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Quebec City Conference

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RE: Bridging long-term investors (global asset owners) with governments seeking to attract long-term, large-scale investments in sectors of strategic importance to their national economy

Dear Mr. Racicot:

At your request, this letter is to provide you, in my capacity as Executive and Research Director of the Global Projects Center (GPC) at Stanford University, with our views on how governments may best bridge their objective of attracting investments in sectors of strategic national importance with the objectives of global institutional investors to deploy large pools of capital over a very long term horizon to achieve stable investment returns.

Background on GPC and on myself

The GPC at Stanford has the mission to conduct research on the strategic assets that underpin dynamism and competitiveness in today's global economy. In particular, we are focused on examining the ways in which these global projects are financed, developed and governed.

And in order to achieve the objectives of our center, we have two key research streams: 1) understanding the behavior, governance and constraints of long-term investors; and 2) the development, management and governance of long-term projects. The center was structured in this manner to advance research at the cutting edge of both disciplines and to develop creative mechanisms to unlock institutional capital for projects of strategic importance to communities, governments and indeed the world.

In addition to my work as an academic, I am also an advisor to several global asset owners, where I assist in the research, development and implementation of creative and innovative investment capabilities and platforms. For example, I am currently the Senior Advisor to the CEO of OPTrust, a $20 billion Canadian pension plan. I'm a consultant and Board Member for a subsidiary of Australian Super, where I work with the fund to bring a growing percentage of their assets in house. I'm also assisting numerous governments, from Mongolia to Iowa, on the design, governance and strategy of their own investment organizations. In general, I work with these long-term, investment organizations to help them improve their operations and organization, with a view helping them achieve their goals in the long run.

The 'structural gap' in the capital marketplace

We see an important contradiction in infrastructure investing and development today: long-term investors are trying to find ways to access infrastructure and other large, long-dated assets due to match their long-dated liabilities, while governments who sponsor these same projects are trying to find ways to tap long-term capital to finance them. However, despite the clear mutual affinity, neither side has been successful at bridging the gaps between them in a meaningful way.

We believe that a 'structural gap' exists in the capital marketplace today between the governments that need to attract long-term, large scale investments in sectors of strategic importance and the asset owners that need investment opportunities that allow them to profitably deploy large pools of capital over a very long-term horizon.

Options for governments

Historically, governments have used the services of investment bankers and other financial intermediaries, which have been largely inefficient, have introduced significant mis-alignment of interests, and high costs. There are two options for governments to bridge the structural gap:

1. **Government driven approach ("push strategy")**: by which governments take the initiative of inviting investors to events allowing for a direct interaction to consider investment opportunities of national interest. Interaction typically occurs at the highest level of the command chain on both sides: heads of states and high level political decision-makers for governments and CEO's for participating investors. Invitations are extended both to leading asset owners (pension funds, sovereign funds, government reserve funds and large endowments) and asset managers (funds in the like of BlackRock, Blackstone, KKR and the like). They are often held on an annual basis, but can also occur as one-offs. The agendas include public or semi-public interaction and private meetings to consider specific opportunities. For example, such events have been organized recently by Russia, France and Saudi Arabia.

2. **Long-term investors' driven approach ("pull strategy")**: by which the institutional investors take the initiative of inviting governments to integrate into their own investment process based on the search for optimal alignment of interests. This approach is described in the book I co-authored: "*Reframing Finance, New Models of Long-Term Investment Management*" as the "Collaborative Model of institutional investment".[1] The model recognizes that collaboration around private market investment among global long-term investors is challenging. When the collaboration extends to include governments, it becomes particularly challenging for various reasons, including:

    - The intrinsic misalignment of interests between asset owners and asset managers:
        - The interests of global asset owners (as defined above) are ill-aligned with those of asset managers when they co-invest because of the long-

