

BRUNSWICK REVIEW



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THE CHANGING INVESTMENT UNIVERSE

ANDREW ROSS
SORKIN ON 1929

INSIDE THE DEAL
MARS-KELLANOVA

CD&R'S
DAVID NOVAK

BANK OF AMERICA'S
BERNARD MENSAH

DISRUPTIVE CEO
ALEX DAVIS

BLACKROCK'S
NICK NEFOUSE

AUSSIE SUPER FUND
DON RUSSELL

ECONOMIST
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CAPITAL MARKETS AND THE WHOLE investor community continue to undergo consistent and transformative change. In a world that is not just evolving rapidly but feels more dangerous, there are few certainties. One thing I am certain of is that running anything has become, and is likely to continue to be, exponentially more difficult, and for public companies that includes effective investor engagement.

We built Brunswick to help companies on their most critical issues and to build trust and strong relationships with their most important stakeholders. For many clients, investors remain, if not the most important, then one of the most important stakeholders, and we are seeing more change in the last three years in how companies engage with them than in the previous three decades. That is why we have dedicated this edition of the *Brunswick Review* to the transformation of the investment community and how best to engage with them.

Some of the change is the increasing complexity of the markets, driven by the diversity of players and the range of specialists. Some is coming from technology, and these factors are then amplified by the sheer scale and increasing market concentration.

By the end of 2025, global equity market capitalization had reached \$151.9 trillion—up from around \$55 trillion in 2010—while global fixed income markets outstanding stood at \$145.1 trillion, meaning total capital markets now exceed \$295 trillion. Global assets under management reached \$147 trillion by

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As the investment
landscape transforms
so are the
smart companies by
adapting fast.

By **SIR ALAN PARKER**
Chairman of Brunswick Group

mid-2025 and are projected to reach \$200 trillion by 2030. The concentration this has created is striking: The top 10 companies in the US now account for around 30% of the entire US market's value. At the same time, five firms manage nearly two-thirds of all US mutual fund assets. In terms of activity, algorithmic and high-frequency traders now account for roughly 50-65% of all US equity trades, with Citadel Securities alone executing over 20% of all US equity trades and more than a third of all retail trades.

The currents in these markets are therefore far more difficult to navigate and we believe that with AI, the growth of local and global markets, activism and private capital all expanding rapidly, these trends will only accelerate.

From the corporate side, we see public company management investing more in investor engagement, not just to increase capacity but to raise its quality. At Brunswick, we are also investing more, like our clients, in people, services and particularly in technology. On both the client and consulting sides, new technologies are bringing exciting new data, increased analytics and enhanced presentation capabilities to support IR teams as they seek to engage more effectively.

The value of well-presented data and accurate models remains the bedrock of IR. The data in demand is shifting, however, and in the current environment we see investors increasingly looking for leading indicators rather than lagging ones.

What is also changing significantly is the recognition of the importance of coherent narratives and storytelling. Data is table stakes, but the ability to drive momentum now lies in how effectively a company explains why it will win, how it articulates its vision for its markets and strategy, the key drivers of value creation, and the milestones that signal progress. This came across clearly in Brunswick's recent US Investor Survey (page 52), capturing the views from 100 of the leading buy-side investors.

Some companies see this as marketing their equity to the investor community. There is some truth in that. The discipline of good marketing can be valuable in this new world, particularly in investing properly to understand audiences, framing compelling stories and the investor case, presenting them clearly and measuring impact so they can be continuously refined.

However, we see effective investor engagement, like engagement with all key stakeholders, is more than messaging and marketing. It is achieved by earning trust and support through actions that are clearly explained and form part of a longer-term

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program. Through our recently launched Investor Brand, we are seeing more clients taking investors deeper into their businesses through higher-quality investor days and more consistent communication. Interestingly, we are also seeing an uptick in efforts to engage investors with broader management teams, demonstrating the strength of operational leadership and the culture that is likely to drive performance.

The quality of IR professionals is also rising. They should be recognized not just as backroom analysts but as important ambassadors of the company. They reflect not only the commitment to proper engagement, but also the style and culture of management.

Another encouraging marker we are seeing is better coordination between investor relations and other key functions such as corporate communications, strategy, and legal and regulatory teams. In a complex stakeholder environment, everything is connected and moving at speed. Siloed departments increase risk and are less effective than a joined-up, strategic stakeholder strategy that crosses departmentally.

The most advanced companies recognize this and coordinate communications across channels. One of the biggest areas of progress is the speed and reach of digital platforms to maintain engagement with stakeholders, particularly at critical moments. In a world where AI models draw on publicly available information, maintaining a consistent, accurate and up-to-date narrative is more important than ever.

At Brunswick, we have developed the concept of algorithmic relations (AR) and supporting tools. As investors, analysts and media turn to large language models for answers, they often receive a single, synthesized response. Companies need to understand what is shaping those responses and take responsibility for their accuracy and how they are represented.

Many companies are also becoming more deliberate in shaping their shareholder base. Not all investors are seeking the same outcomes, so segmenting investors by type, including time horizon, return expectations and strategic alignment is becoming increasingly important. By dedicating resources to identifying and building relationships with aligned investors, companies can reduce exposure to short-term trading dynamics and create a more stable foundation of support.

Designing such a shareholder base takes time. It requires sustained engagement, careful relationship building and a clear understanding of the type of investors best suited to the company's strategy. It also means building a pipeline of long-term holders who share leadership's perspective, helping to mitigate volatility and reinforce strategic consistency.



The world feels more hostile, and capital markets more volatile and faster-moving than ever. This is seen clearly in the growth of activism. The number and variety of engagements continues to rise, while CEO turnover following activist engagement is increasing and overall tenure is declining. Over the past two years, 20% of activist targets saw their CEO resign within a year of campaign initiation, compared with average annual CEO turnover in the S&P 500 of 12%. Like most sports, the game is won in training, more than just on the day. So, preparation for different types of attack and building out frameworks becomes vital when the pressure is on.

At Brunswick, we are not in the business of predicting the future. As the saying goes, it is hard enough to predict the past. However, we spend more and more time planning for different scenarios and testing for different options. With the pressures of short-termism, market volatility and investor noise, the challenge is to keep the long view and take consistent action required to deliver sustainable growth. This is where investment in what we describe as “relationship capital” becomes particularly valuable.

Successful leadership relies on building trust and support among all key stakeholders. To that end, you need three types of capital: The first is “financial

**“LIKE MOST
SPORTS,
THE GAME IS
WON IN
TRAINING,
MORE THAN
JUST ON
THE DAY.”**

capital,” where IR and finance teams play a crucial role. The second is “reputational capital”—what people who do not know you think and feel about you. Such perceptions shape how news is interpreted, particularly when time or information is limited.

The third is “relationship capital,” that is the power of the people who actually do know you. We all know about net promoter scores, but we believe companies should also consider building what we describe as a “net defender score,” where Brunswick calculates how likely people are to defend a firm under fire. Like other forms of capital, relationship capital can be built over time so it is actionable when needed. It is as important for companies as it is for individuals in their careers and broader lives.

The commitment to open and honest engagement becomes more important in a tough and challenging world. The companies that succeed will be those that treat investor engagement not as a reporting function, but as a core strategic capability. It shapes perception, builds trust and ultimately determines access to capital and the ability for management to deliver its plans. In a market defined by speed, scale and scrutiny, the ability to define your own story, and have it understood and supported, may be one of the most valuable assets a company possesses. ♦



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"Clarifying the logic of a deal—the numbers, the strategic rationale—is obviously important, but so is communicating the emotion of it, actually connecting with people and making them smile."

ANDREW CLARKE

Global President,
Mars Snacking
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"In 1929, warning signs were everywhere, yet few wanted to believe that the music could stop."

ANDREW ROSS SORKIN

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"Australians are always a bit surprised, when they go to the UK or the US or other parts of the world, at just how rundown and dilapidated local public infrastructure is."

DON RUSSELL

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CHARTING A COURSE

"A government can be either high-tax or high-regulation, but you really can't be both if you're trying to drive growth."

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"We're paid to know the right speed. That's the judgment or the art. There isn't one template."

BERNARD MENSAH

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"I want to be a company's favorite investor."

ALEX DAVIS

Founder and CEO, Disruptive
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"I subscribe to a kind of biological view that how the organization will fulfill its mandate is constantly evolving."

JOHN GRAHAM

CEO, CPP Investments
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NEUBECKER

SP TLIGHT

Observations, insights & analysis from around the world on a medley of topics.

What links his bestseller on the 2008 financial crisis with his new bestseller on the crash of all market crashes? A sobering truth about human nature. "How quickly we forget," he says. By Seth Faison

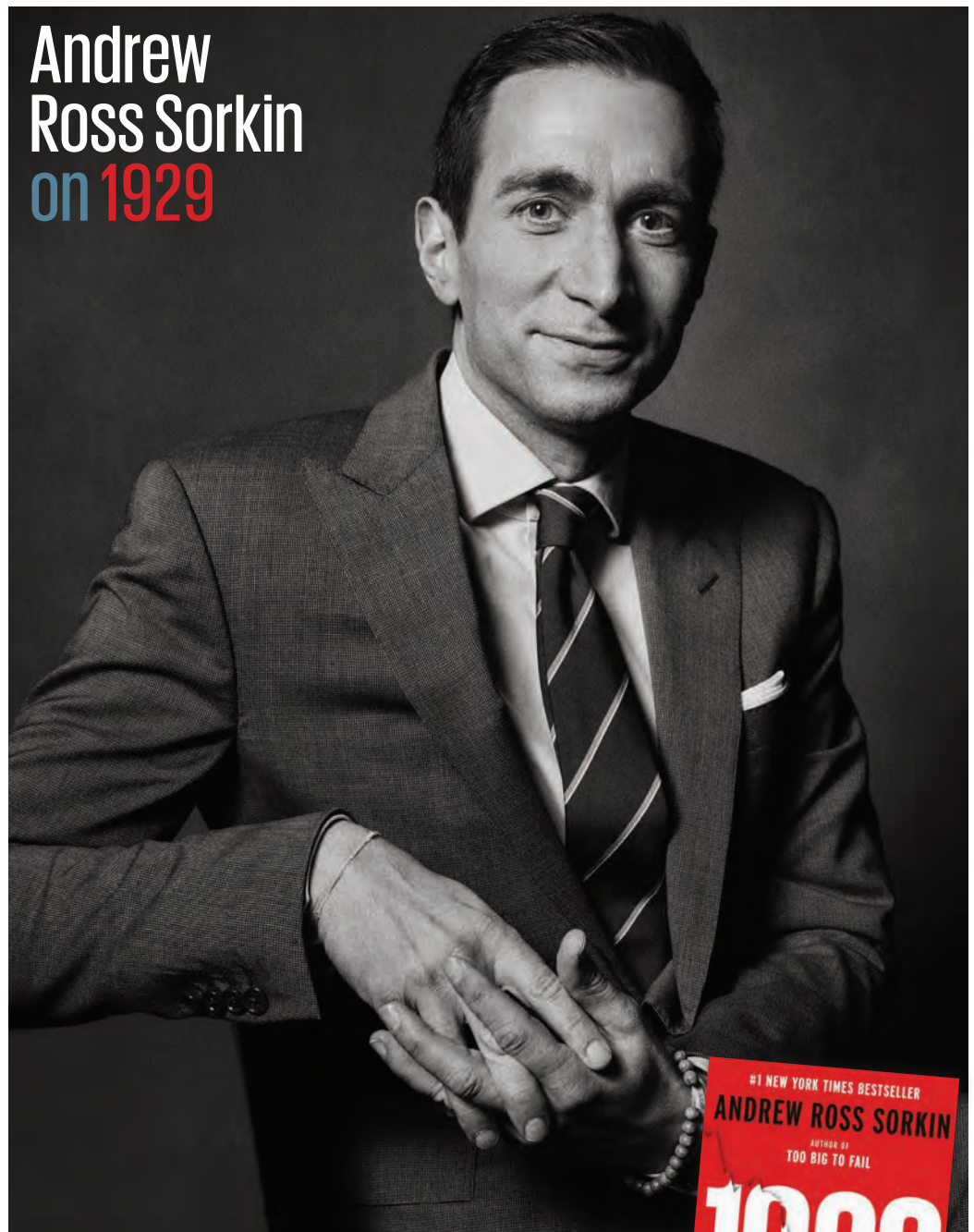
ANDREW ROSS SORKIN, Founder of *DealBook* at *The New York Times*, covered the 2008 financial crisis and wrote the definitive book about it, *Too Big To Fail*. As he analyzed the causes and fallout of that crisis, he often wondered how it compared with the titanic market crash of 1929.

Later, when Sorkin came across private papers of leading bankers of the 1920s, he began to see a way to bring 1929 to life, including what led to the crash, what it felt like in October 1929 and what ensuing developments led to the Great Depression (short-sighted fiscal policy and steep tariffs, as it turned out).

Little did Sorkin know, after years of working on this new book, financial markets would reach a fever pitch in 2025, right as his publication date neared. *1929* is now an incredibly timely book, highly readable and deeply instructive. Here, Sorkin answers three questions from Brunswick Partner Seth Faison.

What surprised you most, as you were researching 1929?

What surprised me most was how inevitable 1929 looked in hindsight—and how utterly unavoidable it felt to the people living through it. I went into the research expecting to find a coherent narrative of hubris and miscalculation, but the deeper I went, the more I realized that the crash was the product of thousands of small decisions and blind



spots that accumulated almost invisibly. It wasn't one big mistake; it was the absence of imagination across an entire system.

The other surprise was how modern the psychology felt. We often talk about the 1920s as a

distant, sepia-toned world of ticker tape and speakeasies, but the mindset of the moment—the belief in technological miracles, in new financial innovations, in the ability to bend the cycle to human will—felt eerily familiar.

The language of the era could have been ripped from any board meeting or investment memo today: “This time is different.” “We’ve entered a new paradigm.” “The old rules no longer apply.”

I was also struck by how much disagreement existed at the time. We imagine 1929 as a morality tale with clear villains and heroes, but there were fierce debates among economists, bankers, politicians and business leaders about leverage, speculation, regulation and the proper role of government. Many of the arguments feel like reruns of today’s cable news panels or policy fights in Washington. That was the real shock: not that the past repeats itself, but how quickly we forget we’ve lived the same storyline before.

**“IN 1929,
WARNING SIGNS
WERE EVERYWHERE,
YET FEW WANTED
TO BELIEVE
THAT THE MUSIC
COULD STOP.”**

Among the characters with leading roles in the drama of 1929, who most fascinated you?

John Raskob captivated me more than any other figure—a man whose life embodied both the optimism and the peril of the era. Raskob was the ultimate believer in American possibility. He championed the idea that every citizen should be able to invest in the stock market and build wealth—a notion that was genuinely radical at the time. He was also the driving force behind the Empire State Building, which became a symbol not just of his ambition, but of a nation reaching skyward.

What fascinated me was the duality of his character. On one hand, Raskob was a visionary democratizing access to finance; on the other, he was a sophisticated insider whose enthusiasm

helped fuel the speculative fever. He was both ahead of his time and completely of his time.

But there were others who intrigued me as well: Charles Mitchell, the swaggering head of National City Bank; William Durant, the charismatic founder of General Motors who couldn’t stop betting big; and the quiet, almost tortured Herbert Hoover, who found himself overwhelmed by forces he struggled to comprehend. Together, they formed a cast that could have walked straight out of a modern prestige drama.

What parallels do you see between 1929 and the present day?

The parallels aren’t literal—but the rhymes are unmistakable. At a macro level, both eras are defined by extraordinary technological change, financial innovation and a deep faith in the transformative power of markets. In the 1920s, it was radio, automobiles, electricity and mass production reshaping the economy. Today it’s artificial intelligence, biotech and digital platforms. In both cases, the innovations were real—but so was the exuberance that they generated.

The second parallel is psychological. In the years leading up to 1929, there was a widespread belief that volatility had been conquered, that policymakers had found the tools to tame the business cycle. You hear shades of that today when people talk about “soft landings,” “immaculate disinflation” and algorithms that can manage risk better than humans ever could.

And finally, there’s the question of what happens when optimism becomes a form of denial. In 1929, warning signs were everywhere, yet few wanted to believe that the music could stop. Today, we are again navigating enormous uncertainty—from geopolitics to debt levels to asset valuations. ♦

Seth Faison is a Partner in Brunswick’s New York office and a former journalist who won a Pulitzer Prize at The New York Times.

The \$80 Trillion Question

Financial firms must do more to engage the next generation of wealth. By April Rudin and Nick Rice

BABY BOOMERS CONTROL more than \$80 trillion in the US alone, but that wealth is set to change hands. As Boomers retire and their heirs inherit and earn their own fortunes, trillions are passing to investors who look nothing like the clients financial advisors built their practices around. Central to this shift are women: They not only control a greater share of wealth within younger generations, they also outlive men by an average of five years, meaning they will ultimately control assets currently held by their spouses. Firms that fail to adapt risk losing future business, as well as assets they already manage.

A 2024 New York Life Investments survey found, for instance, that nearly half of women (48%) felt patronized by financial advisors—compared with 36% feeling that way in 2019. Younger and more diverse investors have reported similar feelings of being treated with less respect. Little surprise, then, that studies show most beneficiaries switch advisors after they inherit.

The advisors who succeed will be the ones who listen without judgment—more like therapists than salespeople—and take seriously priorities that mattered less to previous generations. That can mean engaging with international

mobility, alternative assets, financial technology, and purpose-driven wealth planning. And, crucially, seeing that these are central to how these investors think about money and what they expect from the people who advise them.

Take cryptocurrency. Many advisors remain skeptical, and in some markets they cannot formally advise on digital assets. But clients hold them anyway.

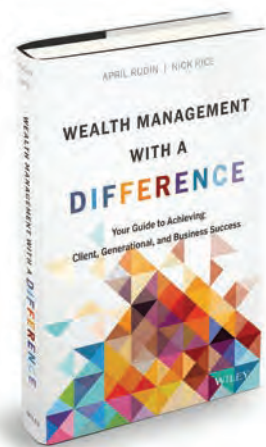
**A 2024 NEW YORK
LIFE INVESTMENTS
SURVEY FOUND THAT**

48
**PERCENT OF WOMEN
FELT PATRONIZED BY
FINANCIAL ADVISORS.**

Advisors who refuse to discuss crypto—or treat it with disdain—signal that they’re uninterested in their clients’ full financial picture. Even if they cannot advise on the investment itself, advisors should discuss crypto openly and help clients understand how it affects their broader balance sheet.

Technology is automating some of the routine work that once helped justify advisory relationships. What remains that is harder to replicate is the ability to connect with clients and adapt conversations to their specific needs. Firms that invest in training advisors for this shift will capture the opportunity. Those that don’t, will watch the wealth walk out. ♦

April Rudin is Founder and CEO of the Rudin Group. Nick Rice is a Director at Brunswick. They are co-authors of Wealth Management with a Difference.



COMPANIES CAUGHT IN THE storm of false or misleading online narratives often say they never saw it coming. In reality, many reputational attacks are foreseeable. You cannot predict the precise moment they ignite, yet you can anticipate the pressure points that make your organization vulnerable.

Leading organizations do this by borrowing a technique from the intelligence world: Red Teaming. The idea is simple. Before an adversary tests your weaknesses, test them yourself. In cybersecurity, this logic is already well established. Organizations routinely commission penetration or “pen” tests to probe their own defenses. Red Teaming applies the same discipline in defense of an organization’s reputation that ethical hacking brings to its cybersecurity.

Think Like the Opposition

Red Teaming took shape during the Cold War. US “Blue” teams tried to anticipate Soviet decisions by role-playing the “Red” side. The CIA later described the exercise as freeing analysts from the “prison of a well-developed mindset.” The discipline forced them to see the world through another actor’s eyes and to stress test their own assumptions.

A strong Red Team looks at your organization the way the outside world does. It is one reason the best teams sit at arm’s length. Internal groups rarely ask the most uncomfortable questions about their own behavior or imagine how routine decisions might read as evasive or self-interested.

The goal is not to catalog every stray allegation. It is to understand the conditions that make a false narrative plausible. Misinformation rarely succeeds on its own. It often taps into existing distrust, political polarization or social tension. A capable Red Team studies those underlying forces and the risks they create.

