Investing a $120 Billion Balance Sheet with No Outside Investors

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Insurance is one of these industries that serves so many different purposes. Where we sit in the economy is quite a unique place. We're not in the business of predicting the future. We're in the business of being prepared for all its eventualities. The market's changing, the world's changing. We need to have the liquidity to always react. [music] We need to be flexible, but at the same time have permanence and stay of some of these businesses because that's what makes you a good partner.

You will likely have trillion-dollar companies in 2030 that currently don't exist. And you probably have trillion-dollar companies or many hundred-billion-dollar companies that will not exist. We're starting to see that, right? >> But, this is going to be a fascinating conversation given that you sit in one of the most interesting investment seats probably in the world.

I think to give people context, the right place to start is for you just to describe the platform, how much money you manage, how it's managed, to why that platform is unique and different. The seat itself is so interesting to me, and then we'll go on to all the things that you've learned sitting in the seat and building building the platform. But first, just like ground us in what is the thing, how big is it? What How does it work?

>> What is the thing? The thing is the balance sheet of one of the largest insurance companies in the world. Uh one of the most diversified insurance companies of the world in the world, Liberty Mutual Group, uh which has I would say two primary insurance businesses that ultimately feed the investment platform. First is the one that probably most are familiar with, uh the Liberty jingle, which is our personal lines business, uh one of the largest in the US. That of course is the home and auto uh component of our business. And then there is the business that is much more global in nature, uh and really serves a sophisticated set of companies, brokers, partners, providing commercial and specialty insurance across uh many domains of business. Those two insurance businesses ultimately seed an investment platform that takes the reserves as well as the surplus capital of Liberty Mutual Group and invests it for the benefit of our balance sheet, ultimately for the benefit of our policy holders so that we can ensure that our promises are always met and have the financial strength behind them. So, we are about a $120 billion uh, in capital. And what's interesting about our platform is that it allows us an incredibly unique way of behaving as investors, which is to say, we are focused not on any form of third-party capital, which has lots of benefits but also lots of uh, challenges when you manage money. And it allows us to think about investing from a long-term perspective and it allows us to do the right thing, not the expedient thing. It allows us to maintain what I would describe as investment hygiene.

That is one of the most difficult things to do when you're managing other people's money. The other part that's uh, really quite unique is the ecosystem that we're in, which allows us to grow our capital base in the service of our policy holders. We are not uh, driven by shareholders, for example, whose priority is return on capital in the form of dividends and buybacks. That's not part of our structure and it allows us to again think about making decisions that are the right decisions, not expedient decisions.

>> So, maybe explain one level more why the insurance idea is so powerful. I very famously Buffett, you know, built a big chunk of Berkshire's success on this idea that if you have a sort of insurance part of your business, you control this float, he would call it float, and that that's sort of this magic access to capital and creates this permanence that allows you to do things others can't do. Maybe maybe build that bridge between sort of the Buffett way of thinking and and how it feels to actually operate this thing.

>> What really is interesting to me is how insurance is one of these industries that serves so many different purposes and the way I like to think about it is that one side of our business and one side of our balance sheet is all about protecting and syndicating that risk allowing risk uh to be taken by the people in the world. And so we have a very um I think appropriate way we think about that at Liberty. We say we want people and businesses to embrace today and confidently pursue tomorrow.

That's what the insurance part of our business does. When we sell those promises, when we take in those premiums, we then move them to the other side of the balance sheet and we do something else that's really interesting for the economy and society. We invest that float as Buffett would say it uh but ultimately invest our policy holders premiums in order to grow the economy, to support the economy, invest in critical infrastructure, fund entrepreneurs, create jobs. Where we sit in the economy is quite a unique place.

We do things on both sides of our business that allow us to protect and now create, you know, really the foundation of commerce and at the same time grow the economy. Um that's a unique spot. >> So coming back to this unique combo, so you you're providing the value through insurance, you know, uh hedging people's risk when we think about it. That creates this pool of capital, $120 billion that you can then at least some portion of it, we'll get into that, invest and support the growth of the economy, etc., creation of jobs.

Break down the 120. Like how much of that is tightly controlled and has to be a certain way cuz it's heavily regulated? How much of that is more open? And then for the open portion, how do you think about how to allocate it? It's a lot of money, it's one of the bigger one of the bigger investment platforms in the US. So that it's a challenge, like that's a lot of money to put out, like something that's going to move you the needle for you needs to be pretty big. I'm curious how you think about that. So break break down the 120 for us.

>> So 120 is a snapshot. Uh Uh, I think that number will be bigger next time we talk a couple years from now, but let's let's >> than last time we talked, yeah. exactly. So, let's talk about the 120. I would say you could probably think of it as roughly 70 to 75 uh billion of that is reserves. So, that could be described as tightly managed again going back to this notion. Of course, you want to make sure that whatever happens in the investment portfolio, you will always be in position to fulfill that sacred promise of writing an insurance policy

uh to your policyholder.

But, I would say even there, uh I think we have quite a unique approach. Uh we are not just buying investment grade bonds, putting them in the drawer, and waiting uh for that coupon to come once a quarter, and then ultimately maturity. That could be a sleepy, boring way, frankly, the way this type of capital pool was managed historically. We're quite innovative. Uh we do lots of different things that um allow us to be a liquidity provider into that marketplace. But, that's about 75 billion dollars. We can we can talk more about the unique things we do there. I would say you could think about the rest uh as broken out between what we describe as growth credit and growth equity.

Those two pools um of capital are growing as a function of our surplus, and to your point, they are a way we can really be a full-service kind of invest capital provider into all parts of the economy. What we've done with our credit business is taken um approach not of public private, which currently of course gets lots of headlines, but really what is our levered corporate credit business, and we've put those parts together. So, our public credit uh high-yield uh and lever leveraged loans business sits with our capital solutions business, sits with our direct lending business, and with our partnership uh uh structure that's focused on credit. All of them sit together, have one platform, one reporting structure because we believe the expertise, frankly, is what's >> And you'll do direct deals, you'll do manager allocations, you'll do big partnerships, whatever.

>> 100%. And so, the the way I like to describe that is people very often start with a product. Uh so, you could say direct lending or high yield public uh or or whatever else you want to take. I think we ask the question was what exposure do we want in the totality of our business. When you ask that question, the next question is assuming you could figure it out and have the ability to build that portfolio of risks, portfolio of exposures. The next thing you would do is you'd say, "What's the best way for me to get those risks?"