[1] August 2017, reference: https://www.sup.org/books/title/?id=27972

term investment horizon of the former and shorter horizon (usually 10 years) of the latter, and because of the high management fees charged by asset managers to the asset owners;
    - Direct interaction between asset owners and asset managers around investment management is challenging in itself because of the need for asset managers to solicit asset owners to raise funds, distracting serious discussions on co-investment opportunities by unavoidable "fund raising sales pitches";
    - As such, an efficient process to foster collaboration around long-term investment needs to be exclusive to genuine long-term investors with proper alignment of interest to the exclusion of asset managers who are unaligned;
- The requirements of investment governance which introduces complexity into the investment process among global asset owners:
    - The decision-making process of global asset owners operates on a number of levels. A decision to invest is the result of a balancing act between a "top-down" process based on long-term strategies defined in advance and a "bottom-up" process based on sectorial expertise and institutional networks.
    - More precisely, the investment process is framed by a rigorous governance aimed at balancing the need for a sound <u>long-term overall investment strategy</u> under the responsibility of "CIO's" (Chief Investment Officers) and other senior investment officers, and the <u>flexibility and agility needed by the executives with delegated portfolio mandates responsible for making investments</u> (Heads of asset classes: Private Equity, Infrastructure, etc.) so that they may efficiently source opportunities and make investment decisions efficiently and rapidly.
    - This structure of governance provides "checks and balances" to prevent errors, either on investment strategy or execution as well as aligning investment management to the long term obligations of the institutional investor.
    - It is notable that the CEO's of global asset owners typically have a limited influence in the decision-making process on specific investments by their organizations.
    - This governance structure can create a "silo effect" whereby the decision-makers each have their own process, internal strategies and networks. A major challenge for most institutional investors is to ensure proper coordination among them.
    - The solution to this challenge is to establish a process which fosters collaboration around long-term investment <u>on a continuous and coordinated basis</u>, among the decision-makers both horizontally (strategy) and vertically (execution).
- The complexity arising from the fact that global asset owners are, at the same time, competitors (on deal sourcing) and collaborators (when co-investing to mitigate risks):
    - As such, a process designed to foster collaboration around long-term investment must be carefully prepared to include co-investment

opportunities and challenges of common interest and to exclude contentious issues.

- The need to create and foster continued relationships of trust among the various decision-makers of global asset owners in a complex and dynamic environment:
  - Global institutional investors are typically under-staffed and meet only irregularly around occasional transactions.
  - "Trust" is a condition needed for any type of long-term cooperation, including of course for long-term investment, but is not guaranteed given the governance and competition challenges noted above.
  - As such, a process designed to foster collaboration around long-term investment must include regular in-person meetings of the various decision-makers in a "safe place", free of indiscretions, commercial solicitation and pressures from daily work, to build the relationships of trust that are needed for long-term cooperation.

Both approaches have their merits and respond to different objectives.

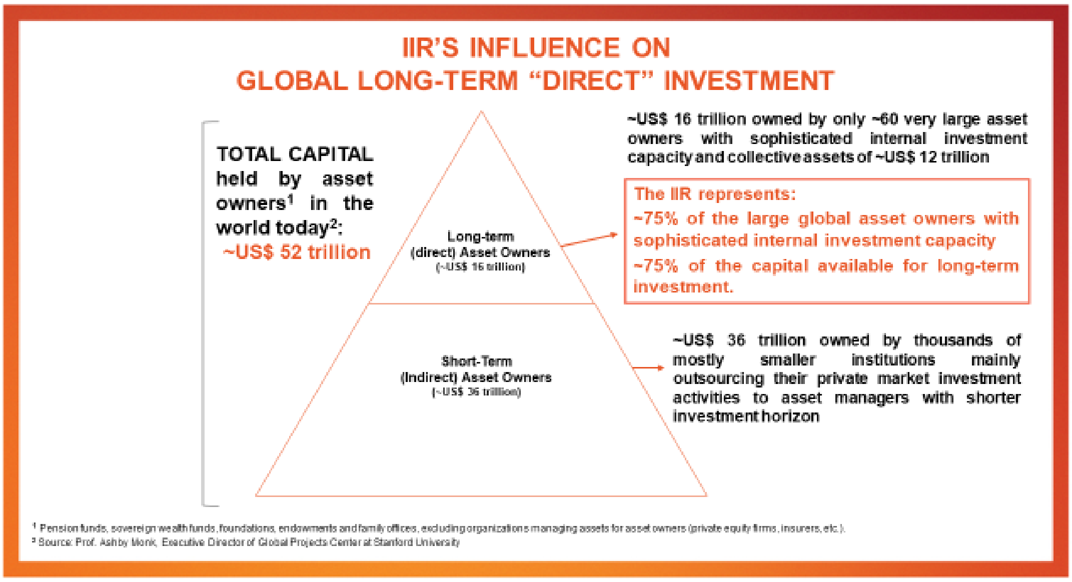
The government driven approach ("push strategy") is well suited for initiatives of political nature or requiring a political decision, and for interactions between governments and individual institutional investors that do not require extensive and complex follow-up discussions among several stakeholders. It also provides intangible benefits for hosting countries, including international visibility.