One insight from Brunswick’s Net Defender research underscores why this work matters. The difference between the people most likely to defend a company and those most inclined to attack it is often only about 1%. In such a



HACKING Reputation

It’s possible to anticipate damaging false narratives before they go viral—and make your business smarter and more resilient in the process. By Austin Rathe and Preston Golson

narrow space, even small vulnerabilities can tip an audience from neutral to hostile. Anticipating the narratives most likely to resonate with skeptical groups can determine whether the next wave of misinformation finds traction or fizzles out.

Human judgment remains essential, yet AI now helps map how misleading claims can mutate and spread. Together they allow teams to model reputational threats with more range and speed than traditional scenario planning.

Not every scenario warrants attention. But the most damaging ones do, and they share two traits: They sound credible to the people who matter most to your business and they have clear potential to spread beyond small online communities.

As it spots vulnerabilities, a well-run Red Team also strengthens the organization’s ability to respond. Once leaders understand how a narrative could form, they can act to prevent it.

Companies can, for instance, develop stories that inoculate

audiences against predictable falsehoods and test how those messages land—a practice known as “prebunking” (see page 14). They can also identify outside voices who carry credible weight and plan how to engage them. They can sharpen monitoring systems so early signs of a narrative do not go unnoticed. And they can strengthen the company’s digital “immune system” by ensuring its content is easy for both search engines and AI systems to interpret accurately.

In that respect, the most effective responses to misinformation all share a similar trait: They start long before misinformation emerges. ♦

Austin Rathe is a Partner in New York. Preston Golson is a Director based in Washington, DC.

Africa's **ENERGY** Opportunity

COULD THE EUROPEAN UNION'S €750 million (\$867 million) investment in South African green energy, announced on the periphery of the G20 summit, signal something larger: that the race for Africa's energy transition is accelerating, and Western institutions risk being sidelined?

Perhaps the fundamental question is not whether Africa will industrialize through green energy, but rather, which institution will help shape that transition and gain preferential access to a vast infrastructure market?

Africa's solar capacity, and its ability to produce 50 million tonnes of green hydrogen annually by 2035, can shore up global clean energy supply and decarbonize heavy industry, according to a 2022 study by the European Investment Bank, the International Solar Alliance and the African Union. With 1.2 terawatts of renewable energy potential and 60% of the world's highest-quality solar radiation, Africa could

become a global green manufacturing hub, with IEA estimates projecting 340–650 gigawatts of installed solar panels by 2050.

Green hydrogen costs are dropping and by 2030 are expected to be at €2 (\$2.3) per kilogram across several African countries, on par with fossil fuels on an energy-cost basis. For the developed world, this represents a secure, clean manufacturing energy source. For Africa, it is the foundation for a new industrial opportunity, built on a potential resource it possesses in unparalleled abundance.

The IEA projects clean energy investment needs of \$130 billion annually. Africa currently receives less than 3% of global clean energy investment, creating a \$90 billion annual gap. Between 2022 and 2050, \$2.9 trillion in cumulative capital expenditure will be required, with annual energy investment expected to more than double from \$70 billion in 2022 to \$160 billion by

The G7's investment window is closing, says Itumeleng Mahabane.

2050. Also by 2050, 43% of this capital will be dedicated to developing hydrogen and renewable energy infrastructure.

At the generation level, Africa needs massive investment in solar farms, wind installations and hydroelectric capacity. But generation alone is insufficient. The continent requires modern transmission grids, high-voltage interconnections that link countries into continental power networks, reducing energy costs and improving resilience. And critically, Africa needs hydrogen production hubs, industrial-scale facilities where electrolyzers convert renewable electricity into green hydrogen for export and domestic use.

Yet Africa's investment challenge is shaped less by resource fundamentals than by the global cost of capital. African economies

carry \$1.8 trillion in debt with \$90 billion in annual servicing costs, elevating risk premiums to the point where, as noted by Wamkele Mene, Secretary-General of the African Continental Free Trade Area, borrowing costs are 20 times higher than in Western Europe—a distortion that directly increases project costs and slows investment.

The pathway that builds genuine industrial capacity, creates competitive advantage in global supply chains and delivers measurable economic growth, is also the pathway that keeps global emissions within bounds. Yet as seen at the recent G20 summit in Johannesburg, timelines and commitments for substantive change remain elusive, even as global leaders acknowledge the need to reform the international financial architecture. Without meaningful investment progress from the G7, emerging economies—including many in Africa—may increasingly look to China, the BRICS+ and regional coalitions to pursue alternative financing pathways. ♦

Itumeleng Mahabane is a Brunswick Partner in Johannesburg and a former columnist for the Financial Mail.



A worker installs solar panels at a site north of Cape Town in 2025. The site will eventually produce seven megawatts of electricity.

CAPITAL MARKETS DAYS ARE among the most consequential moments in a listed company's calendar. They are not quarterly updates, and they are not roadshows. A CMD is where strategy, capital allocation and leadership conviction are laid out in full view of the market.

In an environment shaped by activist scrutiny, digital amplification and AI-driven analysis, a CMD is no longer a presentation. It is a test. I've sat at the back of enough auditoriums to know investors are not just listening. They are watching for alignment, for discipline. They are watching for confidence under pressure.

Having worked alongside leadership teams across sectors and geographies, I see CMDs not as isolated events but as inflection points within a broader Investor Brand strategy. They are moments when belief is either strengthened or diluted.

BEGIN WITH THE EQUITY STORY

The most common error at CMDs is to start with the agenda. The discipline should begin with the equity story itself. What is differentiated? Where is belief fragile? Which assumptions need to be evidenced rather than asserted?

When we supported Rolls-Royce after the arrival of a new Chief Executive, the narrative work began months before the stage design. The harder work was not about slides, but about narrative choices: the performance targets the leadership team would stand behind, where capital would be concentrated across the portfolio and how operational improvements would translate into measurable returns. The day was built around that new leadership and a small number of clear commitments. That clarity allowed the market to assess not just ambition, but accountability.

A CMD should feel like a logical step in a longer narrative, even when it marks a turning point.

Investors attend CMDs to test how robust the strategy is. They are looking for alignment



CAPITAL MARKETS DAYS

Everything about these critical events needs to be calculated as part of a broader corporate strategy.
By **Sonal R. Patel**

between ambition, operating capability and capital allocation.

Creative intelligence is critical in this context. Sequencing, speaker balance, the calibration of data and ambition, and the discipline of design all shape credibility. Film, when used judiciously, adds texture and humanity, grounding strategy in operational reality.

Who speaks, in what sequence, with what evidence and against what visual backdrop—these choices all can signal how an organization truly functions. When the structure is right, you can feel the room settle. The story holds because it is coherent.

A Capital Markets Day is, of course, also a leadership moment. Tone and candor in Q&A can reinforce or undermine months of preparation. In our work with a recent CMD client, the decisive factor was not the volume of information shared, but the clarity with which difficult questions were addressed.

In financial services, where trust underpins valuation, presence itself becomes part of the equity story. Preparation

INVESTORS ARE NOT JUST LISTENING. THEY ARE WATCHING FOR ALIGNMENT, FOR DISCIPLINE. THEY ARE WATCHING FOR CONFIDENCE UNDER PRESSURE.

therefore goes beyond slides. We stress test data, anticipate activist questioning and consider how content will travel once the room has emptied.

Increasingly, CMDs are consumed in fragments—and, often, AI-generated summaries. Structure and precision are strategic safeguards and that requires careful preparation.

KEEP IT IN PERSPECTIVE

A CMD must sit within a consistent communications architecture. In Investor Brand terms, it is one of a series of signals that together shape how a company is understood and valued. Results, reporting, sustainability disclosures, leadership interviews and CMDs are not discrete events, but touchpoints in an ongoing pattern.

Clarity builds when the same strategic choices are articulated consistently. Coherence strengthens when capital allocation and operational evidence align over time. Conviction grows when commitments made on stage are measured and reinforced in subsequent quarters.

The objective is not applause in the room. It is the steady accumulation of trust. When delivered well, a Capital Markets Day does not create a new story. It sharpens and evidences the existing one, adding weight to a sequence of aligned signals that make the company progressively clearer, more credible and more investable. ♦

Sonal R. Patel is a Brunswick Partner and Global Head of the firm's Investor Brand practice.



MisINFORMATION Inoculation

FALSE AND DAMAGING INFORMATION can reach global audiences in seconds, eroding trust, damaging reputations and destroying market value.

Yet, rebutting falsehoods inside a tight window can be difficult. Brunswick research suggests that that window can be as narrow as an hour, rendering traditional responses such as clarifications, fact-checks and content labeling ineffective. And once a false narrative takes hold, the psychological pull of repetition and

confirmation bias makes it stubbornly resistant to change.

What's needed is an ounce of prevention. Ahead of debunking, we recommend prebunking—training audiences to recognize manipulation. Instead of firefighting, it builds cognitive immunity before misinformation spreads.

Organizations can vaccinate themselves against false narratives by prebunking.
By **Eilís Murphy** and **Bénédicte Earl**

Just as vaccines expose the body to weakened viruses in order to trigger resistance, exposing people to diluted versions of deceptive arguments can help them recognize and reject subsequent stronger ones. It trains our mental immune system by previewing tactics that might be used to influence or deceive.

This approach has proven effective. Ahead of Russia's invasion of Ukraine, the US and UK governments anticipated attempts to justify aggression through fabricated evidence. Rather than waiting to respond, they declassified intelligence and explained what fabricated evidence might look like, including staged footage and actors posing as corpses. The aim was simple: Inoculate audiences by making visible the mechanics of misinformation. It worked—prebunking blunted the impact of subsequent Russian propaganda.

The same strategy can work for companies. By anticipating likely narratives and preparing communications in advance, organizations can strengthen audience resilience and preserve trust before misinformation spreads.

This approach underpins an exercise that Brunswick calls "Red Teaming" (see page 11)—essentially structured simulations that reveal which false narratives might emerge and where defenses are weak.

Prebunking can also take the form of reputation-building campaigns. Take Patagonia, which has long been transparent about both its environmental progress and its limitations. By owning its story before others can distort it, the brand has built resilience against accusations of greenwashing, establishing trust through openness rather than perfection.

Building trust before a crisis is easier than restoring it afterwards. Strong reputations act like long-term immunity: They don't prevent exposure, but they do reduce the likelihood of infection. ♦

Eilís Murphy is a Brunswick Partner in the Financial Institutions Group. Bénédicte Earl is a Director in the firm's Digital practice. Both are based in London.

FOR DECADES, A RELATIVELY DEFINED GROUP OF INSTITUTIONAL investors exerted the strongest pull on public companies and market narratives. Now, the gravitational forces within the modern capital markets are shifting. • Today, more than half of global equities are managed by passive funds. And a broader constellation of active participants—private capital firms, sovereign wealth funds, activist investors, retail communities empowered by digital platforms and a growing range of specialized asset managers—are shaping how capital moves. • The result is a market ecosystem that is more complex and more competitive. Capital now flows through a wider network of actors with distinct objectives, investment horizons and sources of influence. Some investors are long-term stewards of capital while others move quickly to catalyze change and capture value. Some operate primarily in public markets available to us all, others in asset classes reserved for only the most sophisticated. Each exerts its own form of gravitational pull on the markets, each other and the organizations that rely on their capital to grow. • At the same time, macroeconomic volatility, geopolitical change, technological disruption and the energy transition are reshaping how capital is allocated and how risk is assessed. Advances in data and technology are changing how investors absorb information, analyze companies and communicate with one another. •

For companies and boards, this environment demands a broader understanding of the forces at work. • The signals that shape market expectations increasingly come from across the full investor universe and relationships must be built and maintained differently. Engagement between companies and investors has become more continuous and multidimensional. It is no longer sufficient to focus only on the largest shareholders at defined periods on the financial calendar. • As he explored the bounds of a changing and chaotic universe, G'Kar from the sci-fi series *Babylon 5* said, "The universe speaks in many languages, but only one voice." In the investment universe, that is the voice of returns. Financial performance is *sine qua non*, but companies must also articulate strategic clarity, operational resilience and credible long-term value creation. • In this issue of the *Brunswick Review*, we explore the contours of this evolving investor universe. Through conversations with leading figures across public and private markets, we aim to capture the range of perspectives driving today's capital markets to new frontiers. Taken together, these voices offer a guide to the forces influencing how capital moves today and a reminder that as the investor universe expands, the ability to navigate it thoughtfully has never been more important.

JONATHAN DOORLEY, PARTNER &
GLOBAL FINANCIAL PRACTICE LEAD





ED GARDEN believes that bringing an ownership mentality to the boards of public companies is a catalyst for long-term value creation.

By **CHARLIE KOONS**

STRONG BOARDS SEEK OUT CHALLENGING perspectives—the kind Ed Garden has built a career providing. As Co-Founder and longtime Chief Investment Officer of Trian Fund Management, Garden led campaigns calling for major changes at companies like General Electric, Bank of New York Mellon (now BNY), Wendy's, Invesco, Janus Henderson, Legg Mason and Pentair, winning board seats at each along the way. Working with Nelson Peltz and Peter May, he helped Trian become an influential voice in modern shareholder engagement.

In May of 2024, Garden launched Garden Investments after leaving Trian in 2023. The firm is built around an unusual premise: It accepts outside capital only when Garden invests his own money alongside it. “I don't know of any other activist fund where the principal is putting meaningful capital right beside investors every single time,” he said. It's a structure designed to restore the ownership mentality Garden argues public markets have lost, and which great companies possess.

Brunswick only advises companies facing activist campaigns, never the activists running them. The following interview, conducted by Brunswick Partner Charlie Koons, provides a useful insight into the perspective of one of the world's most experienced activists.

TAKING

How is Garden Investments an evolution in your approach to stewardship and value creation?

It starts with a different structure. In the past, I had a fund. Today, I'm running my family office with some participation by third-party investors. Since I'm not raising money unless I'm prepared to be the anchor investor, it creates a self-selecting mechanism for investors who share my long-term outlook and goal: to compound over time, tax-efficiently, rather than focus on daily mark-to-market.

But the approach itself hasn't changed. We're focused on investing in quality companies that have been undermanaged and have the potential to be compounders. Also in industries where we have significant domain expertise. We're income statement-centric, very focused on the operations. We pull the same levers in every single investment.

PHOTOGRAPHS: RICHARD MITCHELL

OWNERSHIP

I feel strongly that the recipe for success—being best-in-class operationally—starts with focus. That's where we start. Many companies that run into trouble struggle to manage too many businesses and allocate capital effectively. In most cases, you'll see us separate non-core operations.

The second principle is ripping out complexity. It is the killer of margin, the killer of profit. We typically do that through a Pareto analysis. The 80/20 rule [formulated by Italian economist Vilfredo Pareto, who observed that about 80% of results came from 20% of inputs] is going to tell us where the inefficiencies are—we can Pareto by SKU; by manufacturing facility; by customer; by geography. We're always going to go after complexity.

The third is creating accountability. That was one of the most important levers we pulled at General Electric.

How did you create that accountability?

We pushed centralized costs down onto the P&L of someone who could actually control them and be held accountable for results. If you don't control the P&L and are just allocated costs from corporate, it's hard to take ownership.

Accountability also means aligning compensation with shareholders. We want management paid well for performance and for building the business—not simply for showing up. We focus on ensuring that incentives are tied to the right metrics.

How has the dialogue between investors and companies changed since you founded Trian 20 years ago, and what role do you see for engaged investors today?

Management teams and boards are much more willing to engage with shareholders. It's now seen as part of public life to engage and make sure you're soliciting feedback and understanding the pulse of the people who actually own the company. That wasn't as prevalent 20 years ago.

Activism is a broad term, and how boards react to an activist really depends on who the activist is. Some are more aggressive, others are short term, some are balance-sheet focused—which means, “sell the company, lever up and buy back shares, realize the sum of the parts.” There aren't many who are operationally focused.

Passive investors are playing an ever-larger role in corporate elections. What's your assessment of their influence and stewardship?

The answer goes beyond just index funds and

“TWENTY YEARS AGO, MOST INVESTORS FELT THAT IF MANAGEMENT AND THE BOARD WEREN'T PERFORMING THEIR ONLY OPTION WAS TO SELL. THAT'S CHANGED. SHAREHOLDERS NOW SEE ANOTHER PATH.”

voting. I think public markets are flawed and need to be reimagined. Let's start with passive investing, which is what you're really talking about.

When you put money into a passive fund, it often gets allocated by market cap. So you have a handful of companies that dominate the index and get the capital. Ten companies represent over 40% of the S&P 500. The bottom 200 companies in the S&P 500 represent 6% of the market cap. It's distorting valuations and creating a dynamic where what we think of the market isn't really representative of the market. Many companies—maybe thousands—have been rendered irrelevant because they're smaller market cap. They don't attract passive capital because it's primarily allocated by market cap. As a result, they tend to trade way below intrinsic value.

When shareholders are trying to facilitate positive change—and typically an activist is trying to galvanize the other shareholders to buy into a point of view—it's hard to do when there's no one on the other side who really lives, sleeps and breathes that industry and that business.

You end up with a lot of owners but no controlling owner—and therefore no real ownership mentality. What I've done, and what many activists do, is essentially arbitrage the value destruction that comes from the agency mentality in most public companies, where neither the board nor management owns a meaningful amount of stock.

I'd argue there's been a multitrillion-dollar transfer of wealth from public shareholders to private equity over the past 40 or 50 years, as private equity has done essentially the same thing. They've bought public companies once written off as mediocre, or divisions dismissed as non-core, and turned them into highly profitable businesses.

In private equity, the board is made up of the owners. They know the business as well as management, they're highly incentivized, and they have real skin in the game. Management reports directly to them. That's not always the case in public company boardrooms, where directors often own little stock, are content simply to serve and rarely know the business as deeply as management. I'm generalizing, but it's what you often find.

I also think it creates distortions in corporate governance and weakens the functioning of shareholder democracy—the very purpose of the proxy system. The other major flaw in the public equity market, to round it out, is short-termism.

You're not a fan of quarterly reporting?

Most of the companies that I've invested in probably



got in trouble because management made bad decisions trying to make a quarterly number. And a lot of what I've done historically is enter the boardroom and say, "Everyone, stop the madness on quarterly numbers. Let's think about how we're going to build this business over the next several years." I don't really care what next quarter is. I'm more focused on: How do we compound earnings over the next five to 10 years?

What are the most common mistakes companies make when engaging with their shareholders in the context of an activist campaign?

The biggest mistake is circling the wagons and not being open to robust debate. Too many companies try to defend false narratives. As an example, I would

**"THE
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give you GE circa 2017 saying that all of the businesses belonged under one roof because of the GE store. But the GE store added no value. And we were able to really demonstrate that.

The mistake management and boards make is rallying around those slogans instead of listening to activists and other shareholders—and refusing to challenge, let alone change, those narratives.

Has the line blurred between activist and long-term shareholder?

Activists often serve as the tip of the spear for other long-term shareholders. Twenty years ago, most investors felt that if management and the board weren't performing, their only option was to sell. That's changed.

Shareholders now see another path: They may not want, or be positioned, to join a board or run a public campaign, but they'll support a shareholder who can unite the owners around a credible plan to get the business back on its front foot.

Today, most large, established long-only investors are willing to back an activist with a proven record—someone who executes effectively, acts constructively, understands the business deeply and makes it stronger for the long term.

During our proxy fight with Heinz, one of the largest long-only investors in the world told us, "We're concerned you'll do something that's good for you in the next 18 months but bad for us over the next 18 years. We have a long memory, so we'll be watching closely to make sure you make this a better business for the long term." I've always remembered that conversation—it reinforced that my job, my stock-in-trade, is making companies better for the long term.

There's a belief among CEOs that activists' interests aren't aligned with those of the wider shareholder universe. What's your take?

It depends on the activist and the plan. If an activist comes in saying, "The answer is sell the company; what's the question?" then I can see how there would be a disconnect.

In my case, there should be total alignment because I'm trying to make the company best in class in every way: operationally, in capital allocation, compensation and corporate governance.

And that should create total alignment with customers, shareholders, employees and the communities they operate in. Because if the goal is to make the company best in class, you want employees who are engaged and happy and give extra effort. You

want customers who feel that your say-do ratio is great. If you're really focused on being best in class and doing all the little things right, sooner or later it's going to be reflected in the stock price and you'll have happy shareholders.

If you're doing all those things, my guess is you're growing. And that's good for the communities you operate in.