And the options are many. The challenge is most organizations don't have options. You can take um perhaps an organization that really has one way, which is to be an LP. So, then you are going out, meeting managers, and ultimately uh allocating capital. You have people who are direct originators of of that risk and uh pursue that. Perhaps that's a GP. And many more. Our toolkit is vast. So, once we determine what exposure we want, we've got lots of different ways of getting that exposure.

And this is really critical because um I think as an investor that sits in our platform, you have the choice set that very few investors have, which is again to s- figure out, "Do I want that in direct form? Do I want that as a co-invest? Do I want that in some kind of club format with other sophisticated investors? Do I want to be an LP because, frankly, the particular risk is so difficult to access, so specialized that I have no aspiration or ambition of trying to replicate that. I view that as an extension of my workforce, and that's the way I'm going to get that exposure."

Same applies in our growth equity portfolio. Multiple businesses housed there. Uh one is private equity. Second is real estate. Third is energy and infrastructure and fourth, what we describe as alternative credit. I just talked about the corporate credit business. Alternative credit tends to be all forms of asset-backed finance where you're lending not against corporate balance sheets but against ultimately some pool of collateral. So, same concept applies. We've got many different ways we can go to market, get that exposure.

And that totality of a toolkit has led to a very, very broad and interesting ecosystem in itself. You mentioned, you know, the the the nexus of where we sit. We get to talk to lots of different people with very interesting approaches to the marketplace and our job is to be competent across all those choices because if we are, we naturally become a hub, a hub of both interesting transactions that come our way, opportunities to participate in really unique off-market things.

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[music] So, especially as you think about the risk portion of this of this total pie, you mentioned earlier you sort of start with where you want exposures and then you fill the exposures. How do you do that? Like cuz one way to think about this is that you're just a giant giant asset manager and you've got all these different ways you can express yourselves, but it starts with like a I don't know what it's called, a house view or something like that. How does the house view get developed and how often does it change?

>> Let me first tell you what it's not. It is not a attempt in any way, shape, or form to predict the future. In fact, one of the sayings we have uh at Liberty Mutual Investments is to say we're not in the business of predicting the future, we're in the business of being prepared for all all its eventualities. A house view that tries to predict whether the way Europe or any of that stuff. I've been a macro trader. I just think that that game hardly works and certainly doesn't work for an institution like ours. Um and God bless those that keep playing it and those that are successful at it. Our house view is much more about really what long-term businesses and franchises do

we want to be in. And by the way, the notion of being in a business like private equity, that's not a one or two or three or five-year business. It has very little relevance of what our feelings may be on the environment in the next 2 years.

What I What 3 years. What I want to always be is in position to be valuable to our partners, deploy capital into interesting opportunities, structure our risks come back to your actual original questions in a way that is always always cognizant of our obligations to Liberty Mutual Group. And those by the way are not only through the lens of making sure we meet those policies. That's sacrosanct, but Liberty Mutual Group is a large enterprise that can decide to for example, add businesses to its structure. It can acquire and we need to be in position to always have the right balance of liquidity versus long-term investments that we make that allows to do all that. So, I'd say liquidity management is actually an incredibly important component of how that that broader portfolio gets constructed. We know that credit is going to be a large component of our business and we want to make sure anything we enter, we have the right level of expertise. So, for example, things we have not really done. We have not expanded much into the European market largely because we don't think we have the right relationships in place there, the right expertise. And even though that that particular region is more interesting than it has been in the past given all the geopolitical dynamics, it is not a place where we are spending our time. Despite the size of the book, despite the growth, we continue to identify opportunities in the US that we feel a lot more comfortable with. So, that's one way to think about it. Largely US focused asset classes, um different parts of the capital structure. It's a multi-dimensional view that gets both developed but constantly refreshed at the top of the house for sensibility. There isn't a notion of we have to be this and we have to be that. The market's changing, the world's changing.

We need to have the liquidity to always react. We need to be flexible, but at the same time have permanence in stay of some of these businesses because that's what makes you a good partner and a good investor in some of them. >> Let's uh put the hat of the originator on, whether that's a GP or someone that has a specific deal or something. >> Someone that needs capital and has an idea. >> Yep. >> And they come to you because you've got the reputation you do for being one of these both big, stable, and flexible partners that likes kind of novel stuff.

>> Yep. >> What are the attributes? Like what what gets your attention? What gets your and your team's attention? What are the attributes of of an originator, their strategy, the idea that tends to get you engaged? >> Above all, um I think if you're if you're coming from a place of a newish idea or new you've got ideas and you're looking for capital partners. One is we always want to get that phone call. By the virtue of what I've described before, our approach to the to the way we partner with people, I would say these kinds of things come as referrals rather than a barrage of cold calls, and that in itself is super helpful. What are we interested in? Well, um there there's a very wide waterfront uh of things that we do, and we already know that. If if something falls outside the waterfront, there's obviously going to be a higher burden of proof on that. We may not have the expertise. We may not uh be able to assess or find a fit in the book, but that's more rare. I think what is more interesting is what's the what's the unique proposition that is being brought forward? By the way, those are not frequent. Uh it's it's it's not easy to be original in in many of these uh uh industries and sub-industries. But we're willing to back people. We're willing to take a risk on people we believe in. If we see integrity, if we see an idea that um makes sense, and if we can find a true partnership that has the ability to serve both the originator in this case and Liberty for the long run.

That links to something very interesting that's been very important to me in my time in this role. We just to say what what possesses a professional sitting at a stable large insurance asset manager to take entrepreneurial risk. Um that's a cultural dynamic and one that shouldn't be taken for granted because the easy answer is this falls outside my area of comfort. Why in the world would I take the risk? We have been incredibly purposeful in developing a culture where people have the incentive are the are the types of people that would be curious and interested and have the governance structure in place to actually take those risks. And I view that component of the organization as one of the largest and most important responsibilities I have to make sure that we have the people that will actually engage the right way because the first time someone turns that call away or behaves in a manner which doesn't demonstrate curiosity and entrepreneurial spirit. Those referrals that I talked about earlier, they'll dry up because the reputation is built on that entrepreneurial spirit.

>> Why take the risk at all? Like if I think about the $120 billion again, long like you said, there's a long history of insurance being pretty sleepy, investing in bonds, earning a small spread on the float, and no one gets fired, nothing goes wrong. Uh you can still be a great insurance provider. Like why bother at all applying your craft and your career in this space versus like a more traditional asset manager? Like what Why is the juice worth the squeeze?

