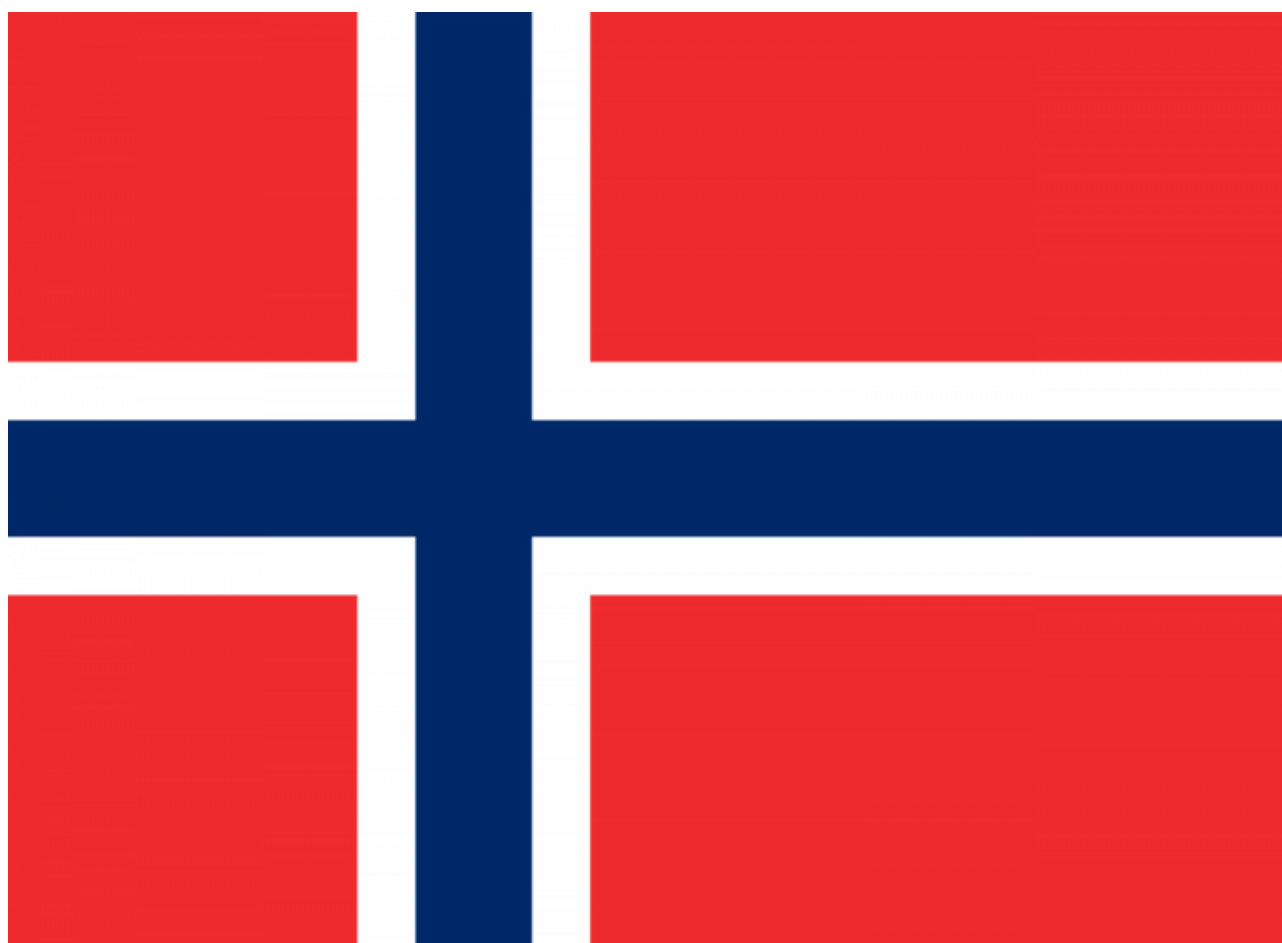


Norway's \$1tn wealth fund renews private equity bid



Norway's wealth fund proposed changes to its mandate to allow it to buy stakes in unlisted companies after missing out on investments in such companies as Spotify Technology SA. The advice comes after Norway's government has repeatedly declined to let the world's biggest sovereign wealth fund in on the global private equity market, citing concerns over transparency and management costs. The fund has said it can manage those issues, and its chief executive warned earlier this year that a growing number of companies are opting to stay off exchanges, posing a challenge for investors of its size. In a letter published on Wednesday, the \$1tn fund asked the Finance Ministry to allow it to invest in unlisted shares in "large companies" that aren't yet listed, with a potential limit of 1% of its portfolio. "Companies of this type will

often already have other institutional investors as shareholders," the fund said in the letter. "This, in turn, can help generate some liquidity in the shares. Based on experience, it is reasonable to expect some of these companies to go public at a later date." The fund is currently only allowed to invest in unlisted companies that have clearly stated they are pursuing an initial public offering. Since board resolutions on IPOs usually come at a late stage, that restriction has prevented a number of investments that would have made sense for the fund, chief executive officer Yngve Slyngstad and central bank Governor Oystein Olsen said in the letter. The fund also said that its 2012 investment in Formula One owner Delta Topco, which was later probed and much debated in Norway, showed that a company's intention to list shares is no guarantee it will happen. In addition to a limit of 1% of the fund's equity portfolio, the bank said its Executive Board should also issue limits on the companies' minimum size and maximum ownership stakes, as well as guidance on which markets the fund should target. The Finance Ministry will now consider the central bank's proposal, it said in an email. The fund's latest bid to broaden its mandate comes after it was cleared this year to invest in unlisted renewable energy infrastructure in a series of big and smaller changes voted by Parliament. Yet the investor has itself acknowledged that adding new asset classes is becoming less and less of a hot topic after the fund soared in size over the past decade and won permission to increase its share of stocks to 70% from 60% of the portfolio. In an interview in 2017, as the fund was nearing \$1tn in size, CEO Slyngstad said that "realistically speaking, whether we should invest in infrastructure, private equity or the likes isn't a very important question."