You've worked closely with the boardrooms of some of the world's most prominent public companies. What have you learned about effective corporate leadership and the conditions that enable real change?

Number one, I would tell you that a great management team and board focuses on the things that aren't going right. It's OK to celebrate the victories, to high-five and feel good about successes. But what I've noticed in a lot of struggling companies is that it's almost taboo to bring up the problems. Focusing on what's not going right is viewed as an indictment of management and the board, that you want to embarrass them or get them fired.

But great boards and management teams understand that every company on the planet has problems. You want to be the kind of company that puts a bright spotlight on the problems so a lot of smart people can help get them fixed.

I've had the privilege to be front and center watching the transformation at General Electric, built not on an inward focus but an outward one—focusing on doing things faster, better, more efficiently for the customer. That kind of lean culture, where you ask every single day, "What are the activities that really add value for the client?" can have very outsized results.

And finally, I've noticed that the great management teams and CEOs focus on the things that only they can do.

How can investors and corporate boards build a more durable, mutually beneficial relationship?

It's incumbent on the board to make an effort with the owners of the company, to understand and take the pulse of the owners. They don't have as much accountability because of the diffuse ownership that I mentioned earlier, but that board is accountable to the owners.

There should be consistent outreach and listening—real listening—to a broad swath of investors. That's how you build trust, how you have a mutually beneficial relationship. That doesn't mean they have to do everything that people say. But being informed

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CHARLIE KOONS is a Partner in Brunswick's New York office specializing in M&A, shareholder activism and investor engagement.

about the different viewpoints and making good judgments is going to define the legacy of a board. No one has all the answers; no one owns the truth.

What is your long-term vision for Garden Investments as a force for engaged investing?

As I've said, the business of investing in public equity needs to be reimagined. I mentioned the takeover by the passive funds, and what that means for price distortion, for the thousands of public companies that don't get capital or attention, for the short-termism that's now ingrained in the market, and all the bad things that happen from diffuse ownership.

Investors also have limited options. Index funds have great liquidity and low fees, but you're leveraging your future to a handful of stocks and hoping the market goes up. To me, especially with the market at all-time highs, that does not seem like a great proposition.

Traditional long-only funds charge more but often struggle to add value, while alternatives like long-short funds lock up capital and carry high fees with mixed performance. Those are your options for public equity investing.

Meanwhile, private equity has its own challenges: illiquidity, reliable marks, the need to use leverage, a limited opportunity set.

That's why I think better options will emerge, and I'd like Garden Investments to be part of that. I was a pioneer of activism 1.0 and I want to be a pioneer of activism 2.0. My vision is for a new asset class that I call Sponsored Public Equity.

I want to turn one of the huge negatives of passive investing—which is thousands of unloved and undervalued public companies that trade below intrinsic value—into a positive. I want to make private equity-like skills and ownership behavior table stakes in the public markets.

"Sponsors" like Garden Investments will become large investors in ignored public companies and act like a private equity sponsor would act if they bought 100%. We will introduce an ownership mentality—encouraging management to think long term and holding them accountable for best-in-class operations, capital allocation, governance and compensation design.

What I'm describing is the convergence of public and private equity. We'll marry the best of public equity—liquidity, quality companies, the ability to buy opportunistically and no need for leverage—with private equity's high-value-add model of influencing corporate events and corporate behavior. The opportunity is enormous. ♦



From MEME STOCKS to MARKET FORCE

IN LATE 2024, PALANTIR DID SOMETHING UNUSUAL on its quarterly earnings call. Rather than open with questions from Wall Street analysts, management fielded ones submitted and ranked by individual shareholders. The message from the company and its leadership was clear: retail investors mattered.

It's a shift many executives have been slow to acknowledge. For decades, individual investors were treated as participants in the market but rarely shapers of it. That calculus no longer holds. Retail

Long dismissed as “dumb money,” retail investors are now influencing everything from valuations to activist battles.

investors now own roughly 38% of US equities. During the market turbulence of March and April 2025, JPMorgan analysis found that retail buying was significant enough to help spark a rally. Scott Rubner, head of equity and equity derivatives strategy at Citadel Securities, told *The Wall Street Journal* that retail investors are “now a price-setter—a dominant force in the market. It's not a passing trend.”

The rise of retail coincides with a structural transformation in how markets function. Passive funds account for more than half of the US equity fund

assets, a share that has risen steadily for more than a decade. These funds buy stocks based on market weighting, not valuation or proprietary research. Someone still has to set the prices those funds follow. Increasingly, that someone includes millions of individual traders. The influence is uneven—concentrated in smaller-cap stocks and companies with cult followings—but it is no longer negligible.

“Retail investors are less than half of the market, but they drive almost all of the online conversation,” says Matt Joanou, CEO and Co-Founder of Stakeholder Labs, a firm that works with public companies to activate retail investors, build market awareness, and drive shareholder loyalty. “We’ve seen retail sentiment move ahead of institutional positioning more and more. Retail went from following the smart money to being a signal the smart money tracks.”

That influence is set to grow. Over the next two decades, an estimated \$84 trillion in wealth is projected to move from Baby Boomers to younger heirs, most of whom do not plan to keep their parents’ (or grandparents’) wealth advisors. Research shows that younger investors favor digital and self-directed investment platforms, and they source investment news from “finfluencers” [financial influencers], podcasts and AI tools. Traditional financial media remains part of the mix, but no longer dominates where investor narratives take shape.

“The idea that there’s a ‘retail channel’ and an ‘institutional channel’ is increasingly dated,” says Katie Perry, Founder of Ursa Major Media and author of *Ticker Shock* (Wiley 2026). “Narratives now form in places both audiences inhabit—podcasts, social platforms, newsletters. Institutional analysts can’t afford to ignore where retail gets its information, because increasingly, that’s where they’re getting theirs, too.”

THE GOVERNANCE DIVIDEND

The benefits of a committed retail base extend to governance. Retail investors vote only about 30% of their holdings, far less frequently than institutional investors vote. But when retail shareholders do vote, they tend to support management at higher rates. During Disney’s 2024 proxy fight with activist investors, 75% of its retail shareholders supported the company’s board. That was helped by Disney’s efforts to engage them, which included creating a dedicated website, explanatory videos starring Disney characters and simplifying the voting process.

Building that kind of loyalty requires consistency. “Retail engagement isn’t this switch you can turn on when you need it,” says Stakeholder Labs’ Matt

Joanou. “Retail will show up for you, but only if the relationship is already there.”

Some companies have come up with creative approaches to reinforce the idea of ownership as a relationship rather than a transaction. Carnival Cruise Line, for example, offers onboard credits and other perks to shareholders, while LVMH’s shareholders’ club gives a closer, more experiential understanding of the group and its Maisons.

PALANTIR’S PLAYBOOK

Palantir, a software company that helps governments and corporations integrate and analyze vast troves of data, has become a case study for retail engagement. Many of the company’s early individual shareholders arrived before Wall Street paid much attention. “I came from a background in fundraising,” says Eliano Younes, who heads up strategic engagement at Palantir and was himself an early retail investor. “People’s emotional connection to a mission and its leadership was far more important in garnering support than an organization’s annual report. You saw that similarly with Palantir. Before many investors understood the products like they do today, they first bought into the pro-West and pro-warfighter mission and into [CEO and co-founder] Dr. Karp.”

That emotional connection needed results to survive. Between January 2023 and January 2026, Palantir’s share price climbed more than 2,800%. Plenty of retail darlings go through periods of hypergrowth. What distinguishes Palantir is the loyalty that performance has reinforced rather than created. CEO Alex Karp’s unfiltered public persona is part of it—he comes across as authentic in a market flooded with executives who sound coached. Palantir has also refused to adopt the studied neutrality common among public companies. Instead, it argues openly that its software exists to strengthen the West and the institutions responsible for its security. Investors who share that worldview are joining a side as much as they are buying a stock.

Palantir’s Younes compares the dynamic to sports fandom. “When teams are performing well, fans are watching the games, tuning in to coach and player interviews, reading team blogs, buying merchandise, trying to consume as much as they can. Successful companies are sort of the same.” He says that loyalty runs both ways. “Dr. Karp does not forget the investors who were there when everyone in the world had written Palantir off. He was the driving force behind decisions to stream earnings calls and take questions from retail investors.”

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PERCENT
OF INSTITUTIONAL
INVESTORS
HAVE MADE AN
INVESTMENT
DECISION BASED
ON INFORMATION
FROM REDDIT.

SOURCE: Brunswick Digital
Investor Survey

The result is a global shareholder base that would be difficult for many companies to engineer. Palantir is now one of the most popular companies in Korea, says Younes, alongside names like Tesla and Nvidia. When the company hosted a pop-up clothing shop for retail investors in Seoul last October, more than 3,000 people attended and all merchandise sold out.

BEYOND THE OUTLIERS

Younes is quick to note that Palantir's success is not easily replicated. Stakeholder Labs CEO Matt Joanou agrees, but argues the bar is lower than most executives assume. "You don't need to be Palantir to engage retail," he says. "You need to know how many retail shareholders you have, what they're saying, and a thesis on how to reach them. The playbook doesn't have to be complicated—it just has to exist."

Executives might point out that investor relations teams are stretched, and retail engagement sounds like another initiative competing for limited resources. But companies already produce earnings materials, host calls and maintain investor websites. The question is whether those materials are optimized for the audience that now controls 38% of the market. For most issuers, the marginal cost of making existing communications accessible to retail is lower than the cost of ignoring them.

RETHINKING COMMUNICATIONS

For companies that choose to engage retail, a key question is where to show up. The retail investor's primary interface is a phone screen, a broker app, or a transcript condensed by AI into a few paragraphs. Traditional investor relations materials may reach this audience eventually, but often only after being filtered through someone else's interpretation.

"Most investor materials are written to survive legal review, not to actually communicate," says Joanou. "Retail investors aren't skimming your 10-K—they're reading what someone else said about it on social. If you're not telling your own story in the places they're already paying attention, someone else is telling it for you."

Joanou says that leading companies are finding ways to speak directly to retail investors. Ahead of Coinbase's public listing, for example, CEO Brian Armstrong held an open Q&A on Reddit, bypassing traditional channels to engage prospective retail shareholders directly. Rather than letting institutional coverage frame the narrative, the company addressed individual investors during the price discovery process.



Eliano Younes
Palantir's Head
of Strategic
Engagement

"BEFORE MANY
INVESTORS
UNDERSTOOD
THE PRODUCTS
... THEY FIRST
BOUGHT INTO
THE ... MISSION
AND INTO DR.
KARP."



Matt Joanou
Stakeholder Labs CEO

"RETAIL WENT
FROM FOLLOW-
ING THE SMART
MONEY TO BEING
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SMART MONEY
TRACKS."

Shopify, Spotify and Robinhood all use digital-first formats—podcasts, video interviews, founder-led social posts—as primary channels rather than supplements to traditional earnings materials. The rationale is twofold: retail investors are already consuming media in these formats, and meeting them there directly gives executives more control over tone and narrative.

New platforms are extending this playbook to companies without built-in media operations. Joanou, for instance, has co-founded a new media company, the Farsight Group, to help connect companies and executives with the creator-led outlets that increasingly shape investor attention. Farsight's flagship podcast, *After Earnings*, has featured guests ranging from Salesforce CEO Marc Benioff to the CFOs of Chipotle, AT&T and Adobe. The emphasis is on longer-form conversations that give executives room to explain strategy, in formats audiences increasingly prefer to filtered excerpts.

But showing up in new channels only works if the communication itself lands. Wooden, overly rehearsed answers fall as flat on a podcast as they do anywhere else. Dense prose written for legal defensibility performs poorly in algorithmic summaries and is often skimmed or ignored by human readers, regardless of where it appears. Clearer guidance, plainer language, and earlier engagement with retail questions are practical improvements. Those questions tend to differ from the ones analysts ask, focusing more on products, strategy and leadership. Answered directly, they help build conviction among shareholders who intend to hold.

Being responsive, correcting misinformation early, investing in digital experiences that match the standards companies apply to customers—an industrial manufacturer or regional bank can execute these as effectively as a tech company, provided leadership believes the effort is worthwhile.

"Retail investors used to be at the little kids' table at Thanksgiving," said Dan Ives, a Managing Director at Wedbush Securities, in an interview with *Yahoo! Finance*. "Now they're at the adult table; they're front and center."

With that new seating comes new expectations. Retail investors now vote, buy, sell and react in ways that shape outcomes. Companies that engage them as owners build shareholder bases that can show up when it matters. Those that wait may find that one of the few audiences still willing to listen has already tuned out. ♦

EDWARD STEPHENS, a Director based in Brunswick's Dallas office, is Senior Editor of the *Brunswick Review*.

MOYO

BARONESS DAMBISA

BESIDES ADAM SMITH, MOYO TALKS HERE ABOUT her hopes for a British economic renaissance, whether AI will justify all the capital being sunk into it—or does a correction lie ahead? She also asks whether long-term investors are paying adequate attention to enormous population shifts that are developing in emerging versus established markets. • A native of Zambia, Moyo holds a Ph.D. in economics from Oxford, and a Master of Public Administration degree from Harvard. A former Goldman Sachs economist, she sits on the boards of Chevron and Starbucks, and has published five books covering geopolitics, global economics and corporate management. As a tribute to her accomplishments, Baroness Moyo in 2022 was named a Life Peer in Britain's House of Lords.

PHOTOGRAPH: COURTESY OF DAMBISA MOYO

The London-based
global economist
says it's no accident
that America is
turning 250 the
same year as
Adam Smith's *The
Wealth of Nations*.
By **KEVIN HELLIKER**



Having given speeches recently on the 250th anniversary of Adam Smith's *The Wealth of Nations*, do you regard free markets as still the best hope for global prosperity?

Free markets have delivered, but there is work to be done. There are two goals, I would argue, that we ought to be pursuing. One is continued human progress that includes not only raising living standards but also, in terms of democracy, and greater individual liberties, and spurring innovation. The second goal would be to leave no one behind.

Over those 250 years, we have built up support systems, such as public education and socialized healthcare. But that may not be enough. Hence the reason there is increasing debate around the need for greater welfare, such as universal basic income support, as we face the possibility of widespread AI-related job diminution. There is still meaningful inequity between countries and within countries. That must remain top of mind. However, the effort to address the inequity problem can lead to policies that inhibit the growth of the pie, thereby working against the prosperity needed to promote equity.

Also, given that there is always debate among Adam Smith devotees about the role of the state, I find it important to say that free markets do not mean no government. I'm a free market proponent, and I absolutely believe there is an argument for public goods like national security, infrastructure, education. Also there is a compelling need for the state to step in when markets fail to clear and to regulate. All as long as the state doesn't subordinate free markets—a mistake that creates less growth, less prosperity and more inequity—government must be able and ready to step forward.

This year also being the 250th anniversary of America's independence from Britain, how do the growth rates of the two economies compare? Does that differential reflect differing degrees of adherence to the principles of Adam Smith?

In order to double per capita incomes in a generation and really put a dent in poverty, an economy needs to grow by 3% per year. This is just the Rule of 72. Right now the US forecasts for this year, some of the more credible ones, put growth at 2.8%. In the last couple of days, meanwhile, the Chancellor of the Exchequer has cut the forecast for growth in the UK down from 1.4% to 1.1%. For several years now, Britain and Europe have generally struggled to get over 1.5% growth. In the third quarter of '25, growth in the US exceeded 4%.

That reflects a real differential. Adam Smith was a

“THERE IS STILL MEANINGFUL INEQUITY BETWEEN COUNTRIES AND WITHIN COUNTRIES. THAT MUST REMAIN TOP OF MIND. HOWEVER, THE EFFORT TO ADDRESS THE INEQUITY PROBLEM CAN LEAD TO POLICIES THAT INHIBIT THE GROWTH OF THE PIE.”

key member of the Scottish Enlightenment, and 250 years later, the United States is really an artifact of the Scottish Enlightenment thinking. It's no accident that *The Wealth of Nations* and the United States are turning 250 the same year. David Hume and Adam Smith were very good friends of Benjamin Franklin, and they were all very much behind the idea of free markets and free peoples. The American experiment is very much an embodiment of that.

Any hope of the UK/Europe closing that gap?

If you look at the two super-cycles that are going to drive economic growth, one being artificial intelligence and the other the climate and energy transition, the United States is extremely well-poised to take advantage of this in a way that Britain and Europe lag behind. Just take AI. The US is expecting about \$600 billion per year of investment in AI through to 2030. By some estimates this could add somewhere between 1–2% of GDP through massive productivity gains.

And those numbers are just the capital investment of the Magnificent 7. This is not beyond that. There's billions more of investment expected in other sectors: healthcare, energy, et cetera.

On energy, the trick is to transition toward clean energy without strangling the economy. The cost per kilowatt-hour for electricity in China is about 8 cents. In the United States, depending on which state you're in, it's somewhere between 12 and 16 cents. The United States is counting on investment and innovation to address societal ills like inequality and climate change. In Britain, though, it's roughly 40 cents a kilowatt-hour. That in part reflects policies addressing climate change, with the result being a massive drag on businesses, on households, on the socialized healthcare system, on growth generally.

In 2008, the United States and Europe were roughly the same size. Today the United States, in GDP terms, is 40% larger.

As a member of the House of Lords, you speak with great pride of your adopted country, particularly in regard to its past economic breakthroughs and triumphs. Could the UK reclaim that glory?

After 1776, Britain became this enormous powerhouse economically, and that hasn't really changed. Britain remains one of the world's top five or top six wealthiest economies.

From an economic growth perspective, I would argue that the prevailing policies are not constructive. On a GDP per capita basis, the UK and some

other European countries now stand below that of Mississippi, America's poorest state. Another worrisome trend: In the 1990s, British institutional investors like pension funds and insurance companies invested close to 30% in domestic assets. That number now is about 2%. It's telling how Britain's endowments, pension funds, insurance companies—the real pillars of investment—are not investing in their own backyard.

The problem is that Britain's approach to challenges is to mitigate risk, which often has the effect of mitigating growth. They think of AI, they immediately think of how we can constrain it, how we can ban it, how we can tax it as opposed to thinking about how we can use this to drive more economic growth. It's risk mitigation versus an investment mindset. Our capital markets are far too weak, not just in terms of IPOs but also the makeup of the companies listed on the British bourses, which tend to be skewed to older industries such as banking.

Finally, I would say that a government can be either high-tax or high-regulation, but you really can't be both if you're trying to drive growth. And unfortunately, currently Britain's policies have both. If you're trying to be competitive on a global basis, you've got to pick one and stick with it.

If you're high tax but low regulation, you get more businesses, more FDI, more investment that could drive more future growth, a sort of increase in the pie. You can then tax. People are OK with that. Think about Scandinavian countries. By contrast, a regulatory environment that's quite strict in a nation with low taxes, that's an environment that investors can live with.

On the broader market, is there an AI bubble? Or is it possible that the emergence of AI is so historic—akin to women joining the workforce or the fall of the Berlin Wall—as to render some previous rules of investing irrelevant?

Let's start with the numbers. The historic average of a price-earnings ratio for the S&P 500 is around 16 times. Currently that ratio is far higher, around 28. Some tech companies, meanwhile, stand above 30, some far higher than that. It's a serious departure from the historic norm, and some people would say it means there'll be some kind of a meaningful tech-related correction.

On the other hand, something fundamental is happening around productivity gains, which in some sense can justify the 28 to 29 times earnings that we're seeing. It's not an inflation of price-earnings ratios just because large sums of capital in the

“I THINK THERE'S A COMPELLING ARGUMENT THAT WE'RE GOING INTO A DIFFERENT WORLD ORDER, WHERE PRODUCTIVITY GAINS WILL REFLECT, EXPLAIN AND JUSTIFY THE PRICE-EARNING RATIOS AT A HIGHER LEVEL.”

HER BOOKS:

- *How Boards Work*
- *Edge of Chaos*
- *Winner Take All*
- *How the West Was Lost*
- *Dead Aid*

form of AI spend, for example, have come flooding in. I think there's a compelling argument that we're going into a different world order, where productivity gains will reflect, explain and justify the price-earning ratios at a higher level.

Traditional bubbles tend to be debt-fueled financings of assets that were not cash-producing. A current example would be borrowing money to buy crypto. By contrast, a lot of the investment into AI is being funded by equity and it's being invested in data centers and other types of investments that actually are net productive. So they may not end up being data centers, but they could be buildings that could be repurposed for something else. Compare that to crypto, which doesn't produce a stream of cash flows. I think we're far off from a 2008-style bubble risk.