>> I really do believe what I described before, which is really unique place to sit in the financial system in the fabric of the economy. You sit and you support the economy in two different ways. But specifically, why not just invest the whole thing in in a bond portfolio and and and and and go away? That would prevent you from ultimately being a balance sheet that can adopt new technologies because that that's obviously a constant in our world. It is a balance sheet that is able to adapt to the evolution of the economy. Risks are evolving all the time. The risks that insurance companies took on 25 years ago are very different than they are today and for sure they will be different tomorrow. Let me give you an example, data centers. This is a totally different scale of the asset and values than of an asset that have existed before. Insurance balance sheets aren't large enough to just absorb that. That's why you have an extension into all forms of third party capital coming in. But that's an example of where if you build a fortress balance sheet you're able to do things that others will not. How do you build that fortress balance sheet?

Through two main engines of profitability. One is the underwriting part, but that's a thin margin business. And then through the asset side where if you simply take the approach of let me buy a 4% investment grade bond or 5% investment grade bond versus try to achieve a 7 8 9 10% return on the totality of your portfolio, it's all the difference in the world. And so it is a competitive business where the amount of capital you have will dictate the opportunity set that is available to you both on the liability side and the asset side.

>> But but but in a mutual I'm especially interested like in a mutual structure where there aren't share I would totally understand it if there was like I was an equity shareholder, you can invest this at a high rate of return like that's good for me. >> Yep. >> Maybe close the loop for why that's good for the holistic thing. >> I would actually reverse that. I think as a public insurer >> Yeah. >> you're not likely to be able to pursue what we're doing because if you're a shareholder of a public insurer you can bifurcate these two things and say you have historically not been a sophisticated investor.

You've been much more conservative. And so what I ask of you management is to deliver me a very consistent margin on the underwriting. And I'd like to get as much capital back uh from you in the form of dividends or buybacks. I don't need you to recreate an investment firm on the asset side of your balance sheet because if I wanted you to do that, well, instead I could just take that investment. I could do it. That's a classic [clears throat] example of conglomerates, you know, the shareholders don't generally welcome that approach. And it's especially difficult if you're starting from scratch. Like, why should you have the right to build a world-class investment organization if you're not really starting there. So, I think the public sphere therefore operates differently and is held to a very, very tight standard on the underwriting side. Now, the flip side of that, if you're a mutual, you don't have the forcing function of of shareholders to ensure that you are operating at your best.

But, that's an optional feature of mutuality. That's not a requirement. The only requirement is that you can't raise equity. And so, I think we've made the choice that we want to be an exceptional operator. Uh and that includes exceptional underwriting results and exceptional investment organization. How it benefits our policyholders? Well, first and foremost, again, we are going to be there through thick and thin when inevitably trouble strikes. The other component I mentioned that our insurance businesses are incredibly diverse. So, if you think about other large insurers, take a Progressive, uh incredibly successful company, lots to admire, but they're very focused on a particular vertical, motor in the US. They're incredible at it.

Those risks require a certain types of balance sheet. Um they're not particularly long-tailed. If you think about our mix, we have risks that can come back from 20, 30 years ago and be very fat-tailed. So, it is really, really important to differentiate the balance sheet that a company like Progressive needs versus a company like Liberty Mutuals. Our tails [snorts] are fatter, our balance sheet requirements are are are very different. So that goes back to this what we describe as a flywheel.

If we do well for our policy holders in terms of underwriting underwriting efficiently creating various products that tailor and suit their risks and then invest our capital well, we can perpetuate the strength in the service of our policy holders. >> So if I were to sum that up, the success on the investment side unlocks product or or service quality for policy holders. >> Product breadth, future risks that are currently may may not be visible to you, but are going to evolve. We can be your partner in in solving those.

>> you can underwrite that maybe others couldn't because of the nature of the balance sheet. >> That's right. >> Got it. And And so the the the >> I would say at the at the at the most extreme you can think of Berkshire as as as being that. I mean, people think about Berkshire's insurance operations. The most visible obviously is GEICO, the original, but they are the insurer of last resort very very often. The reason they can do that is because they've got this incredible balance sheet. Again, I I think Berkshire is in a universe of its own, particularly in the way shareholders have regarded Berkshire in not asking for capital back. But that's an extreme example of what you can do when you have a balance sheet like that.

>> lunch with the Jain one time, the savant that you know has run Berkshire's insurance business forever. And he he described what he did when you really dig in on like well like literally tell me like what a month looks like in your life. As the exact same as how I would describe investing, which is he literally said I wait around and sit

wait for the phone to ring. And people call me with the craziest the craziest propositions, the craziest risks that I can price and underwrite and then I I price risk. And it sounded much more like Warren's job of waiting for fat pitches as you know how he would describe it. And as you said like it's it's sort of the extreme version of this, not this programmatic auto insurance, but like wacky stuff that nobody else in the world could do.

>> Correct. >> So it sounds like part of what you've built and are building is something that moves more out in that direction and isn't just this wrote, you know, repetitive single kind of of underwriting. >> Exactly. We we are incredibly diversified in our insurance businesses and you're you're spot on in the way you've just described, I guess, what Ajit said, but we think about the similarity between not all our insurance lines, but but particularly those that are more esoteric ones or or or really really in the commercial and specialty uh space um as very similar in spirit to the practice of what investing is, which you're deploying capital into uncertainty to achieve a return. That's true across both.

>> Yeah. >> And the risks tend to be not six-month and one-year risks. They tend to be uh multi-year risks. And so the same disciplines and the same conceptual framework applies. How do you manage How do you manage your reserves? How do you manage your liquidity? These concepts go back and forth between the balance sheet. Let's be clear, these businesses operate in their own spheres and ecosystem, not a lot of operational synergy, but definitely strategic synergy.

>> One of the things that you and I have talked about many times that I think is so important for the context that you bring to the job is the power of America and the American system. And I have found this phenomenon that the people that love America most often didn't weren't born here. They're immigrants. They they saw some other system. They came to this one. You have an incredible story in this regard. Can Can you tell that early life story in whatever vivid detail you're able to? And And maybe like put a finer point on this this thing that I've noticed of the people that appreciate this system the most came from outside of it.

