

Two Royals in Their 30s Have Been Given the Keys to a \$320 Billion Fund

- By Mohammed Aly Sergie
November 06 2018, 6:18 PM



(Bloomberg) -- Two Qatari royals in their 30s have been entrusted to run the country's \$320 billion gas riches as the Gulf state turns its attention to technology deals.

Qatar's ruler on Sunday named his younger brother deputy chairman of the Qatar Investment Authority, and another relative and foreign minister as chairman. The moves come less than a month after the QIA appointed Mansoor bin Ebrahim Al Mahmoud as chief executive officer, replacing an older royal.

Well-known for a raft of high-profile deals that gave Qatar holdings in Hollywood, New York office space, London residential property, luxury Italian fashion and even a soccer team, the fund has largely been reluctant to dabble in venture capital and technology investments -- until recently.

The leadership changes “point to a deepening technology interest” and “reinforce two of the key themes we’ve seen emerging from sovereign wealth funds over the last few years: the moves toward venture capital and direct international investments,” said Rachel Pether, an adviser at the Sovereign Wealth Fund Institute.

Foreign minister Sheikh Mohammed bin Abdulrahman Al Thani’s combined duties also reflect the growing importance of securing bilateral investment partnerships with countries like Russia and China “against a backdrop of increasing protectionism in the West,” she said.

Still, the QIA’s new leaders will have to manage its legacy portfolio and be ready to support the local economy to stave off any impact from a Saudi-led embargo. Here are some of the country’s biggest investments globally:

Startups

One of Qatar’s first technology deals was a \$100 million investment in Uber Technologies Inc. in late 2014 -- two years before Saudi Arabia pumped [\\$3.5 billion](#) into the U.S. ride-hailing company, according to the SWFI.

In 2017, the QIA said it would open an office in San Francisco to focus on the technology industry. It stepped up investments in the space this year. Last month, QIA led a [\\$400 million investment](#) round into real-estate marketplace startup Compass with SoftBank Group Corp.’s Vision Fund. The fund is also in advanced talks to [deploy as much as \\$1 billion](#) into China’s biggest online lender Lufax, people familiar with the matter said in September.

	Date	Details
Flipkart	Dec. 2014	\$150 million investment in Indian online shopping site
Uber	Dec. 2014	\$100 million slice in funding round for ride-hailing app
OrgHarvest	Jan. 2018	\$10 million financing to build a greenhouse for Nevada-based recreational marijuana grower
Mesosphere Inc.	May 2018	Joined the billionaire Koch brothers in a \$125 million investment round in the cloud computing startup
OncoResponse	Sep. 2018	Participated in a \$40 million funding round for cancer drug maker

Qatar

A visit to Doha starts at the \$17 billion Hamad International Airport. Qatar Airways, which is backed by the QIA, manages the airport, and that's just the start of the fund's extensive footprint in the country. The QIA is the biggest investor in Qatar's stock market, with majority stakes in Qatar National Bank SAQ, the Middle East's biggest lender, and telecom provider Ooredoo QSC.

	Percentage	Market Value (in \$ billion)
Qatar National Bank	51.93	\$25.85
Ooredoo	53.49	\$3.31
Qatar Islamic Bank	17.17	\$1.75

* NOTE: Tables show some of QIA's largest investments in each region, according to data compiled by Bloomberg

Europe

Europe has long been a top destination for Qatari cash, with the country deploying billions in trophy investments such as German carmakers, Italian fashion designers and football clubs.

Qatar stepped in to invest billions in Barclays Plc and Credit Suisse Group AG during the 2008 financial crisis. Former Prime Minister and royal family member Sheikh Hamad bin Jassim bin Jabr Al Thani injected 1.75 billion euros (\$2 billion) into Deutsche Bank AG in 2014 as the German lender [sold shares](#) to shore up capital.

	Percentage	Market Value (in \$ billion)
Volkswagen AG (Common Share)	16.99	\$8.70
Glencore	8.65	\$5.09
Iberdrola	8.57	\$3.93

United Kingdom

Qatar plans to [increase its investments](#) in the U.K. by 5 billion pounds (\$6.5 billion) by 2022, in an effort to deepen ties with the country as it prepares to quit the European Union. Qatar already has about 35 billion pounds of investments in the U.K., ranging from the Harrods department store to The Savoy hotel and the Shard skyscraper. It's also weighing opportunities in areas including infrastructure, real-estate and technology, Finance Minister Ali Shareef Al Emadi said in March 2017.

	Percentage	Market Value (in \$ billion)
Barclays	5.94	\$2.33
Sainsbury	21.88	\$2.00
London Stock Exchange	10.27	\$1.99

Russia

One of Qatar's biggest holdings is in Russian oil giant Rosneft PJSC, with a stake valued at about \$14.5 billion. Led by Igor Sechin, a former deputy prime minister and a longtime associate of President Vladimir Putin, Rosneft produces more oil than any other publicly traded company in the world. The investment, [which closed in May](#), cemented Doha's links with Moscow amid the Saudi-led boycott. Qatar also owns a quarter of the St. Petersburg airport and committed \$2 billion to the state-run Russian Direct Investment Fund in 2014.

U.S.

Qatar said it was planning [more U.S. investments](#) to diversify its assets further as the standoff with its Gulf neighbors drags on. As well as its plans for a San Francisco hub, the QIA has a \$1.37 billion investment in Tiffany & Co. and billions of dollars of U.S. office space, mainly in New York and Los Angeles. The fund has [spent more than \\$17 billion](#) of the \$35 billion it plans to invest in the U.S. by 2020, with an additional \$10 billion earmarked for infrastructure projects.