Finally, you've said that long-term investors should be paying attention to global demographic changes. Why is that?

Because of geopolitical, global economic and financial markets uncertainty, boardrooms and investors today are spending less time thinking about the long term and are much more focused on the immediacy. As a consequence of that, longer-term demographic shifts are not top of mind. We know that rich countries are aging and poor countries are the place where we're still seeing some population growth.

A lot of rich countries are below the 2.1 replacement ratio, and a lot of poor countries are still reaching that number. On a granular level, China today has about 1.4 billion people. By 2100 forecasts expect there to be around 700–750 million. Japan, which has about 120 million people today, is expected to be at around 53 million people at the close of this century. Italy is a similar example.

By contrast, Nigeria, which has about 240 million people today, is expected to have around 790 million people by the close of this century, making it second only to India, which already has surpassed China as the world's largest population.

The young, meanwhile, skew very much toward emerging markets. Today, 90% of the world's population lives in the emerging markets. In many countries in the Middle East, across Africa, and across South America, 60–70% of the population is under the age of 25. These demographic shifts are going to influence foodstuffs, consumption of energy, consumption of pretty much everything.

Are these demographic shifts fully embedded in the thinking of investors and allocators of capital? In a world of rampant short-termism, I am not sure they are. ♦



BlackRock's
NICK NEFOUSE
on modernizing
the system
on which
half of working
Americans
depend.

REWIRING AMERICA'S RETIREMENT

NICK NEFOUSE BEGAN HIS INVESTING CAREER the way young people often do: by losing money. As a high schooler in the '90s, he and his father day-traded stocks over a pay phone. Their strategy was simple: If it had "dot com" in the name, they bought it.

Today, Nefouse is Global Head of Retirement Solutions and Head of LifePath at BlackRock, the world's largest asset manager. More than half of BlackRock's \$14 trillion in assets are tied to retirement outcomes. Part of Nefouse's job is, in a sense, making sure millions of Americans don't retire the way he once invested: overexposed, underdiversified and blindsided by a market turn.

More than 11,000 Americans turn 65 every day. Most are navigating retirement without the pension plans upon which retirees could once rely, in capital

have a 401(k), you have investments in it, it's something your employer provides—to this idea of it being a personalized pension. We're not at that latter stage quite yet. But this kind of investment used to simply be called a "benefit." Now it's becoming a vehicle for retirement. The country is changing the way we think about it and the way we talk about it.

The Pension Protection Act of 2006 was a watershed moment. Before 2006, people would go into a 401(k) and get defaulted into cash. They didn't know they were supposed to do anything else—somebody told them they needed to start a 401(k), so they started one and sat in cash, not equities. Employers were worried they'd be sued if they put people into equities and those equities went down. Through the Pension Protection Act, the government said, by default, people can go into a multi-asset fund rather than cash. That opened the door to auto-enrollment, auto-escalation, target-date funds—all the things that are now hallmarks of a well-run plan. I think it's a great example of how government can provide tailwinds to help Americans invest for retirement.

Retirement has become a focal point for so much of what BlackRock does. Why?

At its core, BlackRock has always been a retirement company. I think that's often missed. More than half of our assets are retirement assets. The difference now is that retirement used to be in pension plans—those were institutional tools. Now retirement is predominantly in 401(k) plans, and those are individual plans. A different type of help is needed for the individual than if you're dealing with a corporate pool.

You've talked about retirement being "rewired." What are the forces driving that?

First, more people are entering retirement, around 11,000 Americans a day. Second, they're living longer in retirement. And third, we've shifted the burden from the corporation, through the defined benefit plan, to the individual in the defined contribution plan. Those three are linked: more people retiring, living longer, no more pensions—so the individual has to make more decisions and know more.

And then you have capital markets, which are always evolving and becoming increasingly complex, whether that's all the questions surrounding private markets, concentration risks in the S&P 500 ... a lot is happening. And we're asking individuals to spend more time planning their retirement at a moment when it feels really complicated. That's what leads us to the professional management of 401(k) assets and the need for a more pension-like approach.

markets that feel increasingly complex. The responsibility that employers once shouldered through pensions often now falls on individuals, many of whom were never taught the basics of investing.

In a conversation with Brunswick Partner Kylen Fitzpatrick and Director James Connington, Nefouse explained how investing for retirement in America is being fundamentally "rewired." The system was built to help people accumulate wealth, he said. Now it has to help them do something no less difficult: live on it.

You've been at BlackRock more than 20 years. What has changed most about retirement investing during your tenure?

The biggest change is that a retirement account has moved from being an accumulation vehicle—you

PHOTOGRAPH BY RICHARD MITCHELL

What's the current state of the 401(k) system?

There's a lot of room for improvement. But the starting point isn't, "This is broken, how do we fix it?" It's: "This is working; how do we improve it? And how do we improve it for a slightly different outcome—spending in retirement?"

For the average American, their retirement account is likely the largest pool of assets apart from their home. We've done a very good job creating low-cost, diversified, professionally managed accumulation vehicles.

Think about what's happened since 2006. It used to be you'd get a stack of papers when you started at a firm—"fill these out and we'll put you in the 401(k)"—and maybe you'd get around to doing that. Then came auto-enrollment. It became, "we've defaulted you into the plan at a 3% savings rate; fill this out if you don't want to be in the plan." People just left the money in. Then auto-escalation: Your savings rate increases by a point or two a year, up to a statutory limit. You can decline, but most people don't. So now you have people who have been in plans for 10 years, saving 10%, 12%, with a match. These savings vehicles are actually very good, if you have access and you're in a well-run plan. About half of Americans are.

But there are two problems I think about. One is: What do we do with the people who don't have access? And the second is: For the people who have done the right things and accumulated roughly the right amount of wealth, how do we convert that into retirement income? Because when you get to retirement and I say, "Congratulations, you've done a great job, here's \$700,000," it's the most money you've ever seen in one place. And a lot of people don't know what to do in that moment. They think they should only live off the interest and capital gains and not spend any of this money. They do what's called anchoring—they anchor to the number instead of taking a more dynamic approach to spending.

Where are the biggest information gaps?

Here's an interesting externality: When we introduced auto-enrollment, auto-escalation and target-date funds, we took away the relationship that people had with their 401(k). If it's all done for you, you never had to learn how any of it works.

Now, that's not saying the old way was better. But when you turn 50-something and need to start paying attention again, you're likely to ask, "What's happening here?" So, in your late 40s, early 50s, we're realizing we have to really educate people on what these things are.

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The other gap is behavioral. People don't understand a lump sum versus continual income. If I said, "You can have \$300,000 or \$21,000 a year for the rest of your life," most people would choose the \$300,000. The breakeven is about 13 years. If you think you're going to live longer than 13 years, you want the \$21,000. That's the kind of concept people need to learn much earlier, or they're going to sit on their savings and be stressed out.

Annuities have a bad reputation. How do you get past that?

We know that people who choose annuities are happier than the ones who don't. And if you ask the people who have annuities, they'll say, "I wish I had more." They don't call them annuities, by the way. They call them income, or guaranteed income. Turns out nobody wants to buy an annuity, but everybody wants guaranteed income. We jokingly call annuities "the A-word" on our desk.

And look, I get it—historically, annuities have been expensive and illiquid. There have been questionable sales practices. That reputation isn't wrong. But what we're doing with LifePath Paycheck®, for instance, is different. We launched it in 2024 to provide US workers with the freedom to choose what works for them. Specifically, we embedded an annuity purchase option into a target date strategy, which provides eligible participants the ability to purchase a guaranteed income stream for retirement payable by third-party insurers selected by BlackRock. No commission. No sales charge. You get to the point of retirement, you can choose to execute it, and you get that guaranteed income for the rest of your life.

People don't like to talk about their own mortality. They don't want to hear about outliving their money. They're worried about burdening their loved ones, they want to talk about spending time with their family. What they want to hear is certainty. "How do I get a paycheck for the rest of my life?"

That's what this is all about. If I tell someone they're going to get \$1,800 a month through their 401(k) plan, guaranteed for the rest of their life, and 70% of their assets on the other side are completely liquid—they can plan and budget, it's Social Security plus that extra \$1,800, and they're not worried about running out of money.

There's a lot of debate about private markets in retirement accounts. What are your thoughts?

Private markets are not good or bad. Active is not good or bad. Index is not good or bad. We're managing to retirement outcomes. If private markets

improve the retirement outcome—net of all fees and risks, including illiquidity—then yes, they should be included. And we believe that with the right structure, private markets can improve outcomes.

Here's another way to look at it: Someone's retirement shouldn't be determined by which firm they work for. Pension plans run about 20% in private markets. So, if one person has a pension plan and gets private markets and guaranteed income, but I have a 401(k) I don't—and they're both governed by ERISA—that doesn't make sense.

Access to private markets is important because most companies aren't going public in the small-cap space anymore. They go public as large-cap companies. Twenty years ago, you would have a small-cap premium in public markets. That has largely migrated into private markets. So, the Markowitz principle—that you should invest in all investable assets—suggests you're missing a meaningful chunk of the capital without access to private markets.

This doesn't mean we're going to take target-date funds from zero exposure to private markets to 20% overnight. It means that if I have an 11-building-block target-date fund, should I have building block 12 and 13? If the valuation is right, based on risk, return and liquidity, we should start allocating.

What does the ideal portfolio look like?

It depends on where you are in your life journey. Since pioneering target date funds over 30 years ago, we have been studying how wages typically change over a career, which is essential to designing the right saving, spending and retirement investment strategy. What good target-date funds do is figure out how much money you're going to make over your lifetime, known as your human capital—including shocks, inflation, all sorts of things—discount that back to today, and essentially turn you into a security. Based on your age, we build a portfolio around complementing that risk.

When you're young, you have a huge amount of human capital ahead of you. It's fairly low-volatility, like fixed income—so in your investment account you can own all equities. As you get older, you own less equity risk, not because you become more risk averse as you age *per se*, but because you have less money coming in from future earnings.

A simple way we frame it: grow, protect, spend. When you're young, maximize growth. In mid-to-late career, add layers of protection—guaranteed income, higher-quality fixed income, inflation protection. And in retirement, it's all about maximizing consistency of spending. That's what target-date

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KYLEN FITZPATRICK is a Partner in Brunswick's New York Office, where **JAMES CONNINGTON** is a Director. Both are members of the firm's Financial Institutions Group.

funds do brilliantly: wrap all of that into a single fund that's low-cost and professionally managed.

What gives you hope for the future of retirement?

First, there's a real appreciation among many in government that our retirement system must modernize to meet today's realities. We've been working closely with the Department of Labor, for example. They're very clear on the importance of retirement and that we need to lead with a rules-based framework, not with litigation. They understand we've shifted the burden onto the individual and that the tailwinds need to shift as well.

Second, Trump accounts: Every child born after 2025 is going to get \$1,000 invested in what looks like broad US equities, from a combination of donations and the US government. Parents and grandparents can contribute up to \$5,000 a year.

That's an investment in American capitalism. All of these kids—many of whom might have had nothing—are going to have an account. They're going to look at the ticker. They're going to start understanding how capital markets work, how recessions work. And you can't take the money out until you're 18, which is really important, because the longer you're in the market, the higher the probability of a positive return. Over any rolling two-year period, there's roughly a 75% to 80% chance of a positive return. Over any rolling 10-year period, it's more than 90%.

Of course, the longer you're in the market, the higher the probability you're going to experience a big drawdown, and those are nasty. If you're doing this from birth to 18, you're going to live through some of those. And you'll see: "Oh, it works out. The capital markets work themselves out." So, you're building an entire generation of investors who understand how the capital markets work.

What about your own retirement? Any sense what you will do?

I really want to go back and be a history teacher. I love history; I think the reason I enjoy economics so much is because of all the history interwoven in it. And the best teachers I had were ones who had been in industry and brought that practical knowledge into the classroom.

Also coaching. During COVID I was asked to coach one of my kids' lacrosse teams, and that's now turned into coaching two teams. I absolutely love it. As you get older as a coach, you realize it has nothing to do with winning. The team's record is the wrong scorecard. What matters is whether these kids are going to play the following season. ♦

ALEX DAVIS DOESN'T TAKE PITCH MEETINGS OR SIT ON boards. He doesn't raise blind pools or charge management fees, and he invests in perhaps six companies a year—sometimes fewer. By the standards of modern tech investing, his approach is atypical. • For more than a decade, Davis's Dallas-based investment firm, Disruptive, has quietly written large checks in Palantir, Airbnb, Spotify, Shield AI, Databricks, Stripe and Slack. In an investment landscape geared toward diversification and velocity, Disruptive has distinguished itself by proving that patience and concentration can be just as effective. • Disruptive does not back startups or take early-stage risk. Instead, it invests in companies already operating at or near public scale—businesses that have proven their models and are preparing

ALEX DAVIS backs some of the most closely watched names in tech while his firm, Disruptive, remains under the radar.

QUIETLY DISRUPTIVE

for their next phase. The firm employs roughly 30 people, making it lean even by tech investing standards, and eschews the structures that often define modern asset management. • Each Disruptive investment is structured individually, with capital raised on a deal-by-deal basis. Its investors—major sovereign wealth funds, high-net-worth individuals, hedge funds and large family offices—are free to opt in or sit out each opportunity. “We actually try to design the investor group around the company,” Davis said during an interview at Disruptive's offices, where floor-to-ceiling windows overlook Uptown Dallas. “The goal is to bring in people who can actually be helpful, not just capital.” • Disruptive has not sought to broaden its investor base in recent years, largely limiting new capital to existing backers and their affiliates. The approach is deliberate. The firm does



not raise money through traditional banking platforms and is selective about who is invited to participate, cultivating what it describes as a structurally exclusive investor base. That discipline has resulted in unusual stability. Many of Disruptive's investors have been with the firm for years, with little to no turnover—a rarity in private markets, where capital often rotates quickly.

The selectivity that defines Disruptive's investor base shapes how Davis engages with the companies he backs. At any given time, he tracks roughly 20 businesses closely, often for years before Disruptive invests. When the firm does write a check, it is typically large. Most investors writing checks of that size seek board seats. In those, Davis is uninterested. "A lot of board meetings focus on stuff that's already happened," he said. "I'm interested in helping drive the outcomes reported in those meetings."

For Davis, that means regularly connecting with founders and staying close enough to the business to know where and when he can be most useful. "I want to be a company's favorite investor," he said. "I know every firm says that. But if you're serious about being helpful, you can't do it at a quarterly meeting, and you can't do it for 50 companies at the same time."

Davis focuses on AI infrastructure, defense technology and mission-critical enterprise software—and within those areas, is interested only in what he calls A-plus opportunities: those rare moments when the right business, timing and price align.

"Funds that are investing in a lot of companies every year and sitting on management fees—how many A-pluses are in that portfolio?" he said. "So you do some A-minuses, some B's, you might even settle for the odd C. I don't have to do any of those deals, not even the A-pluses if the timing isn't right."

Such an approach requires uncommon patience. Some of the companies he tracks may not want Disruptive's capital, at least not yet. He is comfortable with that. Familiarity, he argues, is what allows the firm to move decisively when the timing does align—even if that means waiting years.

Such patience paid off in September 2025, when Disruptive led a \$750 million funding round in Groq, committing nearly \$350 million at a time when it was valued at \$6.9 billion. The AI hardware company, which builds specialized inference chips and cloud systems designed to accelerate AI workloads, had been on Davis's radar for years. Three months later, Nvidia agreed to pay roughly \$20 billion in cash for a non-exclusive licensing agreement with Groq.

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EDWARD STEPHENS is a Director based in Dallas and Senior Editor of the *Brunswick Review*.

"When Alex backs a company, it's personal," Jonathan Ross, Groq's Founder and CEO, told the *Review*. "He's invested in the outcome and in the people. Some investors lean in during the exciting moments. Alex stays engaged throughout, and that's where a lot of real value gets built."

Years of following Groq and its peers helped Davis identify another opportunity: Reflection AI. Founded by former DeepMind engineers, the company is building a US-based open-source AI model at a moment when American leadership in the field has come under pressure. Open-source models are transparent and inexpensive to adapt, yet US companies are restricted from using Chinese models, and few domestic open-source alternatives offer comparable performance.

"You look at DeepSeek," Davis said, referring to the Chinese AI startup. "It went from a company no one knew to producing a model that sent shockwaves through the market, to now being valued at \$300 billion. I want to own the best US open-source model. Look at the trajectories you're seeing in this space—that's a \$100 billion model within a year."

Misha Laskin, Co-Founder and CEO of Reflection AI, told the *Review* how much he appreciated Davis's approach. "Alex invests in relationships the same way he invests in companies: thoughtfully, and for the long term. People take his call because they trust him, and that credibility opens doors you couldn't open on your own."

Davis, who's in his early 40s, moved to Texas during the pandemic—first to Austin, which he felt was better suited to early-stage investing, then to Dallas, a better fit for his business and his family.

"I'm long Texas," Davis said. "If you're building a generational business, it matters where you put down roots. I want to be somewhere my family can stay forever. Dallas has this rare combination of generational longevity, food that's as good as any city I've lived in, and I love the people we've been able to hire here. Dallas is such an undervalued commodity."

Before the interview started, Davis was visible through the glass walls of his office, pacing as he talked on the phone. Occasionally he looked out at the city he hopes never to leave.

Later, during the conversation, he mentioned spending hours each day on calls with founders and investors, and joked about the miles he must unknowingly walk: "I've always been a perennial pacer," he said. The irony was unintentional but unmissable: A founder who moves constantly, but has built a firm defined by its ability to wait. ♦

YEARS BEFORE SHE BECAME UK CHAIR of the 30% Club, Pavita Cooper would debate with her husband on Sunday evenings over who could leave for work first the next morning. They were both senior executives in finance, had a young child and roles that demanded long hours in the office. “With one child, you can just about hold it together,” she says. But after their second child arrived, “I had this dawning realization that something was going to have to give.”

What gave was Cooper’s executive career. Cooper wrote her resignation letter, “distracted, angry, thinking my career was over.” But a mutual contact introduced her to Baroness Helena Morrissey, who had recently founded a campaign called the 30% Club, which looked to boost female representation at board and C-Suite levels in Britain’s biggest companies. At the time, in 2010, women held just 12% of UK board seats. Cooper threw herself in as a volunteer—as everyone involved in the campaign still is.

Today, women hold nearly 45% of board seats in the UK, while the 30% Club has expanded to 21 countries with more than 2,800 members and runs, in partnership with the social impact organization Moving Ahead, what Cooper describes as “the world’s largest cross-company mentoring program.”

All that success, though, comes with an asterisk. The number of female CEOs in the FTSE 100 peaked at 11 in 2024 and has been falling. As



BOARDROOM Breakthrough, CORNER OFFICE Bottleneck

Cooper pointed out in a recent conversation with Simone Selzer, a Brunswick Partner and member of the 30% Club’s UK Steering Committee, the number of women in all senior executive roles has decreased (as it also has in the US), while scrutiny on women who reach the top has intensified. Cooper believes real progress won’t come from more targets, but rather rethinking what it means to lead.

What’s been the secret to the 30% Club’s success since 2010?

A small group of women, mostly from financial services and asset management, came together, but realized they were in an echo chamber: women talking to women. So the insight was: reach out to a group of very powerful, influential male chairs.

In the UK, we have this term “City Grandee”—the equivalent of your Fortune 500 heavy hitters. At the time, obviously, they were all men.

These male chairs stepped forward, used their voices, and advocated for greater gender representation on boards. As they’ve openly shared, they faced some pushback and resistance.

PAVITA COOPER,
UK Chair of the
30% Club, on
the campaign’s
success and
the work still to
be done.

The name itself was a bit of a pushback against the establishment—the City of London boys' clubs that were very prevalent at the time. We've still got clubs here that don't allow women in. So the idea was: well, we'll get our own club going.

It was a voluntary, business-led approach—not mandating. We set targets to set direction, but we didn't set quotas. First and foremost, it's a business campaign, about better business outcomes. This isn't some benevolent act that men are doing for women.

People see that board representation and might think: "job done."

People say it to me all the time: "Are we not done yet?" We've done phenomenally well on boards—it really has been a voluntary, business-led approach, mostly driven by male chairs, and they are to be applauded. But we just didn't see the trickle-down from the boardroom to the top of organizations, to executive committees, to the CEO pipeline. So we need to do something else.