>> Yes, I do love America and it's uh we're going to celebrate America's 250th birthday uh this summer. Look, I think when you're born outside the United States, you are exposed to a way of life that is very difficult to actually understand for those that are fortunate enough to be born in the United States. You take certain things for granted that are just not um you assume they are like gravity because they just exist. But, they're not. So, I was born uh in Moldova, um a former republic of the Soviet Union, currently uh an independent country right outside of Ukraine. I was very, very fortunate that my parents decided to uproot their lives um in 1990 uh and and and make the journey to the United States. Now, to be clear, uh this wasn't like a a difficult decision. This was something that people could only dream of.

And we were very fortunate for a number of different reasons to take the path that we did, which was a direct path to to the United States. I think what is true in the US, always has been true, still true today, despite all the many ways you could criticize America, is that the level of agency you have uh as a citizen of of the US or as a resident of the US is unparalleled to anywhere else in the world. It is a vast country with vast amount of regional differences, cultural differences along the way. We have done an incredible job of ultimately integrating people into our society. And if you have talents, if you have motivation, there's an an infinite amount of way you can both define what success is, define how you will contribute, and ultimately live a life where you have the option to thrive. Not everyone thrives, but you have the option to, and that option is not available uh to the vast majority of humanity because you'll be burdened by your family's history, your ethnicity, your religion, your government's oppressive system, and inability to move up the socioeconomic ladder because of the way the economy is set up. All those things and versions of or combinations of are present just about everywhere. But in the US, you have an opportunity. And I think I you know had a chat before like one of the ways I describe the fascinating thing about America is believe it or not through the lens of a croissant.

I remember as a kid in the Soviet Union um at about 6 years old or so, um my mom would send me to go get bread. And the way you get bread is you go you know there you you go there there's a bread store. And there is a really one, maybe two types of bread. Um and there'd be lines outside of it and you'd get the bread. Um never went hungry so don't want to trade those impressions. But the view was very simple. Bread is bread. So why why would you need more bread?

Um you get your loaf and you go have your calories. In the US, we take the exact opposite view. If you want to reinvent the croissant, which exists in each thousand different ways right around Union Square, you can do that. And if you can figure out a way to make it special to you, it's your [snorts] customer, there'll be a there'll be a market for that. And what is the act of that? That is human creativity. That is humans iterating and perfecting and continuing to apply themselves and to express themselves on something that doesn't need um necessarily a different way of consuming calories, but it's beautiful.

It's what drives I think people in general in the United States is to constantly make little tweaks that make things better and we all benefit from those. So, I could go anywhere else with that, but that's >> I'm curious what else the experience was like in that first decade of life, like the bread story. Bread story is very illustrative of like the power of a market system and permissionless innovation and all you know all these things that you and I talked a lot about. But what what else? Paint a little bit more of a picture of what it was like to spend the the formative decade, you know, of your early childhood there and the maybe draw the contrast to you know what your experience was then in the US.

>> Well, so at the highest level, you're not given permission to dream. So, just you are you're born to survive. You you're born with an attitude and a notion of I need to navigate these ways of life so that I can survive. Um and I'm not I don't I don't think it's worth getting into all the other components. Like I said, I I experienced um really difficult persecution uh which is of being Jewish in the Soviet Union.

>> That looked like what? >> That looked like being called out uh in school and look, I was a I you know, I was a 9-year-old kid and I still have memories of that. My parents experienced that in much more stark ways where as a Jew you were not allowed to pursue certain professions or there would be hard quotas on how many uh people would be allowed to be in those professions. You would be assigned where you lived.

There would be university quotas and so on and so on. I didn't [clears throat] experience obviously those things, but I experienced a society where that was normal and Jews were persecuted, many other types of groups were persecuted. The point is that was normal behavior. It was overt, explicit uh persecution, bullying, um all those things were part of the social fabric. And so when you're born into that, you are consumed by this notion of like okay, this is my reality. How do I navigate it and survive?

Never mind iterating on innovation, I'm just trying to survive. Um, and so I think my experiences at the same time I I do, you know, I was a kid. I was a I was a reasonably happy kid because when you accept those things as part of your life, you don't dwell on them. You don't think of yourself as a victim. You just accept them as they are and you form the rest of your life around them as as constants.

Um, and so I have both um I guess kid memories. I I was going to say happy, but really kid happy memories as well as some of those stark moments um of grayness of of just a society that has no spirit, a society that has no real art. And that's not a statement on the people. That's a statement on the way society's constructed and suppresses those otherwise natural human, I think uh traits. When you come to the US, you experience literally the inverse of that, right? This notion of individualism. It's the opposite of what you would experience in a place like the Soviet Union, but I would argue many other societies as well.

Like everything else taken to its uh excessive kind of corner, you would probably find all sorts of issues with individualism as the way to construct a society and we wrestle with those in the US, but what it does do is it frees a person to pursue their talents, pursue their interests, pursue a network of friends they want to be associated with in a way that's just impossible uh elsewhere. How does that all >> I'm sure it all shaped your worldview to like a huge extent seeing the contrast.

>> Yeah. >> How does that all then map back onto this activity of investing? Like how does it affect the culture you want to build, the types of people you want to partner with, the um types of deals that you're interested in? Like I'm sure I'm sure there's a connection. >> Yeah, well I think I think my you know >> Back immigrants maybe. >> Yeah. Yeah. Well no, I wouldn't put it that way, but I first I would kind of related to this other uh notion of risk taking, not assuming and not taking anything for granted. Not being entitled to anything.

This is a fundamental trait that immigrants share. When you come with nothing, just looking for a life, you you don't think of yourself as entitled to anything and I think that carries, no matter how your life in the United States ultimately evolves, you know you're not entitled to anything. No one owes you anything. And that I think permeates the spirit of uh of frankly of of the way I go through my uh through my life. Now, we talked about entrepreneurship, uh a culture of why do this at all? Well, why not? Why wouldn't you want to make something better? I think we we've tried to have that culture at Alteryx where we don't say this is good enough.

That's not a good way to live. If you're passionate about your work and you're really interested in what you do and you care about your craft, you're going to continue to iterate because it's what you do. It's and that leads to better results. It's no different in my mind than that silly act of trying to create a better croissant. It exists in current form, it's great, but you can make it better. And um so we do that. Uh I think culturally at Alteryx we try to make things better, whether it's our internal process, whether it's the way we engage the world, whether it's the way we are willing to experiment with technology and and and move fast. All that is part of our culture. In terms of the um investing activity or this notion would be backed uh you know, would be back at certain type of um investor, what I would say is we look for traits of entrepreneurs, of people who are eager to make the world better through the lens of whatever it is that they're doing. And you know this so well. I think investing the best investors are obsessed with their craft, not because they're financially driven.

