

Saudi Wealth Fund May Be World's Least Transparent

Fund set to take ownership of Saudi Aramco names none of its investments, institute notes

By
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A Saudi Arabian [sovereign-wealth fund](#) being prepared to take ownership of state-owned oil giant Saudi Arabian Oil Co. is less transparent than a fund belonging to Equatorial Guinea that currently ranks as the most opaque in the world, according to a new report.

The fund has a website with one page in Arabic and another in English that says it is “under development.” The fund didn’t respond to a request for comment.

“I found a website and that was it,” said Ted Truman, a former senior financial diplomat at the U.S. Treasury and Federal Reserve who compiles a ranking on the transparency of sovereign-wealth funds for

the Washington-based Peterson Institute for International Economics.

“We didn’t score it because it was close to zero.”

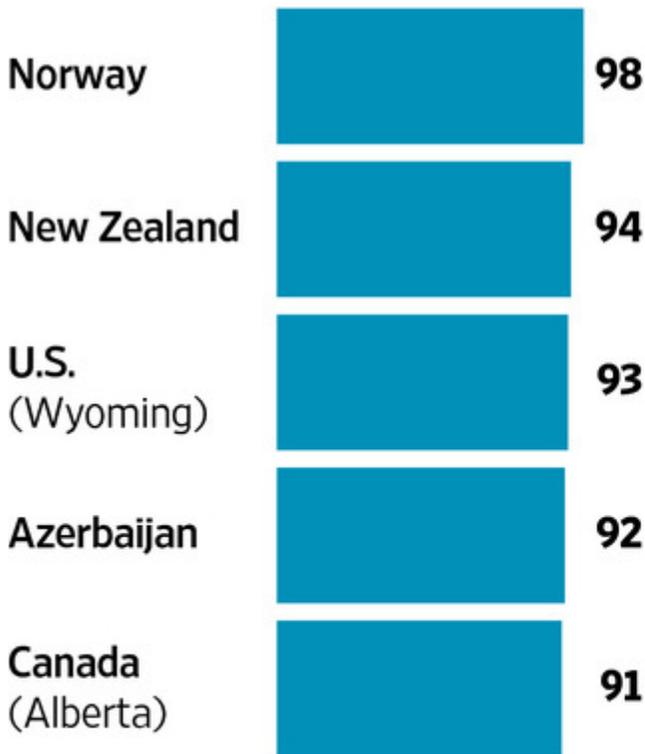
Saudi Deputy Crown Prince Mohammed bin Salman is creating a more prominent role for the Public Investment Fund, or PIF, which was created in 1971. Last year the fund received a new board chaired by the prince, who has said that it will eventually be worth almost \$3 trillion. In June, the [PIF invested \\$3.5 billion](#) in ride-hailing service Uber Technologies Inc.

Sovereign-wealth funds have often been [criticized for lacking transparency](#). Concerns increased a decade ago as funds from China to the Middle East became more active buyers of assets in North America and Europe. This prompted Mr. Truman to create his first biennial ranking of the transparency of the funds in 2008.

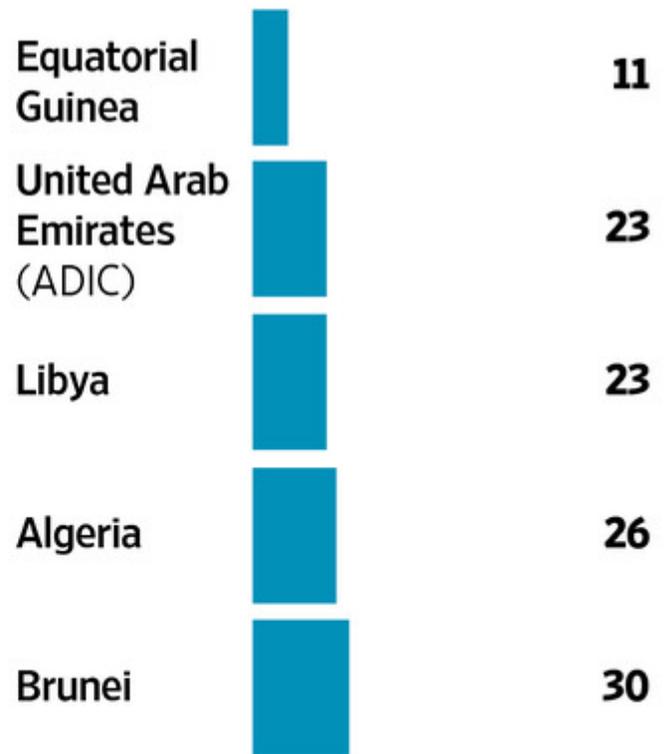
Transparent Funds

Norway gives the most information about its sovereign-wealth fund and Equatorial Guinea discloses the least, according to a new ranking by the Peterson Institute for International Economics. The maximum score is 100.

Most transparent funds



Least transparent funds



Source: Peterson Institute for International Economics

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This year, [Norway's \\$860 billion Government Pension Fund Global](#) maintained its unbeaten position as the most transparent fund. Equatorial Guinea's Fund for Future Generations ranked last. A spokesman for the fund of the West African nation couldn't be reached. Norway's fund publishes quarterly reports on its performance and discloses all the stocks, bonds and real estate it holds on its website.

“Trust and legitimacy are built over time,” a spokesman for the Norwegian fund said. “We aim to be transparent and open about all aspects of our management, and disclose timely, accurate and relevant information to ensure legitimacy in Norway and internationally.”

Sovereign-wealth funds are gradually becoming more transparent, according to the report. “A large number of funds fall short of what the citizens of their countries or the international community should expect,” the report said. “Progress is happening, but more can be done.”

The website of the Saudi Arabian fund says it has a portfolio of “approximately 200 investments, of which around 20 are listed on Tadawul, the Saudi Stock Exchange.” None of the investments are named. The website says that an expanded version of the site “will be launched in the third quarter of 2016.”

“There’s nothing there yet,” Mr. Truman said, noting that the third quarter of the year has ended.

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