We have a campaign now called "30 by 30." It's not a target; we're not suggesting we can get to 30 female FTSE 100 CEOs by 2030. But it's a clarion call, a rallying cry to those with power and influence: What are we going to do about this?

Why hasn't increased board representation translated to the C-Suite?

One of the unintended consequences has been that the board success emptied the talent pool at the top of the executive pipeline. A lot of women left their executive careers probably slightly earlier than they should have, because of the appeal of a portfolio career and getting on lots of boards. As a result, we ended up with a talent vacuum of people who could succeed to the very top.

I'm generalizing here, but a lot of women in the senior executive ranks now are not in jobs that traditionally lead to becoming CEO. They're CHROs, CMOs, CTOs—not traditional CEO stepping-stone roles, where you've got P&L control and real scale leadership challenges.

In the UK, if you look at two or three recent FTSE 100 CEO appointments of women, companies have gone to their non-executive director community and appointed women off the boards. They weren't senior executives within the company. That speaks to the dynamic I'm describing.

Back in 2011, we had five female CEOs in the FTSE 100. Today, we've got seven; in April that will be eight. Our peak in 2024 was 11, but there's been a steady decline. And what concerns us most is the

narrative around it, because basically all of those women have been replaced by men. And the tone from the press has been: The woman wasn't up to the job.

We know about the concept of the glass cliff: women being given challenges at a time when anyone would fail. But that narrative has meant a lot of women are now very reluctant to put themselves forward, because the scrutiny on them is much harsher. And what women say to us is: Why would I take that job? If I fail, I fail on behalf of all women. The scrutiny on me and my family is much harder. I don't want to do the job in the traditional way it's been done.

What do you mean, "the traditional way"?

The model of leadership at the top of UK organizations was set up after the Second World War, in an environment where there were few women in the workplace. Very command-and-control. Very present, very hands-on, very 24/7. Lots of women do not want to do the job that way. And so women

Top: Pavita Cooper (in pink) with General Dame Sharon Nesmith before a 30% Club event at the House of Lords. Bottom: Pavita Cooper and 30% Club leaders celebrate the campaign's 15-year anniversary at the London Stock Exchange Market Open.



leave silently. People say, “Oh, she left because it was really tough, or she didn’t really want it.” And that’s not true.

I mean, is it not time to redefine what it means to be CEO in 2026? How do we do that in a way that allows a broader group of people to see themselves in that job? Because if we’re going to say the only model that works is people being physically present five days a week, in the office, there’ll be plenty of men who don’t want to do that either.

Women enter the workforce in equal numbers to men. Where does that equality break down?

In the largest organizations across the UK, graduate entry is about 50/50. And actually, of that population, women are better qualified—more young women graduate with first-class degrees. But by middle management, that number drops from 50% women to 30% women. By senior management, it drops again, to between 20–25%. And then by the time you get to the top, we’re at 7%. You can see quite clearly the points at which women are falling off.

Has the pushback against hybrid working made things more challenging for women?

Hybrid working was a huge benefit post-COVID, but the pushback has been fierce. I get the argument on productivity and connection—and actually, for women, not being around can be damaging because it impacts the pay gap and promotion. But having to be present every day also gets in the way of flexibility around childcare, and women obviously shoulder far more of the load there. And so women often give up and say it’s too difficult.

Most companies have realized all the low-hanging fruit. It’s normalized that women will have families and come back to work. Companies offer shared parental leave. There are plenty of good policies in place—the problem is take-up.

In the UK, for instance, the take-up of shared parental leave has been very low because there’s still resistance from male leaders about men taking time out, and there’s still a stigma for men being the ones who care for the family. The good news is that there’s a societal shift happening: More young men entering the workforce today want to be present in the raising of their families. They expect to work for an employer that sees that as normal. We’re seeing more of that debate, but there’s still quite a lot of stigma around it.

The real change now is going to be a societal shift around who is responsible for the raising of families. There’s that old joke, “imagine what women could

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SIMONE SELZER is a Partner based in London, and a member of the 30% Club’s UK Steering Committee.

achieve if they had a wife at home.” Until we change the impossible expectations women face with work and family, we’ll keep having this conversation.

Has the backlash against diversity initiatives in the US reached the UK?

Organizations with a heavy US presence are obviously mindful. But on the whole, the response from UK leaders has been brilliant. A lot of CEOs have stood up and said: We’ve been on this journey 10, 15 years. We’re not going to give up now. Nothing has changed.

There has been a repositioning around language and tone. And you could argue that it’s reminded people that this isn’t the role of a department, but actually the role of leaders, to set the tone, set the culture, think about who they’re promoting, recognize how work is being assigned. So the focus is back on leaders to say: This is on us.

But clearly it’s given some people oxygen to say things they’ve been thinking for a long time—and not just around women, around race as well, the idea that anyone who gets ahead is doing so because it’s tokenistic.

When you look ahead, what makes you most hopeful? And what most worries you?

What makes me hopeful is that every single day I meet the most phenomenal women. So I know this is not about a lack of talent or capability. The talent pool coming through is phenomenal, and it’s not going anywhere. But I think we have to start earlier, giving women the aspiration to say: I can be a CEO. Because people still think of a CEO and picture a very traditional male stereotype.

At the same time, we’ve got dynamics at both ends that concern me. At the top, a lot of older women are leaving the workforce—exiting, going to do other things. At the bottom, there’s just been research done on the attitudes of young men in the Gen Z population, and two-thirds think gender equality has gone too far. These are the people who are going to join the workforce and be the leaders of tomorrow.

But there’s tremendous opportunity ahead. Soon we’re going to have five generations in the workforce for the first time ever. There will be young men and women who want to work in a very different way. The organizations that are going to win are the ones that understand that and create environments where people can truly thrive. That’s not about whether you’re a man or a woman. It’s about how you attract the very best talent. ♦

IN 1906, W.K. KELLOGG STARTED THE “BATTLE Creek Toasted Corn Flake Company.” Five years later, Frank Mars began selling candy in Tacoma, Washington. The companies they founded would grow to include some of snacking’s most beloved brands—M&M’S, Skittles, Snickers, Cheez-It, Pringles, Pop-Tarts—and expand across the globe. In 2024, Mars bet they’d be better off doing it together.

The \$36 billion deal that united Mars and Kellanova (formerly Kellogg Company) was the largest in snacking history, and to hear Andrew Clarke tell it, it was also the most natural.

Clarke is Global President of Mars Snacking, and now leads a business spanning over 145 markets, with 57,000 Associates globally and nine brands generating more than \$1 billion in annual sales (and, he says, six more brands heading toward that milestone). He describes the transaction, which closed in December 2025, as “transformative and fundamentally complementary—in terms of brands, geography, capabilities, opportunities, and even our founder stories.”

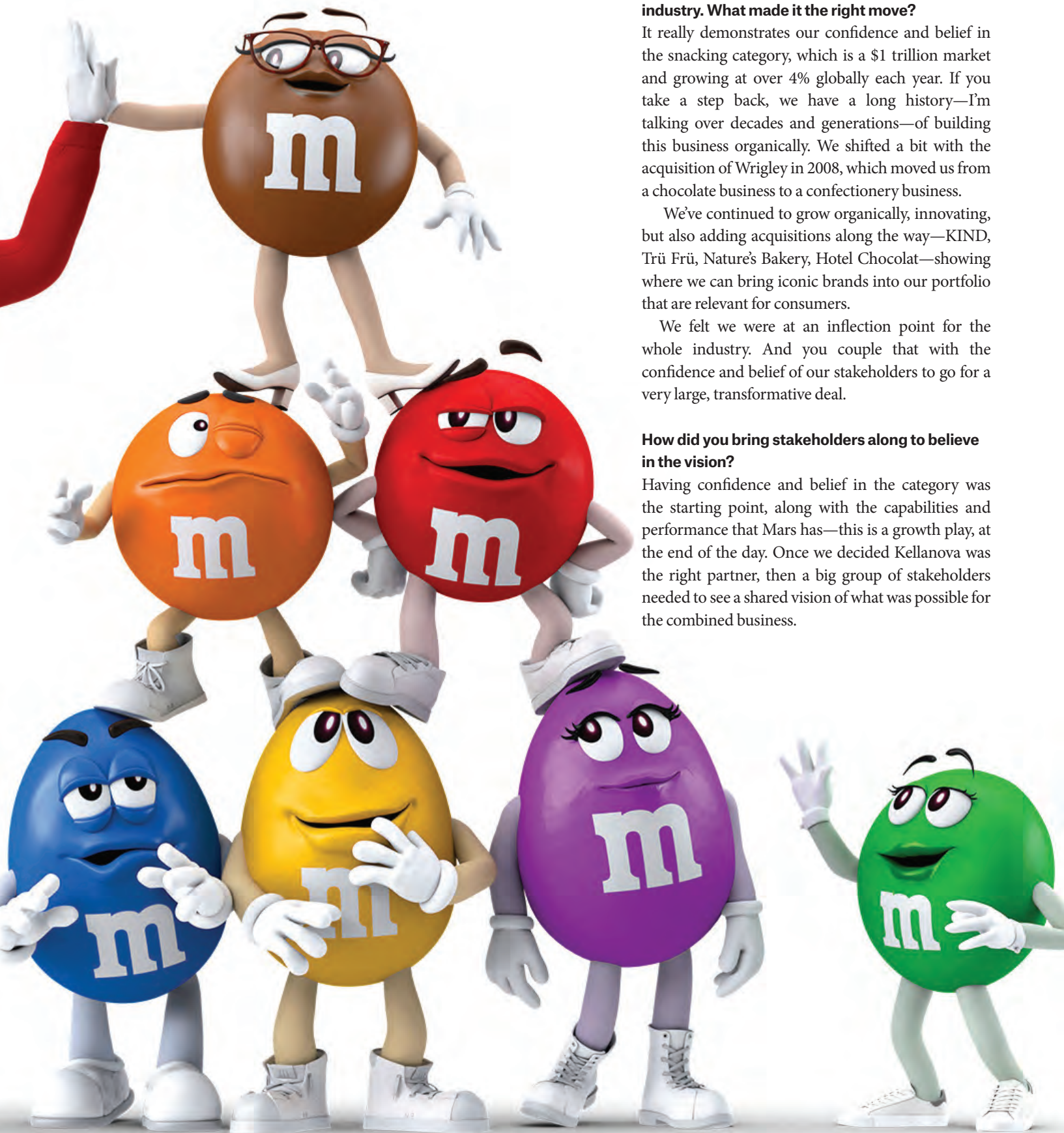
Clarke spoke with Brunswick Senior Partner Jayne Rosefield and Partner Monica Gupta about why the deal made sense, the work of bringing two organizations together, and where the united business goes from here.

A GENERATIONAL

DEAL

MARS SNACKING’S
ANDREW CLARKE
ON WHY UNITING TWO
COMPANIES WITH
CENTURY-OLD ROOTS
IS A BOLD BET ON
THE FUTURE.





This transaction was the biggest deal in Mars' history, and one of the largest ever in the food industry. What made it the right move?

It really demonstrates our confidence and belief in the snacking category, which is a \$1 trillion market and growing at over 4% globally each year. If you take a step back, we have a long history—I'm talking over decades and generations—of building this business organically. We shifted a bit with the acquisition of Wrigley in 2008, which moved us from a chocolate business to a confectionery business.

We've continued to grow organically, innovating, but also adding acquisitions along the way—KIND, Trü Fru, Nature's Bakery, Hotel Chocolat—showing where we can bring iconic brands into our portfolio that are relevant for consumers.

We felt we were at an inflection point for the whole industry. And you couple that with the confidence and belief of our stakeholders to go for a very large, transformative deal.

How did you bring stakeholders along to believe in the vision?

Having confidence and belief in the category was the starting point, along with the capabilities and performance that Mars has—this is a growth play, at the end of the day. Once we decided Kellanova was the right partner, then a big group of stakeholders needed to see a shared vision of what was possible for the combined business.

Mars Associates and Kellanova employees were both navigating a high degree of uncertainty, which underscored the importance of having a clear vision and being confident in what's possible. It also showed the advantage of being a generational business with similar histories and values. And there were so many important stakeholders on this journey outside of the company, from our suppliers to our customers, from local communities to regulators.

What role did communications play?

An absolutely central one. The regular communication we created with those stakeholders was key. It allowed us to be consistent about the possibilities of the future and why we believed this was such a complementary, game-changing deal. And even if we didn't have all of the information at the time, the act of being there and being honest about the ambiguity showed our commitment to being transparent.

So much care and thought went into it. The new visual identity, for instance—which integrates elements from both organizations—reinforced the notion of “snacking is better together.” And I think it conveyed in a fun, authentic way that this really was two iconic businesses coming together, not Mars taking over Kellanova.

And then personally, visiting the different regions and markets, speaking and listening regularly to our Associates and future Associates, having one-to-ones and town halls, answering questions as honestly and authentically as possible—I think people appreciated that. I certainly did. Those meetings gave me a real sense of even further possibilities and opportunities. The more I spoke to people, the more I'd go, “there's an opportunity here; if we invest, we can really grow the business.”

You mentioned that visual identity. How tricky was it to create, given that you're uniting such distinctive, storied brands like Pringles and M&M'S?

This was the exciting part and it was a relatively straightforward decision, actually. These are the largest brands on both sides of the business. Both are approaching \$4 billion in turnover, highly recognized and very meaningful. We thought it was possible to respect the distinctive assets of both and still bring them together to signal the excitement of what was possible going forward.

At our “Better Together” celebration, right at the start of 2026, our mascots featured very prominently. It was a moment for our 57,000 Associates around the world to experience the power and love of our



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brands coming together.

I think it's easy to forget that as a company: You can have fun with your communications. Clarifying the logic of a deal—the numbers, the strategic rationale—is obviously important, but so is communicating the emotion of it, actually connecting with people and making them smile.

M&A deals notoriously fail because of culture and integration. How did you approach that?

Through rigorous planning. We were hyper-focused on making sure there was representation on both sides—a “two in the box” approach. Everything we've done has been to make sure there was always a Mars Associate and a Kellanova employee in every decision, all in line with legal and regulatory considerations. Putting our best players into key teams has made such a difference.

We came into this with some experience of doing deals and having spent a lot of time analyzing what has worked and what hasn't. Right at the center of that is culture and how to make it work. The great thing here is that there's a real similarity in the companies' roots and beliefs: a shared commitment to people, to building businesses, the passion.

But at the same time, it's tempting to just say “these cultures are similar” and be complacent. We didn't want to fall into that trap. Curiosity really mattered—seeking to understand where everyone was coming from and then working out what the future could look like. In some cases, that looks like “best of both.” In other cases, it looks like leapfrogging into a bold future in a very different way.

Let's talk about that “bold future.” With the deal done, what's next?

I'll give you a few dimensions. We're now present in more than 145 countries. We have nine brands above a billion dollars and six other brands closing in on that. We have 57,000 Snacking Associates globally and a footprint of factories around the world that enables us to manufacture these products locally.

There's a lot of opportunity to grow responsibly, whether that is through product innovation, how we respond to consumer trends or even our science and technology and sustainability capabilities. We're focused on taking our existing iconic brands and making them relevant for consumers around the world in new and different ways.

We also have some of the newer brands like RXBAR, KIND and Trü Frü tapping into consumer trends, with Hotel Chocolat providing an experiential element. I think we can do both sides.



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Snickers has been around for almost 100 years, and in 2025, it grew at around 10%. There’s a lot driving that cultural relevance and growth, from its links with the NFL to its innovation with Snickers Protein. And we’re seeing huge growth in other areas, like RXBAR and Trü Frü both growing more than 30% last year. So the generational brands and emerging brands can thrive alongside each other.

We also have Pringles, a significant global brand which has done a tremendous job using innovation to make itself locally relevant in markets all over the world. We have over 200 flavors in the Pringles global portfolio—you’ve got Prawn Cocktail flavor in the UK, Consommé in Japan, Butter Caramel in Korea ... the list goes on.

An early area of opportunity is combining our science capabilities across Kellanova and Mars, our sustainability credentials, and thinking about how we can lead the industry in areas such as new materials, new packaging solutions and working with regulators where appropriate.

One example is the way we’ve been working with peanut farmers and growers for decades to enhance peanut crop resilience. A full 30% of peanuts grown globally are not fit for human consumption because

of issues like crop disease. So how can we use science to develop hardier peanut varieties? We’ve already invested over \$10 million in peanut research, and we’ve seen promise from new peanut varieties that can grow better in tough conditions, boosting production by up to 30%. That’s a great example of the science we can bring to help farmers grow more resilient crops. And the science, technology and innovation capabilities we now have collectively as one business will take us to the next level.

There are so many opportunities when you put the two businesses together and think from a farmer’s perspective: mint is very important for our gum portfolio; potatoes, of course, are very important for Pringles. Farmers grow both crops. How can we work with them so it’s even more beneficial for the farming ecosystem? Those are really exciting opportunities.

How are you reaching consumers differently, especially younger audiences? And what trends are you watching most closely?

From a consumer point of view, huge change. Lots of uncertainty in the world, but there are also lots of opportunities. Much of it driven by technology and

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ANDREW CLARKE
Global President,
Mars Snacking

demographic changes. Most of the GDP growth and population growth are coming from rapid-growth markets versus developed markets, so that makes geographical choice very important. Climate change, which affects resources and raw materials, is raising important questions. For example, how do we work with everyone involved in cocoa production, from farmers to suppliers, to make sure the cocoa supply chain is fit for the future?

We've seen the fragmentation of traditional meals, driven by consumers' changing lifestyles, which provides huge opportunities for snacking. We're seeing a focus on health, hence the growth of brands like RXBAR, KIND and Nature's Bakery. Some of our fastest-growing products in KIND, for example, are protein-oriented. And we're seeing an increasing interest in who's behind the brands: What do those businesses stand for? Where does sustainability fit in? Where does responsible marketing fit in?

Another important trend is experiential opportunities. Hotel Chocolat is a great example of how we are bringing that to the US. We started in Chicago, where we now have five stores, and we're looking to expand from there. We opened our newest M&M'S store at Shanghai Disney Resort's Disneytown, which is another good example of bringing our iconic brands to life in different ways.

We also know the importance of staying on the pulse of culture to reach younger audiences. You saw this in our recent Super Bowl ad with Sabrina Carpenter, as well as in the work Pop-Tarts did to harness the passion around college football. They've taken their sponsorship of a bowl game and made it into a culturally relevant moment that fans can't get enough of—perhaps to be expected with an edible mascot! This past year was the most-watched Pop-Tarts Bowl with 8.7 million viewers—more than the Golden Globes—and saw meaningful jumps in volume, distribution and positive sentiment for the product.

Finally, we spend over \$200 million a year on innovation. Getting that balance right between our core propositions and how we innovate for the future is key. A good example: Skittles and M&M'S Pop'd, which we've just brought to market this year. We saw that trend playing out on social media, using the analytics tools we now have, and brought those concepts to market in record time.

Before this role, you were Mars' Chief Marketing Officer for a number of years. What do you think of today's media landscape? Does it make it harder to reach consumers?

It's changed so much even since I was CMO



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Global President,
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[2016–2018], it's clear the current environment creates all kinds of opportunities but also risks we need to navigate. We can now, for instance, do personalization at scale using all different kinds of media and creative tools.

A good example is the work Snickers did with José Mourinho [a decorated, and notoriously blunt, soccer coach], using Generative AI around the European Championships.

In essence, you could create a video to send to a friend that made it seem like José Mourinho was talking to them. It was built on the same Snickers platform of "you're not you when you're hungry," but in this case, José Mourinho was rating mistakes somebody had made, as he does as a football manager. It was a brilliant example of sticking within the brand guidelines while testing new approaches to reach new audiences at the cutting edge, and making sure we're using AI responsibly. Since then, we've scaled that approach across multiple markets. The trick is to pilot and test, and if it works, scale it as quickly as possible.

We have to ask: What are your favorite Mars Snacking products?

You'll find a full repertoire in the Clarke pantry, but near the top of the list for me would be Pringles—in particular, a little sour cream and onion! I love going around the regions and testing the new products and different flavors. The hot and spicy ones are very, very good and relate to local palates.

I also chew a lot of gum. I'm very proud of our reinvention of the gum category—how we've made gum relevant again, including a pivot towards mood management alongside refreshment, and innovation into gaming with a new brand called Respawn.