So, I think we look for that for that um in our partners. We look for people who are incredibly passionate and good at what they do, are able to communicate it and make it come across, and who are clear about what is it that they're trying to accomplish. Because if you can't communicate a brilliant vision, it stays in your head and unfortunately doesn't get realized. So, lots of different things that go into it, but passion uh for your craft is a really important >> Going back to the composition of of the portfolio that you've built, how much and I'm especially focused on the the the risk portion, um the credit and growth equity. How much of that ends up being in like you invested in a specific company versus you backed uh you persistently backed a minute GP that you're just like a a constant investor in versus a one-off partnership with a GP. Like, how does it then break down once you get down to that granular level?

>> Well, it has evolved. Uh you know, I think through time we've created much more of those options. Yeah. Historically, depending on how far you want to go, we would have had a you know, the primary way would have been to back a GP. That's a pretty narrow path. Uh perfectly good one, uh but I'd say we've been very very focused on that same thing I described before. We want to have as many ways we can engage and help uh our business partners.

Asking the first question is what's the exposure, what's and then how do we best uh get that exposure? The mix today is dramatically different than it would have been 5 years ago. So, that's both expressed in the types of exposure. So, for example, we used to have a meaningful amount of exposure in natural resources. Um we have much less today. So, one could have looked at that and said, "Well, natural resources is a way to get exposure to energy, let's say, or perhaps inflation hedge if you wanted to put that lens on.

But, the way we were getting it was not serving us well, both because of our capabilities. We just didn't have the capabilities to be operators of some of these energy businesses. The second part was they were quite narrow. And so, the second you're focused on an operating business, that can be swamped uh a against the backdrop of macro that says, "Okay, well, energy prices are up, but why is this thing not providing me with what I thought it would?" Instead today, I mentioned one of the verticals we have is energy and infrastructure, which is both a credit and equity business, where we in many cases choose to own certain assets or have ownership in certain assets, but not operate them, capital across the capital stack, and provide solutions, uh which allow us sometimes to do things like provide credit, but have upside exposure via warrants or things like that, certainly back partners, uh where appropriate, in parts of the industry that are quite technical, where we would never seek to reproduce that kind of insight and and that kind of capability. That is an example of do we have diversification in our portfolio? Do we Are we benefiting in the moment from that exposure to energy? Absolutely.

Would we have gotten the same level of exposure and benefit from our previous way of expressing that? No. So, that is really, really important. Having that diversity um of different businesses and different exposures, but I keep coming back to how do you how do you acquire that exposure? That difference can mean the difference between it actually being effective versus not. Do you find yourself selling yourself as a differentiated partner to GPs because of all these ways that you can support them to try to win more allocation to their funds or whatever up against other, you know, partners that they might choose? And if so, what's that like? Like what what's the pitch What is your pitch to GPs?

>> You've used this term, and I I've used it ever since I heard you say it, branded capital. But what is branded capital? Branded capital could mean literally, for one reason or another, you're viewed as someone a GP should engage with, and someone that that could be many things. If you're looking if you're a mega fund and you're coming to raise through your fundraising cycle, branded capital could be a large state pension, which will always write the big check. That's That's not what we do.

That's not what we are. And so that's not our brand. Our brand is to come and help you build a business. Uh our brand is to be quick in the way we ingest information, ultimately come back with how we want to or don't want to participate so that we don't waste your time. We operate much more like a GP in that way, and frankly look to hire people that come from GPs or operators rather than uh just a traditional LP background. Of course, we compete uh I'd say in a variety of spaces, but our reputation um continues to build on the way we show up. So, I would say any single one of our people that goes out into the world can do tremendous damage or bring tremendous benefit in the way they engage. Because, as you know, if if you do great things with 10 business partners, the next 10 things are going to be easier because at least a few of those are going to come from that network. And we find ourselves well beyond that. We are a hub of incredibly interesting relationships.

And we've tried to make sure that we approach that with all the care and diligence and thoughtfulness what I mentioned before. If I can identify a way we can be helpful to two of our partners or three of our partners and not be involved, we're always going to do that. We're always going to think that way because we really do feel that these are valuable relationships, business relationships, friendships, uh and just we're rooting for for all our business partners. And so, we know that one way or the other that's going to help our business in the long term, and that's part of our value proposition.

>> On this notion of branded capital, is it fair to say that a goal you have is that you want to be one of those LPs that a GP thinks about as like a Yale or something where okay, if Yale's back this thing, like that that says something about it, and that brings other capital, it reduces the risk in the eyes of other capital, and you want to cultivate that and have cultivated that reputation as being like one of those 10, 15, you know, LPs that have that like, you know, that that imprimatur that that is impactful on the partner.

>> Yes, I I that's exactly right. I think we want to be one of those institutions, but I would say we want to be even more bold than that because there's a notion of a name being on the capital roster that allows others to come in. That's a that's that's an asset you have as that type of LP. But we want to be much more than that. We want to sustain that, maintain that, but we also want to be known for our creativity to structure solutions, for our creativity and willingness to take risks that some of those institutions with that halo of a brand just don't do, not set up to do. That's not meant to be a negative.

We want to be more than just that. And in certain cases, that's all that you need. You know, in the case let's say the venture ecosystem, which you're so familiar with, we're not going to try to replicate that outside of our organization. That's where you're competing truly with other capital to get on the capital roster. In other places, that's just not the that's just not the game. The game is are you creative? Are you quick? Can you take certain risks that others just don't even think about? So, the game is different across different types of exposures.

>> This environment is so interesting because it feels as though geopolitics and just the kind of the changing shifting nature of global order and power structures matters to investing outcomes for the first time in a long time. A whole generation of investors that is retiring right now like didn't really have to think too much about this. There was kind of relative global peace and stability post World War II. Uh this like Pax Americana that everyone talks about. And that's changing.

How do you think about that variable in in all of this and like the top-down you know system settings that you that you stick in there that How do you think about this? >> I love history. We talked about this before and so I'm particularly tempted to uh engage in these things. But I would say a couple of things I try to remind myself of. Whatever it is that you are living through we are living through it feels particularly acute to us. It always feels like the sharpest moment probably isn't. And if you go back and take people in our uh parts of life they experienced things then and they thought it was the most acute thing. I also think about the fact that in my career I've now been through what I would say is more than enough of uh various crises some of them feeling like could this really be that I'm alive during this period? I distinctly remember walking uh after a long day on Zoom uh in March or maybe April of 2020.