The long-term investors' driven approach ("pull strategy") allows for a continuous and disciplined collaboration around complex investment opportunities of common interest for governments and global asset owners on the basis of a proper alignment of interests between both groups.

The Institutional Investors Roundtable

A platform was created by the leading global asset owners themselves in 2011 to foster collaboration around private market investment: the Institutional Investors Roundtable (IIR). I have been a special advisor on content of the IIR since 2012.

The IIR is the world leading platform for senior investment executives of global institutional investors (pension funds, sovereign funds, government reserve funds and other long term asset owners) to collaborate on private market investments to increase their ability to maximize their long-term risk-adjusted returns. It is composed of more than 45 leading institutional investors with collective assets exceeding US$ 12 trillion, which roughly represent 75% of the institutional capital available for long-term investment, as showed in the figure below:



The IIR is not for profit, independent, apolitical and by-invitation only. To protect its independence, the IIR doesn't accept any commercial sources of funding, including from asset managers. The IIR holds two meetings annually (Spring and Fall) in intimate, private and well-planned gatherings in different parts of the world, and engages the horizontal and vertical investment decision-makers in private and direct discussions on a continuous basis (all year long) on long-term investment strategy, collaborative platforms and major investment opportunities.

Before the IIR's formation, no such formalized recurring opportunity existed for the community of leading long-term investors.

As such, the IIR is a force for unprecedented societal benefit by helping to focus global institutional investors on investments opportunities that require large-scale, long-term capital, including: investments arising from climate change, new infrastructure needed worldwide, new sources of clean energy, global healthcare challenges, the global food and water challenges, and investments required in assets underpinning the economic development of national economies.

For additional information, tangible outcomes from the IIR and the specific benefits for governments to partner with IIR to attract inward investment, please see attached as Appendix B the transcript of an interview I did in January 2016 with a firm specialized in economic analysis for the benefit of the Canadian Ministry of Finance and the Ministry of Innovation, Science and Economic Development. I would note that Canada's interest seemed to focus more on large infrastructure projects but my comments do apply to any form to projects requiring long-term, large scale investment.

Conclusion

In considering the two options available to government to attract long-term, large scale investments in sectors of strategic importance to their national and global sustainable economic development, the second option offers substantial benefit. It provides for better alignment of interest between the investors and government. It allows for more effective and transparent governance of the assets in partnership with institutions that are leaders in corporate and investment governance. It allows government to interact directly with the institutional investor at a strategic level.

This option also has challenges. Direct access to the senior investment levels of leading global institutional investors can be difficult. Finding a way to participate in large scale collaborations among institutional investors who are working together in the context of the Collaboration Model noted above is a major challenge.

However, the IIR has been set up to facilitate collaboration in long term private market investment. It offers the most efficient approach to accessing all the benefits of the second option, while also addressing the challenges to government that the second option presents. In my opinion, the Institutional Investors Roundtable is the only platform offering this option.

Yours Truly,

Ashby Monk,
Executive Director,
Global Projects Center,
Stanford University

Appendix A:

Bio of Dr. Ashby Monk

Dr. Ashby Monk is the Executive and Research Director of the Stanford Global Projects Center.

He is also a Senior Research Associate at the University of Oxford and a Senior Advisor to the Chief Executive Officer of OPTrust.

Dr. Monk has a strong track record of academic and industry publications. He was named by aiCIO magazine as one of the most influential academics in the institutional investing world. His research and writing has been featured in *The Economist, New York Times, Wall Street Journal, Financial Times, Institutional Investor, Reuters, Forbes,* and on National Public Radio among a variety of other media.