And I will say, a Twix fresh off the production line is just outstanding.

What has been the most memorable moment personally from this whole experience?

Three stood out. The first, of course, was when the Mars Board said, "yes, let's go for it." A lot of work from a very committed group had helped make that possible. The second was meeting the Kellanova leadership team. It was fascinating, and I remember being aware in the moment that it was the start of something big.

And finally, it was phenomenal to see the teams come together at our "Better Together" celebration. It was just all about the energy, the possibilities, the camaraderie. Almost from day one, you couldn't tell who was Mars and who was Kellanova. ♦

ANDERS BERING AND KRIS BAHNER HAD never met before August 14th, 2024, when Mars announced it was buying Kellanova in an all-cash deal valued at roughly \$36 billion.

By the time the deal closed 17 months later, Bering, Vice President of Global Corporate Affairs at Mars Snacking, and Bahner, Chief Global Corporate Affairs Officer at Kellanova, had spoken almost every single day. In the process, they had built a partnership that challenged typical M&A communications hierarchies and helped guide the largest deal in snacking history through regulatory reviews, while building internal trust and engagement.



BETTER TOGETHER

Most acquisitions speak the language of partnership while quietly following the acquirer's playbook. Together with the respective management teams, Bering and Bahner wrote a different one, guided by shared convictions: both teams were experienced, but neither had worked on a deal of this magnitude or complexity. The best approach—regardless of origin—should win.

The deal's appeal was clear, but realizing it would require uniting two companies with different structures and communications approaches. Mars is privately held and family-owned, while Kellanova, formerly Kellogg Company, was publicly listed. Both carried century-old legacies and beloved snacking portfolios: M&M'S, Skittles and Snickers meeting Cheez-It, Pringles and Pop-Tarts. For the millions of consumers who grew up with these brands, and the tens of thousands of employees who worked on them, the merger was personal.

Awaiting regulatory approvals kept the deal's timeline uncertain, and legal restrictions limited what the two companies were able to do and

**MARS AND
KELLANOVA'S
CORPORATE
AFFAIRS LEADERS
DISCUSS
BUILDING A
PARTNERSHIP
WHILE WORKING
ON A CAREER-
DEFINING DEAL.**

say together. Of the many challenges Bering and Bahner faced, that presented one of the most central: How do you sustain trust with employees, customers, local communities, investors and other stakeholders when no one can say when the deal would close?

The pair spoke with Brunswick Senior Partner Jayne Rosefield and Partner Monica Gupta in early January 2026, on "Better Together Day," a celebration marking the transaction's completion and the early days of operating as a single company.

I would love to hear each of your initial reactions when you heard about the plan to bring Mars Snacking and Kellanova together.

ANDERS BERING: My initial thought was: "This is huge—and super exciting." It felt like a great fit. The deal's rationale was compelling. But what made it exciting also made it a bit daunting, given the many people affected. I definitely wondered: "What's ahead of us here? What are they thinking on the other side?"

KRIS BAHNER: I was also excited. It felt like a natural next step for the snacking powerhouse journey we'd been on, which had led to the spin-off of our North America cereal business and the creation of Kellanova. It felt like a great place for our people and our brands. My next instinct was: "We need to start planning—yesterday."

Did you have any idea what you were getting into when you took on the communications leadership role for this deal?

BERING: No, is the short answer.

The news broke over the summer break. We were scattered around the world, a lot of us had never met in person. I remember being in Colorado with my family, desperately trying to find a quiet place at 4 am to talk. I ended up sitting in a car in the driveway. And as I was walking to the car in the dark, I remember worrying about two things: waking up the kids, and being eaten by a bear.

So I guess it started pretty dramatically. And it quickly became evident how big this was. I

“...PUTTING THE AUDIENCE FIRST: MAPPING STAKEHOLDERS, DEEPLY UNDERSTANDING THEM. THAT’S WHERE GOOD COMMUNICATIONS PROJECTS ALWAYS BEGIN.”

remember we saw some 30 billion media impressions in the first 48 hours after the news broke. That took up a lot of focus early on, for good reasons, and it raised a lot of questions internally as well.

But I think we did well, early on, holding on to the fact that we didn’t know exactly what we were getting ourselves into. None of us had done this specific project before. We’d all done relevant things—numerous smaller acquisitions, Kellanova’s recent spin from Kellogg’s, Mars’ acquisition of Wrigley 16 years earlier—but nothing quite like this.

BAHNER: What helped was putting the audience first: mapping stakeholders, deeply understanding them. That’s where good communications projects always begin. We had done that during the spin, including through sentiment surveys that helped us understand where employees were throughout the journey. We implemented the same type of tool here. We spent a lot of time understanding where Mars Associates were, where Kellanova employees were, what they had been through recently and where we were meeting them emotionally. We did something similar for our communities, investors and other stakeholders. That discovery helped break something enormous into manageable pieces.

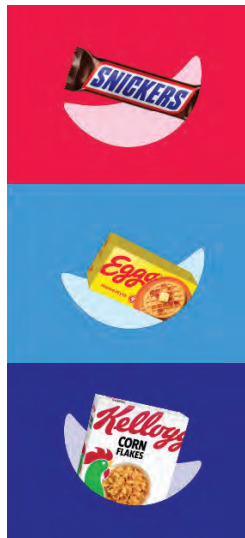
Each company came with its own strong culture and legacy. How did you think about preserving what was unique, while also establishing a unified story?

BERING: One of the first things we noticed was the different communications cadences. You take a listed company, Kellanova, and then Mars, which is family-owned, privately held—externally, the cadence and expectations for communications are completely different, and that flowed through internally as well.

Syncing those cadences was important and in many ways set the standard for how we approached everything else. We tried to be curious, to learn how each organization did things and do whatever made most sense. Sometimes that meant using one approach, or taking the best of both, or inventing a third way. We really admired the communications tactics Kellanova had built: the frequency, the openness, and the promise to Associates that even when you don’t have all the answers, you’ll communicate quickly and transparently.

So yes, there were differences, but we had some very important common ground as well. Both were

KRIS BAHNER
Chief Global Corporate
Affairs Officer, Kellanova



strong, purpose-led businesses that prioritized empathy for people, which has carried through to the combined organization. A transformation of this size is big and exciting, but in the end, it’s about people and their lives. And we agreed on that from the start.

BAHNER: One hundred percent. One of the things we learned from the spin that we shared with Mars was that showing up consistently in front of all employees—even when you don’t have new information, even when it feels uncomfortable—builds trust. Mars had previously relied on line managers as the primary communications channel, but we committed to both companies holding monthly parallel global town halls as part of the process. There were moments when we’d get close to the town hall and we might not have a lot new to say, so naturally the question would come up: “Do we skip this one?” And we’d remind everyone why we made the commitment in the first place.

And as Anders said, it’s about recognizing that this affects people’s lives and livelihoods. Being upfront that you don’t have all the information, but promising to show up anyway.

Another important area of alignment was that we had a sense going in, and it became so clear right away, that these are two organizations that have a really deep legacy and purpose. They’re what attract employees and Associates to these organizations, and they help keep them there. Lifting the companies’ purposes up early, and reassuring our people, our communities, external stakeholders, that they would remain central to the future organization, was steady and credible.

There was also a visual and emotional element to how you brought the organizations together. Can you talk about that?

BERING: It still brings a smile to my face. What people know and love about these companies is our brands. We wanted to do more than tell people about the deal rationale, we wanted to make them feel the greatness of what was ahead. And what better way to do that than using our iconic brands and characters?

We partnered with Brunswick to come up with this concept of “Better Together,” where the M&M’S characters and Mr. P. would meet and interact with each other for the first time, and it landed brilliantly. We teased parts of this for months, showing why we would be better together as an organization, and we

“A TRANSFORMATION OF THIS SIZE IS BIG AND EXCITING, BUT IN THE END, IT’S ABOUT PEOPLE AND THEIR LIVES. AND WE AGREED ON THAT FROM THE START.”

finally launched the full campaign to the combined organization at our Better Together celebration following the close of the deal. You could see the smiles, the emotion, on people’s faces. That’s what good communications does. When it’s grounded in real values, and you find a way to unlock that truth in images and words, that’s what this job is about.

We brought together elements from both organizations—color schemes, purpose, cultural artifacts—and showed people that what we’d been saying for almost a year and a half about “best of both” was real.

BAHNER: In acquisitions, acquirers don’t always pay attention to the emotional assets that matter to people at the company they’re acquiring. However, Mars was very inclusive and respectful of Kellanova throughout.

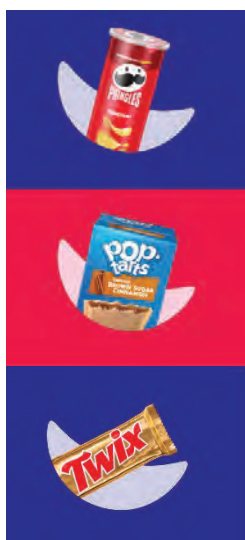
I would cite three great examples. First, the visual identity for the future Mars Snacking gave clear nods to both organizations. Second, the video we created showing family legacies, brands and purpose coming together wasn’t just lip service. People can tell the difference between being authentic and being slick, and this worked because the approach was genuine. Another great example is the new name and visual identity we created for the go-forward Mars Snacking purpose, which included key elements from both companies’ deep purpose legacies. When we revealed that Better Days would continue to be part of the Mars Snacking purpose going forward, it was meaningful to our employees. You could hear a sigh of relief and see the smiles on people’s faces. It’s another signal that the acquiring company sees you, understands you and wants you to be part of the future that we are creating together.

How did you think about authenticity over time, especially given the uncertainty around regulation?

BAHNER: It goes back to acknowledging intent. Being clear about the principles we were operating under, and asking people to hold us accountable to them. We were honest that we didn’t have all the answers. We asked for patience. And we recognized openly that the situation might feel frustrating or unsettling. That kind of honesty goes a long way.

Our leaders—Andrew [Clarke, Global President, Mars Snacking], Poul [Weihrauch, CEO and Office of the President, Mars], Steve [Cahillane, former Kellanova CEO, now Kraft Heinz CEO]—showed up in

ANDERS BERING
VP Mars Snacking
Global Corporate Affairs



that way. They acknowledged that while this was a transaction, it was also much more than that.

BERING: We also asked questions that were genuinely on people’s minds in town halls. Sometimes we asked the same question multiple times to show that we knew this was on a lot of people’s minds. I think they appreciated that. Over 16 months, we worked together on more than 75 town halls, which we had to manage in parallel across both organizations to ensure messaging, answers to questions, et cetera.

How did you think about building the broader team to manage this, and still keep up with the rest of your job?

BAHNER: Having just gone through the spin, we had experience managing a major transformation while still balancing other priorities, so the staffing model was familiar. We were deliberate about assigning clear roles and responsibilities. In some cases, like our internal communications teams, that meant dedicating people almost entirely to the transaction.

One thing that was hugely helpful—and actually pretty unusual—was that both Mars and Kellanova were working with Brunswick. Often in transactions like this, each side brings its own advisors, and that can reinforce the feeling that there are two camps. Both of us working with Brunswick meant we were able to operate from a shared baseline, and weren’t constantly negotiating whose timeline came first, or who was drafting what. It also meant we could establish a regular cadence quickly and focus on the substance of the work, which was so important given the volume of communications.

BERING: It was so helpful to have one partner working with us across both companies, someone who could provide an external perspective, help from a process point of view and keep things moving forward. This was an emotional process also for us in the central team.

If your job description is, “somebody who’s done a \$36 billion acquisition in the snacking industry to unite a private company and a listed company,” you’re not going to find many people in your organization matching that. What mattered was having the right mix of capabilities around the table.

We looked for a team who could complement and engage with Kris and me as true thought partners, who could serve as creative leads, and who would be very strong on process and detail. We found

that in Brunswick, and the combination made our combined team, and ultimately the approach and outcome, better.

What's your advice for communications and corporate affairs leaders trying to build a partnership on a deal like this?

BERING: It's a tricky question. I'm not sure there is one formula. In our case it was, I think, how we acted from the beginning, how Kris and I openly deferred to each other in meetings, encouraging our teams to stay curious about the other side and not falling into the trap of "we usually do it like this". We made it clear from the get go that this wasn't "the Mars way" or "the Kellanova way." This was "Better Together."

A big theme for us was curiosity. I kept saying to the Mars team: Let's be humble. Kellanova might be doing things better than we are. Let's try it and learn. That mindset raised the quality of what we produced together. And it meant we enjoyed working with each other. I certainly felt the partnership very early on. A lot of players on both teams worked like this naturally, others picked up on it quite quickly. So it spread like rings in the water.

BAHNER: Just to build on what Anders said, I never felt we were competing. If you approach a shared leadership role as competition, it won't work. The mindset has to be that the person across from you is your partner, and the only way forward is together.

Looking back, what stands out most? Any personal highs, or lows?

BERING: This entire project is a bit of a career highlight; you don't get to do a lot of things of this magnitude. We exercised every corporate affairs muscle, from major external communications to complex government relations, intense internal communications across two organizations to building a new purpose and visual identity. Of course, the high point was celebrating the close of the deal, seeing people's reactions to the official combination.

As for a low moment, I remember a long sleepless night in Chicago of scenario planning during a time when we saw a lot of uncertainty and anxiety in the organization—though even there, seeing how the team came together was gratifying.

BAHNER: I'd agree with all that. Another highlight for me was watching our teams grow. We told our people early on this was a once-in-a-career opportunity, and they embraced it. Emotionally, the final Kellanova town hall stands out. There was real joy and pride, not sadness. It was: "Look at what we did together. Isn't this an exciting next step?"



"IF YOUR JOB DESCRIPTION IS: 'SOMEBODY WHO'S DONE A \$36 BILLION ACQUISITION IN THE SNACKING INDUSTRY TO UNITE A PRIVATE COMPANY AND A LISTED COMPANY,' YOU'RE NOT GOING TO FIND MANY PEOPLE."

ANDERS BERING
VP Mars Snacking
Global Corporate Affairs

JAYNE ROSEFIELD is Senior Partner and Head of Global Strategy & Transformation.

MONICA GUPTA is a Partner. Both are based in Chicago.

Looking back, what lessons stand out for you as corporate affairs leaders?

BAHNER: This crystallized how often communications becomes a forcing mechanism for decision-making. When you commit to a cadence—when you say you're going to show up monthly, and answer questions—you very quickly surface where decisions haven't been made yet.

We were part of the integration management office and both of our companies' respective leadership teams. Having that seat at the table meant we could align early on what the communications cadence needed to be, and then work backwards from that. If we needed clarity by a certain date to communicate responsibly, that created a deadline that helped move things forward. Not because people weren't motivated—there was a very clear sense of urgency—but because the reality of communicating clearly provides healthy pressure.

For me, that alignment—between communications, leadership and the broader integration work—was critical.

BERING: I'd build on that from the Mars side. What stood out is how much more effective corporate affairs can be when it's embedded in a project of this magnitude, rather than operating on the edges—and I know we both would like to recognize and thank the corporate affairs teams on both sides, who worked so hard for so many months to get this done. Together, we were able to look across the organizations and to the outside world and see some connections others might miss. We had so many great people across our businesses working on the integration, and being able to help connect them and communicate about their great work was among the most satisfying parts of the experience.

Would you do anything differently?

BERING: I think I'd bring our corporate affairs teams together physically earlier. We spent so much time together virtually, the project was born virtually and people embraced that. But being able to bring our teams on both sides together in person really supercharged what we were able to do.

BAHNER: That's a great point. I'd add that I think we did a good job of scenario planning, but I'd do even more, even sooner. It's easy to say in hindsight, but it matters.

Final question: Would you do it again?

BAHNER: One hundred percent.

BERING: Absolutely—after checking with my family. ♦



A literary approach to stock analysis, an eye for overlooked signals and an appreciation for great sports writing has made a star of Gordon Haskett's

DON BILSON. By **JONATHAN DOORLEY**

AN ITEM IN DON BILSON'S MAY 13, 2025 column asked whether there might be some "bloat" in Pepsi. Barely three months later, news broke that a well-known activist had purchased a \$4 billion stake in Pepsi.

"Not every noodle we throw against the wall sticks, but yeah, we nailed Pepsi months before everyone else did," Bilson says in an interview with the *Brunswick Review*.

Among those who make their living analyzing stocks for an audience of investors, Don Bilson stands apart. He writes five columns a week at about 2,000 words each, a rate that any writer's guild would find abusive, except that nobody is driving Bilson except Bilson. He writes first and foremost for his readers. If that sounds obvious, and

CALLING BALLS & STRIKES

commonplace—don't all writers write for their readers?—consider that bank analysts often must tailor their analysis to please or avoid displeasing bank clients, rendering the reader second class. Bilson, on the other hand, writes for Gordon Haskett, a pure research firm. The reader is his client.

If the reader comes first, and the reader's an investor or hedge fund, a reader will want the column early. Bilson rises at 3 am Eastern to meet a 9:30 am deadline. The column he composes in that time consists of about six items, each rich with fact and analysis. His subject matter is publicly listed companies, some of whom wait anxiously every morning to see if they will get a mention in Bilson's column.

Information is Bilson's bread and butter, and he has no special access to it. He gathers his research from the same sources available to the public at large, including his readers. His specialty is seeing significance, connections and red flags that others miss.

At Gordon Haskett, Bilson is Head of Event-Driven Research, explaining why his column is known as *EDR*. A category of Bilson's own making, he describes it as broader than what's known as special-situations research. "Event-driven includes everything from M&A and shareholder activism, to corporate restructurings, to big dislocations in the stock, to management changes, changes in shareholder roster and more," says Bilson.

A former investigative journalist in Washington, DC, Bilson started the column almost 15 years ago, at *dealReporter*, then brought it with him two years later to Gordon Haskett. "We have 200 paying client organizations but many readers at each, so I think the overall distribution list is close to 3,000 people," says Bilson. "We know who opens it and who reads it through. A significant percentage read it through every day. The largest percentage reads three columns a week or 12 a month. What shows how well we're doing is the renewal rate. Nobody ever cancels."

Mainstream publications have made no secret of their admiration for Bilson. A 2019 *Barron's* profile, noting that Bilson is a frequent source for the publication, praised him for a set of "stock-picking criteria you wouldn't expect."

According to Donna Anderson, a long-time *EDR* reader who recently retired as Head of Governance at T. Rowe Price, Bilson brings to mind the plot of a 1990 Hollywood thriller.

"Remember the scene in *Hunt for Red October* where there's a tracking chart of submarines clustered in the North Sea, and Alec Baldwin asks, 'Hey, what's this boat thousands of miles away on its own?' In the end, that boat, the Dallas, saves the

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FOR ONE
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ANOTHER."

day," she told the *Review*. "Don Bilson is the Dallas. He's patrolling the same ocean as other event-driven analysts, but because of his pattern recognition genius, his bets/themes are just off in a different quadrant."

Knowing there's competition for investor attention, Bilson splices his column with relevant references to sports and pop culture—which is exactly why Anderson used a Hollywood analogy to describe him. "Don is always weaving in references to culture. Never anything cliché or easy. Always something selected just for the connoisseurs among us."

To anyone familiar with a journalist known as "The Sports Guy"—Bill Simmons—the inspiration for Bilson's column will be apparent. Simmons, a columnist turned podcaster turned pop-culture celebrity, found great success by lacing his sports commentary with entertainment references and reviews. He also always wrote from the point of view of a fan in the seats, not an insider in the boardroom.

When he finds errors in his coverage, Bilson blows the whistle. "We're flagging ourselves being offside last Friday when we mentioned the nomination deadline at PEP is February 2 when it is really February 6," he wrote in an October column.

In an interview with Bilson, Brunswick Partner Jonathan Doorley recalled with a grin once receiving a frantic call from a client who had just read Bilson's analysis of his company's strategy during a pending transaction: "He said, 'Who the hell is Don Bilson and how is he listening to my thoughts?'"

Bilson's response: "Everything we write is traceable to a publicly disclosed piece of information, whether that is an earnings release, or something said on an earnings call, or something appearing in a press release or a public filing. It might be an obscure filing that nobody else is looking for, but it's out there."

"We're tracking corporate jets. Again, that is publicly available information. We might be the only ones using it, but this is not hedge fund X gets a wink from a CFO on a roadshow or something like that, calls us up, and we say that the company is leaning in this direction or that direction."

