures.

"We continuously review our priorities," Yasir Al-Rumayyan, the PIF's governor, said in an interview with state-owned broadcaster al-Arabiya on Wednesday. The current strategy, he said, "aims to achieve the same objectives, or a significant portion of them, with less capital."

A 75-mile-wide trench now sits where a horizontal skyscraper called the Line was to be developed at Neom. Other mothballed projects include a quarter-mile-tall, cube-shaped building big enough to hold 25 Empire State Buildings.

Even as it tries to cut back, the PIF has been a conveyor belt of costly new investments. In the past year, the PIF pledged to spend nearly \$30 billion backing the \$55 billion buyout of Electronic

Arts alongside a private-equity firm and Jared Kushner's investment firm, and \$10 billion backing Paramount's \$81 billion acquisition of **Warner Bros. Discovery**.

It also plans to put \$100 billion toward artificial intelligence, including a \$3 billion data-center project it is teaming up with Blackstone. And many anticipate it will invest several billion dollars in the initial public offering of Elon Musk's SpaceX planned for later this spring.

That all is for a fund that previously said it aims to spend around \$40 billion a year on investments, mostly in Saudi Arabia.

“There is clearly a need to at least manage the spending going forward and not be as ambitious,” said Tim Callen, a visiting fellow at the Arab Gulf States Institute.

PIF didn't respond to a request for comment.

Adding another hurdle is the Iran war. Even if a peace accord is reached soon, the barrage of missiles and drones Iran launched at Saudi Arabia has shaken the country's image as a haven of stability and is likely to spook foreign investors for some time.

One challenge for PIF's cash flow is its setup. While other sovereign funds in Qatar and the United Arab Emirates are largely engineered to generate profit—investing in stocks, funds and property that can be sold at will—the PIF's mandate is to focus on economic development within Saudi Arabia. That ties up substantial chunks of the fund in things like road and sewer projects that anchor large developments—draining the PIF's assets by billions of dollars a year.

Others are longer term bets. On Tuesday, the PIF agreed to invest another \$550 million into electric-vehicle maker **Lucid**, adding to the billions of dollars the fund pumped into the company since 2018 in attempts to get the luxury carmaker to profitability. Beyond selling cars, the hope has been that Lucid will help catalyze a local Saudi EV manufacturing sector.

The result is that the fund isn't growing like many of its Gulf peers, whose portfolios were lifted by rising stocks they hold. Instead most of its asset growth in recent years came from the government transferring more of its stake in the **Saudi Arabian Oil Co.**

The PIF owns 16% of Aramco, worth over \$280 billion.

Profits have sometimes been sparse: In 2024, the PIF produced a return that was “close to zero,” Callen estimates, in a year when the S&P 500 rose 25%. The PIF said this week its average annual rate of return since 2017 is around 7%.

Sports has been another drain. The PIF has paid up to bring some of the world's best soccer players to its burgeoning local soccer league, a costly approach that is also part of an effort to help boost entertainment options and youth fitness. On Thursday, the PIF said it sold a 70% stake in the local club Al-Hilal to Saudi investor Kingdom Holding, valuing the team at \$373 million.

LIV Golf was among the highest profile global investments. The PIF launched it in 2022, writing huge checks to snap up many of the top players in the sport, taking on the PGA. A detente eventually prevailed when the two agreed to a merger, a deal that never ultimately happened.

The tab was an expensive one. LIV Golf Ltd, the entity for LIV's business outside the U.S., reported a nearly \$600 million loss in 2024.

PIF's Yasir Al-Rumayyan

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