His current research focus is on the design and governance of institutional investors, with particular specialization on pension and sovereign wealth funds.

He received his Doctorate in Economic Geography at Oxford University and holds a Master's in International Economics from the Université de Paris I - Pantheon Sorbonne and a Bachelor's in Economics from Princeton University.

Appendix B:

Interview given by Dr. Ashby Monk to E&B Data in January 2016

Introductory note:

E&B Data is a Canadian firm specialized in economic analysis and whose clientele is mainly composed of public administrations, financial institutions and large corporations.

Their services were required to perform an independent research study for the Canadian Ministry of Finance and the Ministry of Innovation, Science and Economic Development to evaluate the efficiency of the IIR as a platform to attract long-term, large scale investment in national economies in general, and in Canada in particular.

As part of this process, E&B Data interviewed Dr. Monk and the following transcript is included as Appendix B to their report.

QUESTION (E&B Data): What role can global institutional investors play to help stimulating large scale greenfield infrastructure projects? In particular, how can they help national governments in designing and deploying productive, long-term, large-scale projects?

RESPONSE (Ashby Monk): For your background, the research that I run in Stanford, and much of the work that I do, is around helping to unlock the long-term capital, in the world, for these types of greenfield early-stage infrastructure. I spend a lot of my life trying to identify where do we find pools of capital, deep pocket, deep pools of capital that can fund infrastructure investment over a long-term time horizon. The community of institutional investors is ripe for sourcing this kind of capital. Whether it's a pension fund, a sovereign fund, an endowment, a foundation, a family office, or an insurance company, these are all long-term pools of capital - in that their liabilities are long-term, or they have no liabilities. The implicit obligation is to provide intergenerational wealth transfer. So that would be the case of a sovereign fund or a family office, or an insurance company or a pension fund. Even foundations and endowments that often have spending requirements on an annual basis have an intergenerational perspective.

So these are long-term organizations, much longer than an edge fund or private equity fund, a mutual fund, in the way in which they think about value creation. Even private equity funds: their short-term 10-year horizon is nothing to compare to multi-decade life. And the incentives that are created within a private equity fund are often very different from the incentives created within a pension fund.

When I think about identifying ways in which we can stimulate investment in greenfield infrastructure projects, I really don't think there's a viable strategy that doesn't include some form of outreach to this community of long-term investors; again, sovereign funds, pensions, foundations and so on. The OECD would tell us that there's about a 100 trillion $ in these long-term investment organizations, that are, again, ripe for sourcing opportunities. So, all this is to say: this community of institutional investors could, in theory, be a huge source of capital for greenfield infrastructure, for infrastructure generally, for other types of infrastructure, energy infrastructure and clean energy.

A lot of the work that I've done with the Obama administration and others has been around unlocking this institutional capital for solar farms, for hydropower, for windfarms. The problem, and the reason why these giant pools of capital don't really float through into the projects in the infrastructure, especially greenfield, is really the reason why the IIR exists. The IIR largely exists because everybody is now seeing the challenges of the existing financing services industry, very short-term oriented, very opaque and complex. Financial services industry is not very well trusted right now as being an aligned partner for the long-term investors.

And so when they're looking at greenfield infrastructure, they're looking at clean energy, they no longer see off-the-shelf products or services that they can go buy or use in order to invest in greenfield infrastructure. The fund providers are trying to overlay a private-equity-type fund structure onto an asset that does not support that type of fee-load. With the IIR, there's an implicit and sometimes explicit desire to bypass some of the misaligned intermediaries, in order to find new ways to deploy that capital. Because if we don't come up with new ways of deploying capital into these greenfield infrastructure assets, then many of these assets simply won't be invested in.

In the United States, we've had few interesting experiments with this. If you take the Department of Energy's Loan Programs Office, which deployed 30B$ into early-stage green and clean infrastructure. Everybody's heard of the catastrophe called Solyndra. But people don't realize is that 97.5% of that portfolio is functioning effectively and is generating $4B in profit for the government. And that program, by definition, was not allowed to invest in any project that the private sector would invest in.