It was a rainy day um it's like a 10 11-hour marathon on Zoom. I just needed to walk outside and I'm walking around and thinking is it really possible that my life happened to coincide with this moment in humanity where a pandemic was going to completely upend uh society and human life as I know it. I told myself odds are very small. I don't it's it's very unlikely that that's going to be the case. And then I remind myself there were many pandemics before that would wipe out large parts of humanity. Yet humanity goes on.

It is true that if you're living in that period of time, your experience is actually quite different than the lens of history many years later. But I also find like myself having those thoughts over and over again. I have those thoughts when it comes to the unbelievable moment in technological progress that we're living through. And that feels really real and very, very different in a way that you can imagine society 10, 15 years from now that will look nothing like what it looks like today. But that was also probably true during the Industrial Revolution. For the people that looked back 15 years after the steam engine became mainstream, society looked nothing like it did 15 years before. So, is it really that different or is it just continuous progress? And then I think about the geopolitics today and they do feel like we are certainly breaking the order that had governed economic flow, security architecture across the globe that has been in place more or less since World War II. You can make the argument that along the way we had some really major shifts like the Berlin Wall falling, but it's been a period where certain norms in international relations and certain alliances held through all that. And it does feel like that's changing. That in itself I don't think affects investing um if you're if you're focused in the US so much. What does clearly matter is that the economic architecture is changing.

It's changing from an energy perspective, it's changing from a supply chain perspective. And there real um investing opportunities that that and and risks that evolve from that. I continue to think that the US is endowed with inherent advantages um whether that's the ability to innovate, whether that is the energy abundance that we ultimately have. All those things continue to conspire for American exceptionalism, but we've also gotten quite accustomed to a world where just-in-time inventories were a thing, and now that's challenged. The ability to identify the cheapest pockets of labor or competitive advantages, that they like the economics people would say, that's going to potentially have structural impediments, which has implications on inflation, on rates. How does all that balance with this what I perceive as an incredibly deflationary impulse from technology? I'm not sure. I think we are reasonably good at identifying, by we I mean not LMI, but we as as as people who like to think about these things, at identifying the variables that drive economic outcomes, but I think we're terrible at is assigning weights to them.

And so, that's why forecasting is next to impossible. You may get the right kind of issues, but you don't know how they interact with each other. You don't know what people do within the system to adjust and mitigate all the different roadblocks that that come up. So, I do think we're living through a moment. I do think it's a reset in the way Pax Americana govern, but I don't think it's a reset away from American power in the world, at least on a relative basis. I think the world continues to need America.

>> The other side of the coin [music] that you mentioned is the changing technology landscape. Arguably, that's the bigger one than very unpredictable geopolitics. This seems more predictable, like 10 years from now there's going to be a lot more stuff uh that's changed as a result of AI and and all that it impacts. How does that filter through to your investing? And of course, you can get very tactical here, like you think about software or you know, things like that, but I'm also curious just more holistically what Like what is it What are the conversations like inside of Liberty about this topic and like what the hell we I'm sure like everyone you're wondering what to do.

>> What's super different about this technology than others uh versions of of of how this kind of came about is it requires people to engage with it, get get a relationship with it, have agency. It's not a software package that the technology department's going to install on your desktop and then you're going to put your, you know, your workflow through. It's just That's not what it is. It's a absolute superpower that's given to you to get the thoughts out of your brain and has the superhuman assistant that is able to rationalize your thoughts, uh present them in a coherent way, interact with you. By the way, it makes you sharper if you go back and forth and kind of jostle with it and and really become an editor as opposed to just taking that first output that it gives you and saying, "Oh, good enough." Because that's where slop tends to live. If you just ask for something and you get it back, it will give you generalities and it will drive everything to kind of an average, right? That's what these models are. So, in order to get the best out of them, you need to engage with your knowledge, your experience, um your ideas and creativity, it is amazing what you get back. And so, I think in the in the investing sphere, creativity is such an incredibly important part. The ability to take an obscure or or or frankly a well-organized set of data and find insights that are not easily observed from it, that's the art of investing. And now you can iterate on that in such powerful ways. I find myself using AI every single day. More and more so, and frankly, it raises other questions for me. The more I spend of of my day with AI, I'm actually not spending it with my colleagues.

And so, I begin to worry about that now. How much are you taking from those messy relationships that are human relationships and messy ways of getting information into the super interesting, smart, and efficient way of interacting with the with artificial intelligence? I don't know how that part is going to play out because it almost is if you take it again to the max, it's isolating. >> What are the biggest debates? Maybe this is one of them, but if I think about the team that you've built, you plus the heads of the various, you know, parts of the of the organization, what are you guys debating and discussing most right now in this in this combined interesting environment of geopolitics, AI, everything else that's going on?

>> So, I I would start with one of the newer ones that is um really interesting is notion of how do you think about valuations across not just software. Software I think has been the most talked about one. How do you think about valuation of businesses in a world where the future is increasingly invisible? It was perhaps always invisible, but you could get comfortable that certain things had a lot more staying power through thick and thin than not. And whenever you have that dynamic, you could put a higher multiple on things.

And that's how you rationalize paying a price for for for an asset. I think [clears throat] today you kind of got to ask, well, do I really really know which businesses will thrive 10 years from now or 15 years from now? I think that's really difficult, and that could be everything from yes, software, but maybe perhaps even Home Depot or

John Deere, things that are not obvious in the in the kind of AI crossfire. So, that leads you to a question of should multiples be actually lower across the board? And that's that's really I I don't think I've experienced a question like that in my career where you question multiples based on macroeconomic variables like, oh, inflation's higher, rates are higher, therefore multiples should come down or or some version of. This is very different. You're literally saying the future is so unpredictable that how can I possibly place a higher multiple on on something?

So, that is a really fascinating question because it comes against the backdrop of possibly very favorable macro, which historically would have just said higher multiples. It can come against a backdrop of an expanding economy. Another way to put it is, you will likely have trillion-dollar companies in 2030 that currently don't exist, and you probably have trillion-dollar companies or many hundred-billion-dollar companies that will not exist. And we're starting to see that, right? We're starting to see therefore more volatility. So, that's next kind of extension of that is there's a multiple question. Now, you also have potentially structurally higher volatility. You combine that with some of the tactical stuff like perhaps the SEC will not require quarterly earnings.

It's so you can make an argument that volatility is just going to be structurally higher um going forward. The other part of that is everything I've talked about for now is through the equity lens. In the credit space, same kind of concepts apply. Am I worried about four-year paper in most of the software names? Probably not. I mean, they're contracted out. This is not a four-year issue. That that paper should be money good. Would I be worried about holding 30-year credit on on on uh >> Salesforce.