More activists than public company executives are subscribers to *EDR*. Should companies reading your research assume that your views reflect those of the activist targeting them?

No. We will talk to the activists after they disclose their position to make sure that we have their full story, and what their full thesis is. But this is not a sounding board for the activist community. In certain circumstances, we've taken a position that I

know has left the activist pretty disappointed. I'm not a sounding board or mouthpiece for one group or another. One thing I will make clear is we do not traffic in unsubstantiated market chatter.

In the past, our experience is that companies and fellow defense advisors have been reluctant to engage with you the way we would with a bank analyst or a columnist at a financial publication.

What's your take on that?

In the last three or four years we have gone from very little traction in that group, to almost full coverage. So thankfully, people are reaching out now, to get their views across. I make no guarantees about how anything is going to appear in print, but everyone should know that we're open to talk.

What's your process like for researching and writing EDR?

I try to do most of my hunting and pecking and searching the day before. Before I wake up, I have a couple things written based on what companies said the day before. But I've been writing under deadline for a long time. I sort of thrive on it.

Some days, it turns out you're just sort of checking the box. The best notes are when we have said, "Hey, watch out for X to happen," and it actually happens. When Elliott shows up at Pepsi after we have been discussing Pepsi since May, that's a pretty good one. Doesn't happen that often. We had a pretty good stretch in September where it was happening a lot.

Those are the touchdowns, and we'll spike the ball in the end zone on those. Sometimes we're off in left field. But hopefully, the product is around 12 years later because somebody thinks we're getting it right.

**"FOR ME,
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AND CEO AGE
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GENERATION."**

Is it true you see CEO age as a possible flag?

Absolutely. An older CEO who hasn't made any money in their current spot, meaning any real money, that's the dangerous CEO, the one who is willing to do something late in his career to change the narrative, or to go out on top.

We really start paying attention when a CEO gets to be 62, 63 years old, if they're sitting on weak returns, or returns that have come back to earth in the last couple of years. That's what we find are the most interesting situations. CEO tenure and CEO age, for me, are very important places to look for idea generation.

I think a lot of CEOs who read the material probably push back like, "Who is this guy, trying to push me out the door? I'm only 64. I still am youthful. I still have many years to go." Well, 70 might be the new 65, but not in all situations.

Last week you dedicated a note to the late Tom Petty, who would have turned 75. Is there an entertainment angle this week?

The Rock and Roll Hall of Fame is hosting its induction ceremony on Saturday. So, Friday's note will have a lot of references to this weekend's inductees—The White Stripes, Soundgarden, Bad Company, Cyndi Lauper. The downside is it makes the note three times harder to produce because a lot of thought has to go into it to make the references relevant. We know people like it because most of the feedback we get doesn't concern the underlying investment material. People will call in and say, "How come you didn't use 'Breakdown' by Tom Petty?" ♦

JONATHAN DOORLEY is a Partner and New York Office Head at Brunswick Group.

IN HIS OWN WORDS



Bilson makes frequent references to popular culture, including a recent mention of the 1980s sitcom *Cheers*.

Don Bilson's EDR column, August 4, 2025:

The final episode of "Cheers" ends with Sam Malone realizing that his one true love is his Boston bar. One could probably say something similar about another celeb that is intertwined with Boston, only instead of owning a bar, this someone owns Sam Adams, Boston's most popular beer label. We're speaking, of course, of Boston Beer (SAM) Chairman Jim Koch and it turns out that he has decided it's time that he takes firmer control of the company he founded. What this means is Koch will be replacing Michael Spillane as CEO. The 65-year-old Spillane is a long-time SAM director who was named CEO in April of 2024. His run lasted just fifteen months and he'll be passing the baton to Koch, who is 76 and hasn't served as the company's CEO since 2001. There is no obvious "Number Two" ready to step in for Koch so succession now becomes an issue.

INVESTORS MAKE BETTER DECISIONS WHEN THEY understand the risks and opportunities that shape financial performance over time.

That's the straightforward premise of Principles for Responsible Investment, a global investor initiative founded in 2006 with United Nations support. PRI promotes responsible investment by supporting long-term, financially material considerations—such as governance, resilience and broader market risks and opportunities—in investment decisions and stewardship.

What began as a collaboration among a small group of institutional investors has grown into a global network. Today, PRI has more than 5,000 signatories representing roughly \$140 trillion in assets under management, across public and private markets worldwide.

The organization's six Principles provide a framework for integrating sustainability and governance considerations into investment analysis, decision-making and stewardship, alongside more traditional financial metrics.

PRI'S
CAMBRIA
ALLEN-
RATZLAFF
on risk,
innovation
and staying
informed. By
SETH FAISON
and **DANIEL**
WIEDEMANN

A MATTER OF PRINCIPLES & PRAGMATISM

Cambria Allen-Ratzlaff has recently been named PRI's interim CEO. In a recent interview, she tells us about the organization's mission and the outlook for responsible investing in today's global markets.

For Allen-Ratzlaff, the mission reflects a career spent at the intersection of investors, governance and capital markets. She began her career as a corporate governance analyst at the Council of Institutional Investors before joining the Office of former Connecticut State Treasurer Denise Nappier, a pioneer in corporate governance and one of the public pension leaders who helped build early support for responsible investment in the United States as a founding PRI signatory.

She later led the corporate governance program at the UAW Retiree Medical Benefits Trust, the largest non-governmental purchaser of retiree healthcare in the US. Allen-Ratzlaff also served as Managing Director and Head of Investor Strategies at JUST Capital and she has served a four-year term on the US Securities and Exchange Commission's Investor Advisory Committee, where she chaired the Investor as Owner Subcommittee and helped advance investor-focused market reforms. She became interim CEO of PRI in December 2025.

How would you say the environment is changing for responsible investing?

Investing has always been about understanding risk and opportunity. That hasn't changed.

What has changed is the complexity of the world that investors are operating in. Technological innovation, geopolitical shifts, resource constraints and new drivers of value are reshaping markets at a rapid pace—often all at once.

If you're allocating capital over long time horizons, those dynamics matter. They influence how companies perform, how industries evolve and where opportunities emerge.

Responsible investment developed as a way to bring a broader set of financially relevant information into how investors analyze companies and allocate capital. In addition to more traditional metrics, governance, sustainability and other structural forces can all shape long-term financial performance.

Ultimately, it's about making better investment decisions. That's not only better for investors, but for the markets, and ultimately for companies as well. Investors are trying to understand the world as it exists today so they can make better judgments about what markets might look like tomorrow.



Are you seeing a change in the way sustainability-related issues are discussed by investors?

Investors tend to respond to what's happening in the real economy. Energy markets are a good example. In today's geopolitical environment, energy security and energy affordability have become central economic issues. Disruptions to supply chains, conflicts and infrastructure constraints can ripple quickly through markets, affecting prices and stability.

At the same time, global demand for energy continues to grow, driven in part by new AI data centers and by expanding economies and populations in emerging markets. That creates a complicated challenge: how to meet rising demand while building energy systems that are resilient, affordable and able to scale.

From an investment perspective, this environment creates strong incentives for innovation. New technologies and new energy systems are emerging to meet those needs. Investors are evaluating how those developments may reshape industries and markets over time.

Responsible investment provides a framework for understanding those kinds of structural shifts and what they might mean for long-term value.

**"AT THE END
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AS GOOD
AS THE
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BASED ON."**

SETH FAISON, a Brunswick Partner, and **DANIEL WIEDEMANN**, a Director, are based in New York.

What have you learned, in your years of watching investment trends and social forces?

Two things come to mind.

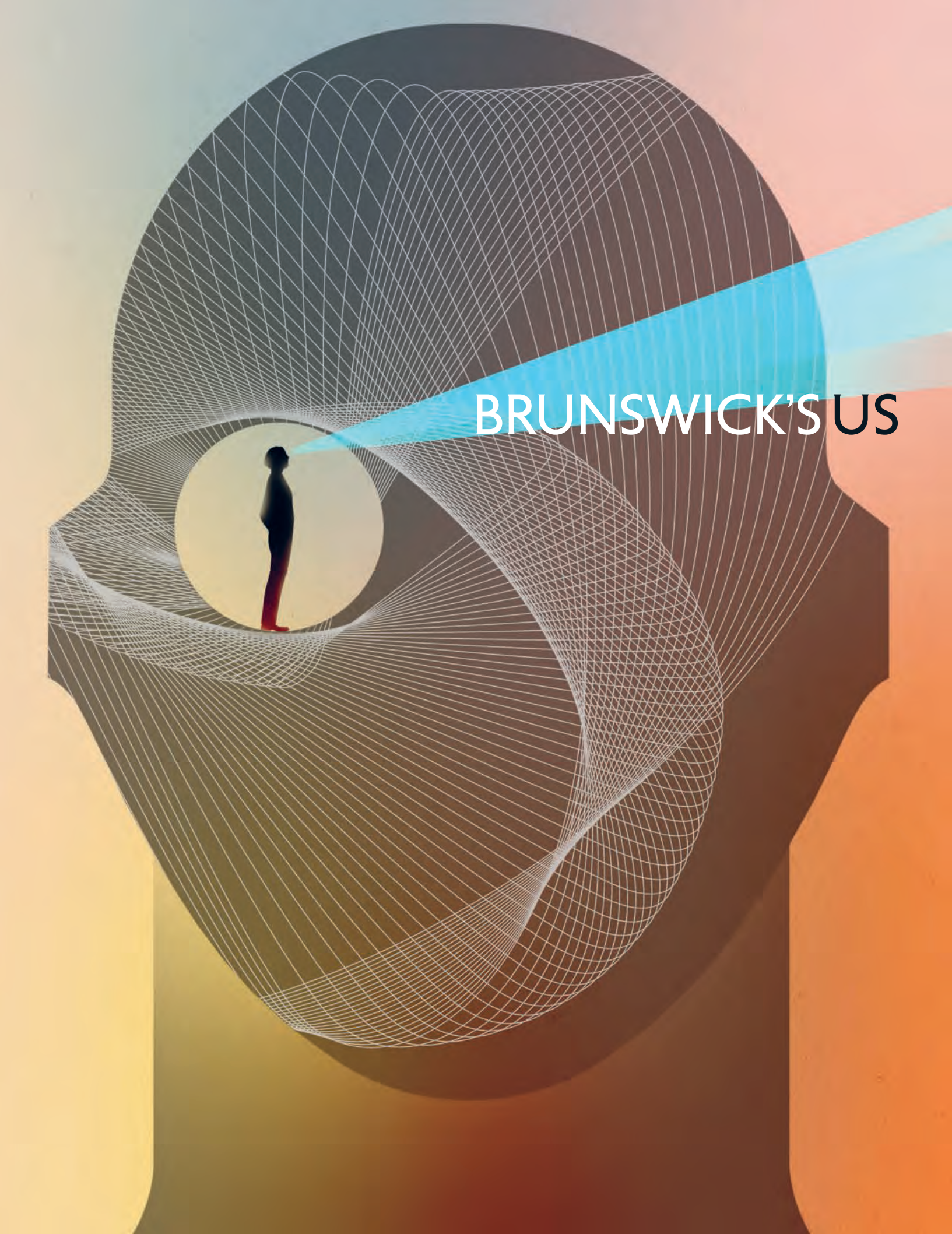
First, nothing in investing happens in isolation. Take electrification, which underpins many of the technological transitions under way today. It depends heavily on critical minerals and rare earth materials. Where those resources come from, how they are produced and how supply chains are structured all have implications for markets and investment outcomes.

Investors need to understand those connections. They ultimately shape how assets are priced and how industries evolve.

The second lesson is the importance of high-quality information. The strength of capital markets depends on investors having reliable, decision-useful information about the assets they invest in.

When information is consistent and comparable, investors can better assess risks and opportunities and allocate capital more efficiently.

At the end of the day, investments are only as good as the information they're based on. Responsible investment strengthens the information and analytical tools investors rely on to make those judgments. ♦



BRUNSWICK'S US

20 INVESTOR SURVEY 26

RESPONDENTS share how companies can boost investor confidence and trust even as AI remakes the investment research process.
By **CRAIG SINGER** and **KAYLAN NORMANDEAU**

ILLUSTRATION: BRIAN STAUFFER, CHART: MARK TYNER

COMPANIES EAGER TO ATTRACT investment dollars should trumpet their competitive advantage. But according to investors, most companies don't do a great job unspooling the key part of the narrative that they most want to hear.

Those conclusions and more emerge from Brunswick's 2026 survey of 100 US institutional active-equity investors, half long-only managers and half from hedge funds that collectively represent a broad range of capital allocators, many from the largest and most sophisticated asset managers in the world.

They were asked about the growing role of AI in their investment decisions, their most valued sources of information to make decisions, which factors build and destroy trust in management, what they want to see more of from companies in the year ahead and what blind spots CEOs should watch out for.

Asked what gives the greatest confidence in an investment story, 61% of respondents chose "why you will win" as most inspiring. Yet when asked to rank which of those same drivers companies communicate most effectively, "why you will win" fell near the bottom, with only 27% of investors ranking it in one of their top two selections.

We can hypothesize the reasons behind this disconnect. Some executives expect results to speak for themselves, while others may not want to give away the "secret sauce." But what we heard loud and clear is that investors want more detail mapped out about a realistic path to victory. Judging from our results, a more forthcoming approach could distinguish you and increase value.

Looming large among the other important

WHAT MAKES A GOOD INVESTMENT STORY

"Why you will win" is the strongest driver of investor confidence, but it's often not well communicated.



trends our survey uncovers is the growing use of AI. Even as investors take pains to steer clear of its pitfalls, 54% cited GenAI as “moderately important,” “important” or “very important” in their investment research, with 42% citing AI as a top tool for doing deep research on new investments.

Further, AI is seeping into the most fundamental investment research processes, with 68% reporting AI has changed how they approach earnings calls. AI doesn’t dominate decision making—at least not yet. Far more investors (77%) ranked human interactions with the C-suite as “important” or “very important”; company disclosures followed with 66%, and conversations with IR at 63%.

Taken as a whole, our findings support the cultivation of investor trust through transparency and clear communications. The vast majority of respondents (93%) agreed they would not invest in a company without trust in management, not even if the business had strong financials and attractive market opportunity. And 85% had sold a position due to loss of trust in management.

Among actions that can damage trust, 62% of investors saw “overpromising and underdelivering” as far and away the most dangerous faultline. Ranked second and third were the lack of a clear explanation for a change in strategy, 46%, and disappointing results without a clear plan for correction, 40%. All three ranked well above dodging tough questions (36%), blaming external factors without accepting accountability (34%), and not meeting regularly with investors (5%). Many trust killers can be attributed to failure not just of performance, but a failure of communication.

On the flip side, getting ahead of the narrative, taking responsibility, explaining actions to correct or realign strategy—these promote trust and help retain investment through the cycle. When we asked investors to rank trust-building actions, their top two selections were nearly tied at 57% and 56%: “providing a specific action plan when problems arise” and “explaining missed expectations clearly.” These were top-ranked much more than “keeping the strategy focused” (21%), and “being highly available for investors” (18%).

Likewise, when asked what they think will be more important for companies to do in the coming year, 59% of respondents chose “adapt business model to AI and technology disruption,” and 48% said “withstand and manage risk” of macro, geopolitical and operational challenges.

In looking at trusted sources, it becomes clear that companies need to take responsibility for how

information reaches investors. The rising use of AI means that accurate information about a company needs to be available online for ChatGPT, Claude, Perplexity and other GenAI platforms to discover.

Podcasts are also steaming ahead, being top-ranked more frequently than mainstream media outlets as important sources of information for investment research. Importantly, investors looking for the most in-depth content are turning first to conferences with management sources. Nearly half (47%) of respondents ranked company’s websites and IR pages as “important” or “extremely important,” and another 24% ranked GenAI results the same way. Given GenAI prioritizes direct company sources in its results, the integrity of companies’ own online information is important to both.

Despite the fast growth of AI, investors today use

LACK OF TRUST = LACK OF INVESTMENT

93

PERCENT

won’t invest without trust in management, despite strong financials and an attractive market opportunity

85

PERCENT

of investors sold a position due to a loss of trust in management

AI
IS CHANGING
HOW
INVESTORS
WORK

Over half of investors say GenAI is important in conducting investment research, and two-thirds are embedding it in the most common tasks.

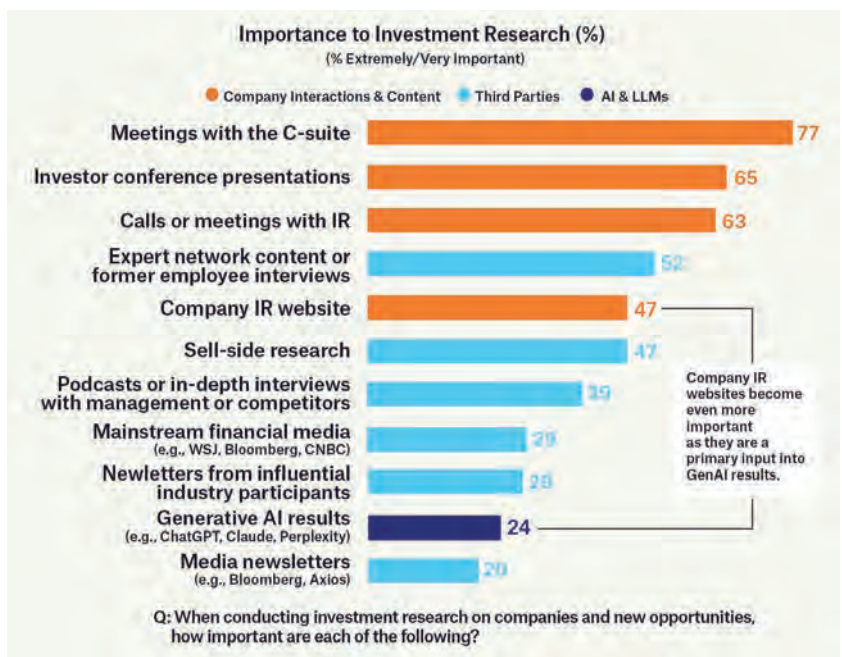
54

PERCENT

of investors say AI is important to their investment research process

DIRECT & OWNED CONTENT STILL MOST VALUED

Podcasts and GenAI results have growing influence.



it more for synthesis than direct decision making or forecasting. News, filings research and specific questions are the top uses favored. One respondent noted that using AI allowed him to quickly read the sentiment of the quarter, indirectly gauging the qualitative responses on a call. “Now I rely on AI-generated transcripts, which tell me the tone and manner of how management Q&A was interpreted.”

Among respondents, 84% agree that AI enables them to review much more information, dedicate more time to higher-value activities and cover more companies. But they’re not blind to AI’s weak spots, including surfacing outdated material, frequent “hallucinations,” numerical mistakes and, notably, missed context: AI “has IQ but not EQ,” one respondent commented.

Further, for the most skeptical use case, financial forecasting, only 23% said they use AI to update their models, while more than half expressed reservations about trying it.

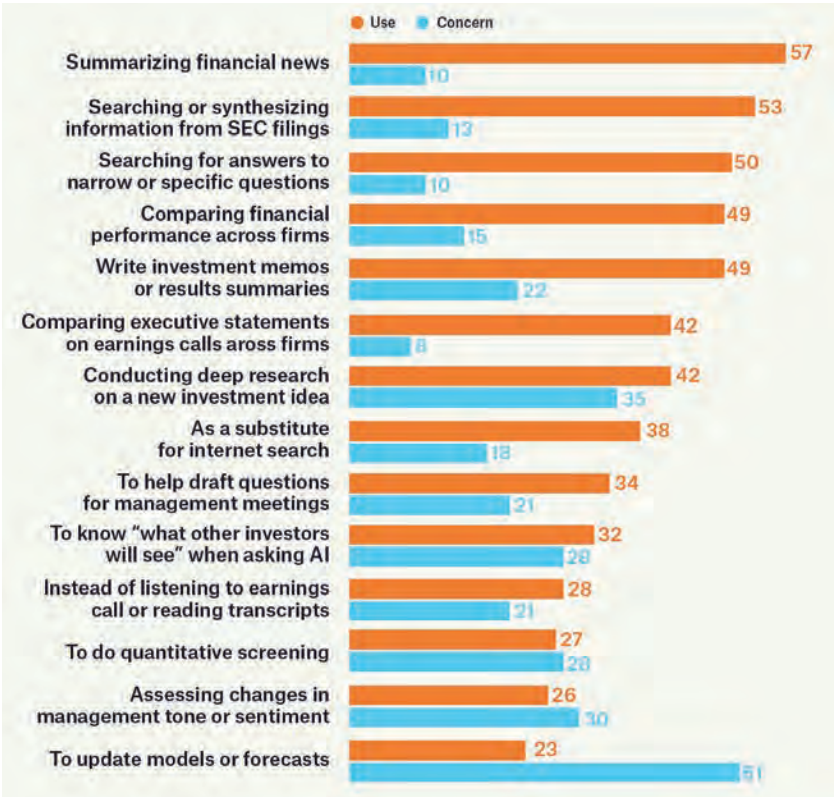
Our findings point to immediate steps companies can take to maintain open channels of communication and accuracy of online information.