What does that mean ? That means that 30B$ was deployed into projects that nobody in the private sector would touch, and those projects, aside from one catastrophe, where the under aligned standards were not up to par, called Solyndra, aside from that one, the entire portfolio is functioning effectively and has delivered 4B$ in profit. That tells me that the existing private sector mechanism aren't functioning efficiently in this space. Specifically, in greenfield project financed energy innovation. It's just not happening. You shouldn't have 97% of this field portfolio performing up to par, as exactly as expected, if the private sector would not do any of them. We need new intermediaries; we need new collaborative platforms where resources can be pooled together. Where innovative ideas can be tested and tried in a community of like-minded peers. And where resources both in terms of human bodies, capital, relationships can be pooled in a manner that allows for long-term investors to slowly innovate in certain domain where they might not otherwise have an opportunity to innovate. What I personally see the IIR as, it's really unique, it's a place where truly creative and innovative ideas can be tested among a trusted community, where nobody's trying to charge you a fee, nobody is trying to steal money from your pocket, which everybody's constantly trying to do in finance. You can come in there and say: here's the thesis around greenfield infrastructure, here's what I want to test out, are there any other peers around the room that want to work with me on this. And it's shocking how often peers raise their hand.

I would almost argue that what we're trying to do with a platform like the IIR is to make capitalism function more efficiently. So, as it stands, we've got that hundred trillion dollars, that I mentioned, sitting in long-term investors. Ninety-nice percent of those long-term investors are under-resourced and underprepared. The governments that set them up; the pension funds' sponsor, the sovereign funds' sponsor, the university endowment' sponsor, they are in a different industry. They're running a government, they're running a university, they're running a union.

So when came time establishing a pension fund or their sovereign fund, they didn't understand what was needed to happen in terms of proper resourcing, risk-management. And so in a way, the government served these pension funds up to the financial services industry. And the financial services industry has taken advantage of them. It's huge, the amount of wealth transferred from the pensioners to finance. That as an example, in the United States here, in 1950, the financial services industry was collecting about 10% of all the corporate profit generated in America, today that number is 38%. It's scary. What does that mean ? That means that we've created all sorts of new incentives for the financial services industry to try to profit in increasingly short-term ways and we don't have these new types of platforms that can help us push back against that short-term, quarter-to-quarter pressure that Wall Street has. Except for the likes of the IIR. Which is, again, I can't tell you how important it is, a not-for-profit, independent entity, that isn't being supported by Goldman Sachs, Morgan Stanley or Bridgewater or KKR or any of the financial services industry.

It's the future. It's an opportunity for the biggest actors of the world to come around the table and say: where should we be deploying our capital ? And after answering that question: how should we deploy the capital ? They now have more choices. They can either go to Wall Street, they can sometimes do it themselves, especially if you're in Canada; Canada Pension Plan, Teachers', OMERS, these are organizations with huge internal resources.

Or, they can work with their peers, what we would call the collaborative model. Where, through the IIR, through trusted peers, you can begin to put in place new types of platform and strategies.

The Align Intermediary, which is the organization I'm the chairman of, emerges out of the IIR, and the intent of creating a new platform to invest in energy innovation. I'm a believer that the only way that we get long-term capital investing in long-term projects is to create new platforms where innovation is encouraged.

Today, the only platform that exists that is independent, that is peers only, so you don't have Goldman Sachs walking around the room, is the IIR. I can't think of another one.

Even the International Forum of Sovereign Wealth Funds is funded by asset managers in the room. And the assets managers are invited to show up and be there. CROSAPF, which is a collaborative direct investing sovereign wealth fund, CROSAPF, with still the private equity professionals trying to sell their funds in the last meeting in Korea. These are platforms that have been captured by the industry.

It's completely unique and rare to identify a platform that has not yet been captured and frankly that's why I was more than willing to be on this phone call, because without the support of governments, without the support of foundations and charities and without the support of the members themselves, this type of organization won't exist.

Q : Your first sentence referred to "unlocking long-term capital at an early stage". You probably refer to working upstream on greenfield projects?

AM : In terms of institutional investors working with government Is that what you're asking ?

Q : That's right. And to what extent this may improve the design and profitability of projects.