>> on Salesforce or Oracle or any of these things? I just think that it's a much much riskier proposition. And so, it would feel like that should drive steepness in credit curves. If if that's a structural shift that takes place, that will change capital market behavior. And so, I again, I go back to the fact that I have not experienced a framework or a time in my career, and I can't really go back uh through history and identify something similar where it's not really the macro conditions per se, although you can maybe call this macro, that are driving potential repricing of equities and long duration credit and volatility all because it's just uncertain as to how this technology will evolve and change the fabric of the economics.

We've had things that change the fabric of the economy, but it would be slow burn. It would not be something that you need to think about today. Um, and and things like Salesforce is you know, this is a company that is embedded in the vast majority of large companies in the United States and maybe and globally. So, to me it's like you know, the first question was are people just going to buy code their own CRM? No, of course not. Like I I sit in a large enterprise. That's that's absurd. That's not the question. The question is is the company the trillion-dollar company I mentioned before that isn't even around today that's still an idea somewhere. Will they ever use Salesforce as part of their ecosystem? And if the answer is no, that should absolute absolutely be a massive headwind to the valuation of Salesforce even though every Fortune 500 company may use Salesforce into perpetuity. It's just going to be a slowly it's going to you know, it's a different business. It's a cash cow business. Deserves a different multiple. And that's what I think the markets are wrestling with in the public sphere, which has its own cascading effects into the private sphere.

>> Yeah, I was going to ask that specific question. So, if you've got this rise and fall of the trillion-dollar you know, that a new mag seven is emerging or something like this. The question of public versus private seems really important and I mean this is important question no matter what. There's there's the three or four biggest companies in private markets if they go public this year or next year will be three of the 10 biggest companies in public markets. That's that's that's never happened before.

How do you think about this? What is this debate like internally of how you should allocate to the public part of the market versus private especially interested in the equity piece? >> I think public markets are substantially more difficult to hold than private markets. Um many parallels to this, right? Like if you you don't think about the value of your house every day, even though it changes hourly every day, but if you own a public REIT, real estate, um you'll you'll probably look at it every day and have some kind of uh feelings from it. So, but fundamentally equity exposure is equity exposure. So, we don't think about moving between the two based on this dynamic. It comes back to what do we own in private markets. And I think the more significant reason private markets have evolved the way they have in the past decade is you went public historically for very specific reasons. You needed to raise a certain amount of capital that was simply unavailable uh in private markets. They were just not robust enough. And if you wanted to grow your business, you would have to go to the public markets.

There was a clear element of prestige with going public. So, that was a milestone in a company's history to go public. That was a thing. And the trade-offs would be you give up a significant amount of control, the ability to make decisions for longer horizons and sit through uh difficult moments because public markets punish you, shareholders react, boards react. Private markets have more or less addressed those challenges, right? You can now raise gigantic amounts of capital. So, the capital need has been solved.

The prestige and milestone thing, that's kind of gotten diluted. Uh these companies have grown so large, we all know what they are. And now the cost of both being public is actually quite high, whether that is a literal cost of the amount of compliance required um to people being really careful about saying, "Do I want the kind of pressures that are naturally present in public markets in the way I'm going to run my company? And what is it that my company does? Can I operate on a more of a quarter-to-quarter or maybe year-to-year basis? Or is my business really going to suffer if I have to operate that way? I really need that three to five-year window, which public markets very rarely give.

So, I think that's what's driven the growth of private markets. And some of those things may uh mean revert, so maybe regulatory burden reverts. That's at least fixable, but the main reason of capital being available to you as a private company, I think that stays. And so, this balance will persist. And so, I think if you are an equity investor, you should look at the equity risk first, and then decide what is the best way to get it.

So, we have not stopped by any means uh investing in the private markets. There are other reasons why our balance sheet specifically is probably not best suited for public market uh exposure. That is specific to our balance sheet. Doesn't mean we don't participate. Doesn't mean we don't take opportunities when when they look particularly compelling. But, we will continue to largely focus in the private space for our equity exposure.

You and your senior team came from Goldman.

>> Yeah. >> Wha- what cultural crossover happened there? What did you take with you? What did you leave behind? It's a very dist- obviously Goldman, especially when you were there, a very distinctive culture. >> Goldman's one of these places where when uh when you're there, you're amongst such talented and and driven people, it's a hard place to be uh and it's a thrilling place to be, but you are particularly actually appreciated once you're not in it uh because of all the things that you didn't know you were learning that you were in fact learning. I think we brought uh a drive for excellence uh with us. I I'd I'd say that's the most overarching theme is I find it implausible to just sit still.

To take something and say this is good enough. Why should we do this? Like that this involves risk. It's just this motor uh that I think people that come and have been reasonably successful in all of these organizations, that it's inherent to them that they are always pushing forward. Even though another person may look at that and say, "Why are you Why Why do you bother?" >> Why is that enjoyable? Why is excellent? Like, what is it about excellence that's fun or enjoyable or rewarding?

>> I think about this a lot. I don't know First of all, I clearly don't know the answer to it. Um but I think as I've gotten older, I think about this in an very existential way. When you have a family, when you think about the the incredibly important lens that provides, particularly through the lens of your kids, you could split your identity in so many different ways. And if you over swing to one or the other, something suffers. Uh and everybody's got their own equilibrium. But I've continued to find that I get an incredible amount of personal satisfaction from building and being part of an organization that is making progress, that is making things better. By things, I mean that can I can mean product, I can mean customer experience, I can mean the careers of the people that are in my vicinity.

My god, it's it's one of the most satisfying things in the world to have you help other people progress through their careers. You don't think about that when you're younger, but it is truly satisfying. And so I've gotten more comfortable through time with spending more of myself at work than I have before. Before I would be very wary of that because I didn't want to have somehow my kids see less of me because I am a workaholic. But my whole frame around that is is about I don't think I'm a workaholic, but I am obsessed with making things better and being part of this organization and team.

It's not about you. It's about the the organization as a whole and how it can continue to get better. Gives me real real satisfaction. I have three so inevitably I want to set an example for them of best I can through my experience of what it means to be a productive human being, what it means to be a good father, unbelievably important, what it means to show them love and support and care. Try to do that best I can every single day.