AM : Do these long-term investors want to invest in infrastructure ? The answer is obviously yes. Many of them have long-dated liabilities, many of them love the inflation protection and all that. Because of the challenge of understanding (…) the process of actually launching a greenfield infrastructure project, most institutional investors have gravitated towards brownfield.

So the brownfield assets have been bid-off to the point where many people are now wondering: are they overpriced ? So, that then said, why aren't more organizations participating in the greenfield side. There's a lot of uncertainty. There's a lot of fear of expropriation of assets. There's plenty of stories out there, that would tell you, yes, these are challenging assets to invest in and buy, but there's still a really interesting and unique opportunity for institutional investors to get involved in these assets. In terms of working with government, having a streamlined process, an effective protocol for bringing long-term investors alongside, whether its an established domestic investor or some other type of investor, is valuable. Any time you're building a piece of infrastructure for 30-40 years, you want the terminal investor, the terminal holder of the financial asset, at the table, because you want that project to be built in a way that is sustainable. You asked me about the profitability of projects. Well, it will be a little bit different. If you have a 40-year pension fund at the table, when the project is being conceived, they make you use different materials, different processes, that last longer. Maybe slightly more expensive in the upfront period, the costs that are recouped down the road could be lower. If you have a private equity investor, that's simply looking as a 10-year fund investment, they may choose an entirely different process and an entirely different set of materials than the long-term investor.

Q : In your letter dated June 26, 2015 to Mr. Christian Racicot, you mentioned that IIR was identified as a key organization to interact with the Clean Energy Investment Initiative of the US government, as providing an efficient way to approach the most senior investment executives of the world's largest institutional investors. What were the factors that made IIR a key organization for the US government?

AM : So I had been working alongside with the team at the White House and Department of Energy on this clean energy investment initiative, and we have been trying to collect funds from the Department of Energy and the White House in order to help bolster some of this clean energy investment initiative and the White House itself was asking me: what are the platforms that exists today that encourages this kind of investing ? And frankly, the IIR was the single platform that had a not-for-profit status and was funded and organized and managed, in effect, by the asset owners themselves. This was a platform that a government could truthfully support because you weren't in effect picking winners among conference providers or being a special club organized by funds. From the perspective of the US government's folks I was talking to, this was very much an independent, aligned platform that had demonstrated track-record of unlocking capital for alternative investments, specifically in the domain of private equity and infrastructure. That's really why it was included as a potential partner in this initiative.

Q : What was the “demonstrated track record” ?

AM : I, myself, was involved in something called the Innovation Alliance, which was a platform that came directly out of the IIR meeting in 2012, in Beijing. Which was three large sovereign wealth funds, AIDA, AIMCo and New Zealand, and they went and put 1.2B$ into clean energy investments.

There’s the Russian Direct Investment Fund, which emerged out of the original IIR platform in Virginia, the one that was hosted at TIAA-CREF. I don’t know what the final numbers are, but it’s got to be close to 4-5B$ going through Russian infrastructure.

There’s been a variety of other platforms that kind of emerged out of the IIR process. Nigerian Sovereign Investment Authority, CDC International in France, there’s a bunch.

So it is far more than a talking shop. This is about building fruitful relationships and collaborating to the point of ground up. The objective of the IIR is to co-invest, period. And that is a rare thing. Most organizations will say: come and learn, come and share insights with your peers, not many say: come to the IIR, develop relationships for the purpose of co-investing in projects and companies on a more aligned basis that you have been. That’s unique. There are other platforms but they all have aspects that are quite different.

Q : I read your article that you published a few months ago in which you reviewed the closest organizations to IIR, so I think I’ve got my answer there.
AM : Ok.

Q : What concrete role could take the Department of Finance, in the 3rd day of the annual event ? What guidelines could be provided to make it a successful agenda, for both government and IIR community ?

AM : In a way, when you bring all these institutions to a place, there is a desire, on the part of these institutions, to better understand the geography and the opportunity. They’ve taken time to fly all the way there, I’m sure they would really enjoy an opportunity to sit down with, or have a program designed that helps them unravel some of the investment opportunities within Canada. It’s an obvious opportunity, especially for those investors in the Middle-East or Asia or elsewhere, that really like to have a relationship with the government. If they’re going to deploy capital for 40 years, they’re going to want to have a structured process that goes beyond talking to an investment banker. They’ll want to talk to some of the people in government, get a sense of how things are going, of what the policies are. That’s part of the challenge interfacing with long-term investors. They’re not just thinking about the next 5 years; they’re trying to take the pulse on a 40-year time horizon. It’s almost a requirement to have some sort of governmental interface.

Q : Would that mean visit new projects underway ? But then again, it’s better to be at the early stage, or before, isn’t it ?

AM : The way I would do this, I would not necessarily come ready to say: here’s my project, what do you think ? It would be more like: here are the types of projects that we can do, let’s break up into smaller groups that are interested in the various types of projects. And I would try to get to the end of the day by having a certain objective, which is to say: there’s probably – let’s say six types of opportunities available throughout Canada; whether that’s greenfield infrastructure, whether that's energy innovation, whatever it is. Let's say there's six. And over time, see if possible group organizations, these peers together, in like-minded groups of three, four or five, and out of this day, hopefully create 3 or 4 new platforms where maybe these 3 or 4 pension funds want to see to manage it, maybe they want to collaborate on a specific geography, maybe they're all interested in pooling a resource to hire a consultant to map a space for them. The idea that I would put forward would be more about finding truly credible and legitimate investors for a given opportunity set. If you can do that at the end of the day, and say, we walked in with fifty investors and six sets of opportunities and you can say we've now got 3 investors in six different groups and each of those groups has specific sets of deliverables focused on each of these opportunities sets, I think that would be remarkable achievement in a single day. That would be my vision. You would get much more long-term value under that type of an arrangement than simply standing up and saying: here's the deal.

Q : How can IIR make its case in government budget-cutting time ?

AM : So I would say that's a little bit of the penny-wise come forward. Yeah, maybe you're cutting budget today and you think that it's a good idea but, ultimately, if you want these projects off the ground, you're going to have to pay an investment banker at a certain point, you're going to need to pay a broker, a lawyer, there's all sorts of intermediaries that are still going to get paid. They're just going to be paid out of a different pocket. So the governments may not see it, but if they can work directly with an institutional investor and bypass the need to go and do a big road show or pay Goldman Sachs two percent, or go and raise the capital. I think you can justify it all day long. It's the same reason why Canadian Pension Plan has built team of thousands of people. Because when they've done the numbers, they realized that having even a thousand people sitting in Toronto at the Canada Pension Plan, is far cheaper than paying the external intermediaries the money to do it on our behalf. In my mind, this is another one of these cases where you've got these unique set of relationships, you want to then take the next step and build a real capability to leverage those relationships and turn them into long-term capital or do you want then to just revert back to Wall Street, who's going to charge an arm and a leg for delivering a probably similar set of investors. That's one side of it.

I think another side is just the alignment of interests' comment that I've made earlier, which is to say that having that long-term investor at the table early-on is valuable from a perspective of how you build the project, what are the materials you're using in the project and so on and so forth. It's also interesting to see for me that sometimes consultant often invoke in these situations: maybe we'll just hire [*major consulting firm*] to help us understand exactly what it is we need and maybe they'll even go out and make some introductions for us, but the friends that I know that have worked with [*major consulting firm*]on this, first of all, they're still in a commercial role, second of all, they charge an arm and a leg. I have a friend who's trying to put together a community of investors for energy innovation, she was putting together a 2-day event, where [*major consulting firm*] brought together long-term investors and so on and so forth. And it cost over a million $, and the outcomes were a PowerPoint presentation and a series of relationships. She looks back on that with disdain and a lot of frustration. I think what's remarkable about this, is that Christian has already suffered through the five years of building it. The platform exists, so in a way, this little piece of infrastructure is already being built. So now you're really not taking a greenfield bet on the IIR, it's kind of a brownfield asset that you're expanding. You can see the people who attend, to me it's kind of a no-brainer, because you know that these CIOs and private equity folks actually come to these meetings. You'd pay millions to investment bankers to try to set up something like this.

Q : It's already working, it's not a concept anymore.

AM : You know, how many people would come and be like: yeah, I've got a great idea! It's well passed that. You have like 40 or 45 of the world's biggest institutions on the planet coming to these meetings. Eleven trillion dollars around the table. That's astounding.