I think they would find that they get a healthy balance and that balance moves through time. I my my 17-year-old, my firstborn, literally needs a lot less of me today than he did 10 years ago. I think that's less of something he thinks about because it's so natural. It's something that I think about and I grapple with like, is it okay that we interacted for 10-15 minutes? It was maybe a high-quality interaction, but it's all was 10-15 minutes. Um I go to bed thinking about that sometimes, but I also think about this is a forever thing. Like you think about your parents a lot less than they think about you. That will forever be true.

It's true of your kids. It's true of the way you probably interact with your parents. But your parents probably think about you much more than you think about them. It's just reality. I would close asking about two concepts that I think are so powerful that you've alluded to a bunch. One is just permanent capital. Like what what it's actually like. Everyone talks about this is like a nice thing to have, but what is actually like managing it?

Like you're not permanent. Nobody's permanent. Ideally, if you do a great job, this thing will go far beyond you. So careers are not permanent. They're they're transitory. Um and then the second thing is this notion kind of related to the question on where you came from and where you grew up of I think you call it like pragmatic optimism. These two concepts are interesting to me in in in combination and I thought it'd be a fun place to have you riff, you know, as we wind up. The downside of permanence is is that people change. So even though the capital may be permanent, people come through the organization ultimately, and you're always dealing with some version of, but another team made that investment, or there was a decision made in the past.

And you can dwell a lot on that. Usually, the ones you're discussing are the difficult ones, and not the good ones that people are happy to absorb into their window of time. Let me Let me actually come back to that. What I have found about managing your own balance sheet as opposed to managing third-party capital, which is inherently not permanent, it completely changes what you think about. Because when you're in a fund cycle, when you have to deliver returns to a fund uh and to your investors, and then think about the next one, you are consumed by the business that you're running.

Investment outcomes are kind of a product uh that you sell. But you are ultimately running a business, and so your business strategy is going to always dwarf your investment pro- process. No matter how many times you can talk about your long-term horizon, or whatever else, ultimately, the time comes when new funds need to be raised. If you're a public uh alternative asset manager, you care about um how the market will give you the highest multiple, which will then drive a certain way you will structure your business. And the investing the craft of investing is inherently diluted one way or the other. It just is. Um it doesn't mean that there aren't excellent excellent investors, but they have to think about other things. In some case, that really does take the business away from the bespoke nature. In some cases, people stay small, and many examples of that, and ultimately, try to just deliver truly outsize returns because of uh how they approach that problem.

When you don't have to think about any of that, and all you're thinking about is how do I take my capital, deploy it into the world, get the right rate of return on it, and see the fruit of what that capital does, it's it's just inherently different. You are able to sustain what I describe as much better investment hygiene. You don't have to react. You don't have to worry about doing an investor update where some you know, where where some of your investors may have circumstances or priorities that differ from other investors in your fund and therefore creating tension, polluting your investment process with the nature of the business. We just don't have that. We are singularly focused on being in the service of our policy holders, in the service of our balance sheet, and doing the best we can to deploy capital for the right opportunity, for the right rate of return. The other part that you mentioned is very real. There's a downside to to having that permanence because you can make the argument that it makes people a little bit more complacent about this notion of the long term. I I mentioned that before and I I always am careful with saying we can make long-term decisions that others can't.

I think when people say that for the most part, what you end up with, and I do mean the most part, is some form of excuses as to why sure, this is not great, but it will be if you wait long enough. >> Especially like you said before, the volatility that might you know, that's uh >> Yes. >> rising uncertainty. >> Yes. So so I've always almost had like this uh strange uh fixed income version of a of my thinking around long term versus short term. It's like the 10-year rate is just a series of shorter rates that build up to it. So, yes, you can talk about the long term. The long term is constructed of a bunch of short terms. And so you have to actually hold both truths. The ability to make long-term decisions and focus on the long term is really valuable. But if it becomes a crutch and an explanatory variable as to why you're either inconsistent or things are not going the way that you'd like them to go then it's not very useful. In fact, that's an impediment. Um and I would I would just add one more thing that because this is this is really important.

I think all businesses have a constraint of an annual calendar. We would that's just the way we've structured ourselves. Some have it very acutely, quarterly constraints. But the annual one is important for everybody. Um everybody has some notion of a financial plan or objectives they're trying to hit on an annual basis. But very few businesses actually have those horizons. And so this is another one where you have to hold both truths particularly when you're responsible for the organization.

Your business is not a one-year business. We know this. Uh and anything can happen in a one-year window. And yet you know that that one-year result has importance to your stakeholders. So the way I therefore try to navigate that is to one be cognizant of the of the one year of the calendar year but try to establish some three-five-year targets and do put yourself on the hook for those uh in a much more meaningful way than the one year or at least say more people in this organization really are on the hook for the three to five year and be explicit about what that is than it is for the one year.

The The other part is all businesses that have this dynamic, they require great degree of transparency from all your stakeholders in order for you to ride those waves. Because if your business is opaque, not understood, and volatile, that's a recipe for ultimately not being supported through difficult times. And so, I try to always remind myself and my leadership team that transparency is what allows you to have autonomy. No transparency, no autonomy. Critically important, difficult to deliver, and people don't always focus on it.

>> I love doing this with you. I love your story. I love the way you built this thing. I think it's extremely distinctive. It truly is one of those 10 referent, you know, branded capital LPs that I think everyone out there wants. It's so interesting to me. Maybe I should make this a series or something. To to to to really help the world understand how each of these huge pools of capital thinks and works. Um I think you know my traditional closing question for everyone. What is the kindest thing that anyone's ever done for you?

>> This is the one question I knew was coming. I've thought about it. Um I had so many thoughts on who I

should uh describe I've been fortunate to have many. I'm going to come back and uh maybe do something that I haven't seen uh others uh say on your podcast. I'm going to come back and say the kindest thing is this um group of people that have fought for constructed pathways for legal immigration to the United States. So, my gratitude is to America. Uh and my gratitude is to the people that for their for reasons they didn't have to allowed people like me to come to America to have a very, very, very different life than I would have otherwise had.

To allow me to have an impact on people that are in my vicinity and and surroundings, hopefully a positive one. And to find a way to uh learn from from that gratitude uh and continue to have pragmatic optimism that America is essential >> [snorts] >> to the world. It is still the shining city on a hill and I want to do whatever I can to remind people of that, to contribute to it, and every single day be grateful for being an American citizen.

>> Beautiful. First first answer of its kind, which is hard to do 500 of these in. Thanks for the great answer and for your time. >> Awesome. Thanks. >>