- **Trumpet your competitive advantage.**
Articulate why your company will win, supported by facts. This is the strongest driver of confidence and the biggest communication gap.
- **Tell investors exactly how they should think about your performance,** not just how you performed. A “numbers-first” approach without clear written conclusions risks misinterpretation by human investors and AI tools.
- **Manage expectations continuously.**
Make guidance achievable, define milestones and report progress consistently. When things do not go according to plan, preemptively alert investors to limit misses and never surprise.
- **Communicate for humans AND machines.**
Continue to prioritize investor meetings and in-person events. Assume all available communications, including transcripts and presentations, will be increasingly parsed, summarized and compared by AI. Ensure they are coherent and aligned with a central, current strategy. Formalized owned content is a strategic asset and your source code.
- **Be your own activist.** Assume activist scrutiny is the baseline, not a special scenario. Stress test your investment case, capital allocation, governance and performance against questions before they arrive.

Keep in mind that, despite best efforts, the concerns of management and investors can and will diverge. Case in point: A surprising 81% of polled

TRUST IN AI

42% use AI for research on new investments
Top Investor Uses & Concerns (%)



ACTIVISM IS SEEN AS MORE POSITIVE THAN NOT

As activists have grown more prevalent, most investors that we surveyed see them as adding value.



investors agreed that “shareholder activism adds value.” But importantly, only 41% of investors last year ultimately voted in favor of activist director nominees, per Diligent data, demonstrating that clearly communicating your value proposition is critical when an activist comes knocking. ♦

CRAIG SINGER is a Partner and former Investor Relations Managing Director at Goldman Sachs. **KAYLAN NORMANDEAU** is a Director on Brunswick’s Insight team.

BERNARD MENSAH STARTED OUT HIS career on the trading floor at a time when spreadsheets, personal computers and the internet were still nascent technologies. Over three decades, he has watched the progress of technology significantly increase trading volumes and radically transform the speed of financial activity.

Since 2010, he has been part of the global executive team for Bank of America, which has one of the largest annual technology investments in the banking world. Since 2020, Mensah has been President of International and a board member of the global bank's European operations, including Merrill Lynch International, Bank of America Europe DAC and BofA Securities Europe SA. Prior to his current position, he jointly led the bank's fixed income, currencies and commodities trading business globally.

Born in Ghana and based in London, he is on the board of the Carnegie Endowment for International Peace, an organization which generates strategic ideas and independent analysis, supports diplomacy, and trains future scholar-practitioners to help solve global problems and advance peace. He is also a member of the Stanford University Parents and Family Advisory Board, and previously served as co-chair.

In a recent interview with Brunswick Partner Chris Thompson, Mensah shared an expansive outlook about the state of finance and investment around the world. A focus on people remains paramount, he says, even as the increasingly fast pace of innovation is changing the working world in important ways. He talks about the AI infrastructure race,

BERNARD MENSAH,
President of
International
for Bank of
America, talks
to **CHRIS THOMPSON**
about AI, the
global economic
landscape and the
changing
nature of risk.

the fracturing of globalization, unsustainable sovereign debt and the durability of human judgment in an age of machines.

How is AI technology changing the way that capital is moving across markets and geographies?

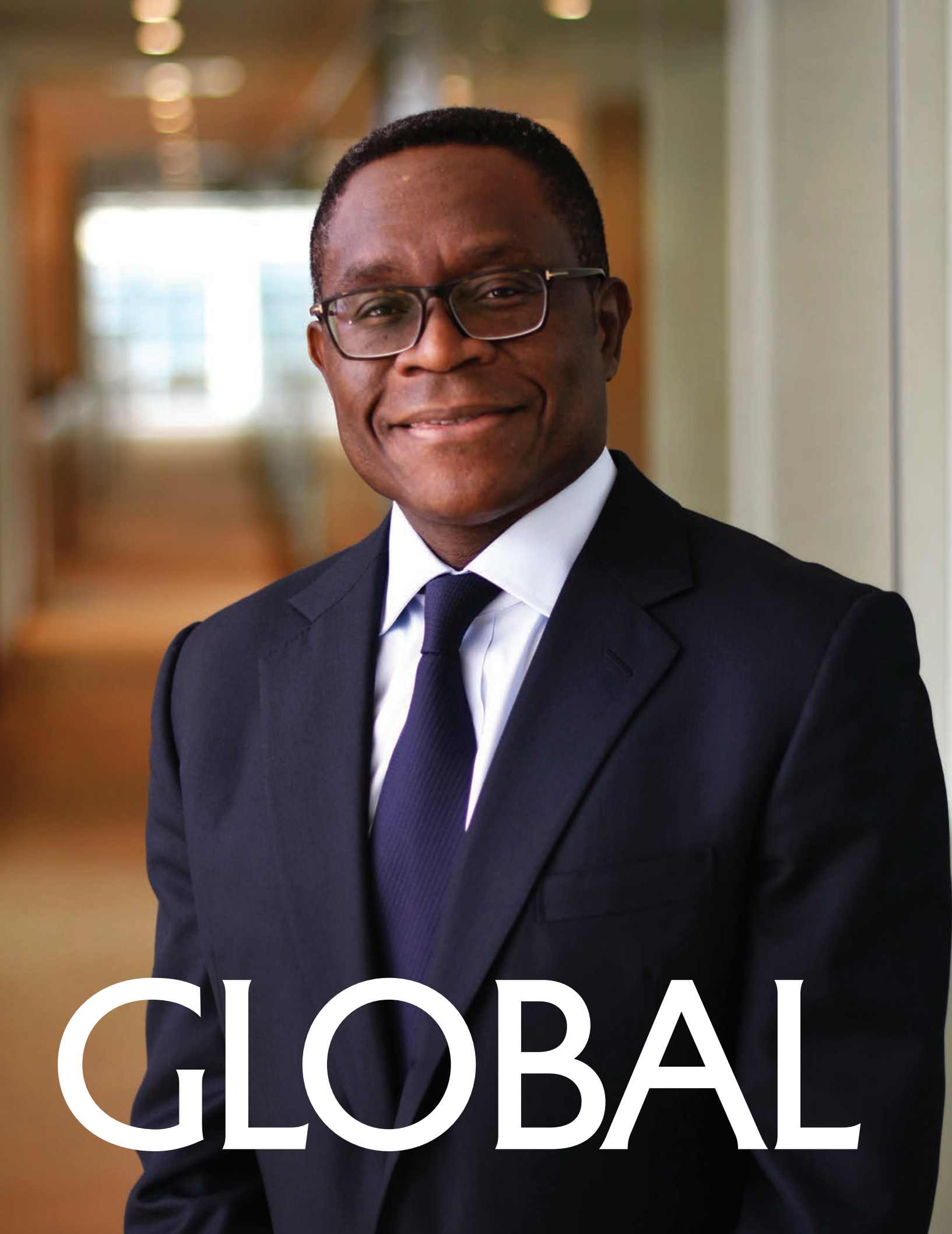
AI is forcing a certain globalization of capital, moving different pools of investment capital more quickly around the world. The speed of the technology itself and the speed of change help drive the tendency, allowing investors to take advantage of new opportunities across borders.

You can't be complacent as an owner of capital, thinking, "I'm OK in my space". You need to be alert as to how this technology might disrupt markets. We've seen that kind of disruption recently in the re-rating of some of the software stocks.

I spoke sometime last year with a large private equity fund manager, who was scrubbing through his 100 or 150 portfolio companies, getting each of them to assess how they might be impacted by AI. I don't remember the exact numbers but, speaking very roughly, he found about 40% would be massively impacted. Of that group, about half could see the disruption coming. But the other half, 20% of his companies, just couldn't. They were like, "Yeah, everything's good." And he's sitting there thinking, "AI's going to eat your lunch."

You can't tell, of course, exactly how it will play

FAST & FIERCELY



GLOBAL

out. But capital has to move very fast and everybody needs to review their portfolio.

People have been talking recently about the end of globalization. Do you see it increasing?

Well, it depends on what we mean by “globalization.” If you think it means we’re going to be one global pool of trading activity, then yes, that’s receding to some extent. But while there are many different pockets of trading activity, more fragmented, they are still interacting around the world—and that is a version of globalization. People aren’t trying to completely pull away from that.

We wanted to fiercely trade across all the different parts of the world. So in that sense, I see an absolute intensification. If you have a company in Japan, in an earlier time, you accepted a standard trade architecture. You just needed to tweak it a little bit here or there. Now, you’re having to be intentional. You can’t expect that what worked before is going to work now.

What is your strategy for Latin America, how does it need to change? What is your strategy not just for North America, but for Canada separate from Mexico? And even as you tailor these strategies country by country, that interconnection still shapes your overall global approach. So in that sense, there’s fragmentation, but also intensification—the stakes are higher. It’s changing how we think about “globalization.” It’s global activity and you need to be more strategic about what that means.

How do you see the investment landscape for AI infrastructure?

The infrastructure needs are clear and obvious. The question is, who is going to pay for it, and whether those investments will ultimately generate the returns people expect. The scale of capital required is significant, and while the long-term demand is undeniable, the economics are still evolving.

There are strong analogies with the internet boom around 2000. Enormous investment went into fiber-optic networks and related infrastructure, much of which only realized its full value years later. As with any developing sector, a restructuring phase is likely—where early investors may not see the benefits they anticipated before the market settles. Many early internet companies were absorbed or overtaken as the sector matured, even though the underlying infrastructure became essential.

Given that context, how do you manage risk?

That’s where the rubber meets the road. We’re paid to know the right speed. That’s the judgment or the art.

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There isn’t one template.

I had a boss at a former bank and he jokingly said, “Go too fast and have an accident, and I’ll come over there and fire you. Go too slow, not doing any business, and I’ll do the same.” I was like, “Great. That’s helpful.”

But his implicit lesson has stuck with me: I consciously need to determine the speed. Am I going too fast? Too slow? Is it 80 miles an hour? Is it 100? Is it 70? And, of course, it’s not a constant. You have to be moving at the pace of innovation.

For Bank of America’s investment in AI, I was an advocate for fast adoption. But we had to make sure we had the right guardrails, making sure there were no biases, that our data was secure and so on. Others naturally thought we needed to drive slower. Our CEO listened to both and chose the right speed. And now, with those guardrails in place, we’ve been able to accelerate. That’s a good example of how we approach risk on a case-by-case basis.

Has technology made it easier or harder to price risk?

That’s an interesting question. Technology has certainly changed the speed and scale at which we operate, but the fundamental challenges of pricing risk haven’t really changed. When I first worked on the foreign exchange desk, we had 15 traders. Today, thanks to technology, that same desk runs with only two or three. At the same time, technology has pushed volumes to more than 10 times what they were, driven by high-frequency trading, rapid analysis of huge datasets and increasing automation—machines interacting with other machines.

So it’s a different type of calculated risk. I don’t think things are any less risky. Different types of risks have emerged that you need to be careful about.

Thirty years ago, you didn’t need to be that interested in technology, beyond knowing how to navigate spreadsheets on early computers. But now, you

THE NEW BANK OF AMERICA PODCAST

Bank of America recently launched its podcast series “Breakthrough Technology Dialogues”, showcasing the emerging technologies redefining global society. Guests include CEOs, innovators and investors, drawn from the attendees at one of Bank of America’s most exclusive

events, the Breakthrough Technology Dialogue, held annually in the UK and Singapore. “This series also allows us to share the expertise of the Dialogues community more widely, and gives us the space to take a deeper look at the stories and ideas behind the breakthroughs,” says Bernard Mensah.

Listen wherever you get your podcasts: breakthroughtechnologydialogues.podbean.com

need to be very curious and interested in all aspects of technology and innovation. Technology is impacting all aspects of business, affecting products, the way businesses are run, human resources, reporting—everything. The pace of innovation is going faster as well. The curve is a little parabolic. If you're in finance, you need to be very interested in the latest advancements and how they affect your trading and your investments, all the details.

Bank of America's tech spend over the last decade was around \$13 billion annually. How do you think about that in terms of broader trends?

We spend over \$4 billion annually on new tech initiatives, and more than \$8 billion on running the bank. This sustained investment is a competitive advantage, but even more so, it's important that we are transforming and delivering the right technology both for employees and our clients. One broader area of focus, for example, is cybersecurity, which is a high priority and a large part of that—we've got to be secure.

Our CEO ensures that we keep a consistent investment cadence in our technology stack, and the results of that are evident in our work. Take Erica, for instance, our virtual financial assistant in the US. It was started in 2018 and has just passed over 3 billion customer interactions. In the nine months prior to September 2025, it had half a billion interactions. It was already a very sophisticated chat bot and it's now moving into the Generative AI space. That's an example of our continuing investment.

Part of our investment is addressing local concerns in countries around the world. India asks for data localization, for instance. These things can consume some of your budget. And that's why I think you see some of our competitors pulling back. You need to have the scale that we have to be competing in the more than 35 countries we're in, with all of the local regulations in Australia, Japan, India, Brazil and everywhere else. Our tech investment is necessary in order to stay competitive.

What kind of role does AI play in hiring talent? at Bank of America?

I get asked this frequently but AI doesn't play much of a role in hiring talent. We hire smart talent. We look for diligent, hardworking and principled people. We value strong teamwork and a natural sense of curiosity. Good communication skills are essential. And we actively seek people from the arts and the humanities as well, because they bring different perspectives that help us to be better at what we do.

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CHRIS THOMPSON, a Brunswick Partner based in London, was formerly a banking writer for the *Financial Times* and a European columnist for *Reuters Breakingviews*.

We can't rely on AI to identify candidates with those qualities.

Do you think AI actually raises the value of soft skills, like critical thinking or the humanities?

Yes, I think so. You can have all the facts and data in the world, but that doesn't automatically translate into understanding. That's where the role of human insight becomes even more important. It's all about judgment.

In the short term, there may be some pressure on traditional skill roles. But other skills are already in high demand—particularly those needed to build and support the infrastructure behind these technologies.

And for young people, the opportunities this creates are enormous. This iteration of technology will bring together access to a wide range of knowledge. To make strong use of it, the importance of integrity, of character and judgment will become more important.

You've seen many periods of heightened global volatility. What stands out to you about the current global economic landscape?

I sometimes wonder whether I see it as really complex only because I have a seat at the table, or whether it really is harder now. This moment feels different. It feels more intense.

Over 20 or 30 years, there has been more global integration. We thought it was a linear path, and it would continue. The thesis was that, as long as you open the door to this capital system and this work creation, it's self-evident and people would buy into the system. Obviously, that has turned out not to be the case. As you pointed out earlier, there is some dismantling of that global integration.

We've also seen sovereign debt levels go higher and higher to the point where the overall debt burden seems almost unsustainable.

On the other hand, the amount of global prosperity that has been generated has been incredible. The productivity gains and our ability to share knowledge, those have been huge achievements.

I don't want to be blasé about this as there are huge challenges across the globe right now. But in aggregate, we've seen real progress in standards of living, and because technology can now simplify daily tasks, we have the ability to enjoy the little things differently.

We all need to work a lot harder to make sure we're not going into reverse. Our job is to set the table for future generations to successfully continue that progress. ♦

DAVID NOVAK, CO-PRESIDENT OF CD&R, estimates there are between 15,000 and 20,000 private equity firms today—a far cry from the “cottage industry” that existed when he joined the industry in 1993, and CD&R just four years later: “It was a small partnership, half a dozen people or so around the table hustling to find, bootstrap and finance investment opportunities,” said Novak.

An American based in London for the last 26 years, Novak helped build CD&R’s European business while private equity transformed in ways few could have anticipated. The industry now manages more than \$10 trillion and many firms operate through scaled, global and increasingly complex organizations with strategies that bear little resemblance to those early partnerships.

That explosive growth is exemplified by a transaction CD&R completed in 2025: the €16 billion (\$18.3 billion) carve-out of Opella, Sanofi’s consumer

something more scaled, professionalized and institutionalized—the sources of capital, the organizations that invest that capital, the processes they use. All of it resembles a much more established industry.

The segmentation has been fascinating to watch. The industry has innovated to create adjacent asset classes and investment strategies that parse out risk and reward in very specific ways. You don’t just have a pool of capital looking for common equity investments in private businesses. You have different pools slicing up the risk-rewards—less risk, slightly lower rewards. Structured investments in private companies, minority investments in public companies, primary and secondary entry points. In

EMBRACE the COMPLEXITY

healthcare division, maker of Allegra and Icy Hot. The partnership, which was one of Europe’s largest private equity transactions, saw Sanofi retain a substantial stake.

Brunswick Partner Mark Barnett spoke with Novak as private equity firms navigate their most challenging environment in years: higher interest rates, more expensive leverage, aging portfolios, intense competition, AI disruption and growing scrutiny over their role as stewards of capital and jobs. In their conversation, Novak made the case that private equity’s strengths—engaged ownership, operational focus, long-term approach and a track record of value creation—matter more now precisely because so many of the industry’s tailwinds have subsided.

What do you think of the characterization that private equity has matured from a “rebellious teenager” into a “mature adult”?

I wouldn’t use those exact words, but I understand why some might think of it that way. I prefer to describe it as moving from a cottage industry to

my view, that segmentation, along with improved liquidity, has been a powerful driver of growth and accessibility to the asset class.

So yes, there are aspects that resemble maturity, relative to what it was. The biggest shift may be simply who’s participating. It used to be the purview of endowments and some pension funds. Now, it’s hard to argue it’s not a relevant asset class in most institutional portfolios and increasingly retail too. Everyone talks about alternative assets today as an important part of a balanced portfolio.

In your almost three decades at CD&R, what has been the biggest surprise about that maturation?

When I started to understand private equity, I was surprised it wasn’t bigger, because in many cases, I think it can be a better form of capitalism than public capital. I wouldn’t have used those words in the early ’90s—I thought of it only as a pretty small investment asset class.

Today though, private equity and private capital are more broadly capital markets in their own

CD&R
Co-President
DAVID NOVAK
on the pressures
facing private
equity and the
path to value
creation. By
MARK BARNETT



PLUNKERT

right. It's also a governance model and an ownership model, in addition to being an asset class. I certainly didn't think of it with that level of sophistication or complexity 30 years ago, and I don't think a lot of people did. Its success in large part is due to how private equity engages with the companies in which it invests, aligning all parties around the pursuit of long-term value creation over quarterly guidance, or engagement on key strategic and organizational value drivers over navigating the puzzle of public company regulation. That, and ensuring management teams are aligned in value creation initiatives.

I also believe that private equity tends to be more efficient with capital—not just at the company level, but in capital structures. I think, for instance, some public companies are over-equitized. That obviously plays into public markets' focus on predictability and hitting guidance, which can be good, but can also reduce investment, innovation and risk-taking. That dynamic is a key reason why more companies are choosing to remain private for longer, as private ownership increasingly offers a compelling long-term alternative. I think this reflects how private equity has matured into a fully formed capital market in its own right, rather than being seen simply as a stepping stone to the public markets.

Assets under management skyrocketed while interest rates were historically low. Now that the cost of capital has risen, how does that change the playbook for creating value?

We have to acknowledge that the period from the financial crisis through COVID was unique for all asset owners. Low interest rates, quantitative easing, considerable liquidity—together they lifted the tide for many assets. Private equity and public equity investors both benefited from that.

Recently, I was looking at data from 2013 to 2023 on all private equity investments. Something like half of the returns came from multiple expansion, which was clearly supported by that environment. That was a good way to make money, make no mistake. But it feels different today. In some ways it brings you back toward fundamental value creation.

In our view, you really do have to invest in making businesses better—strategically, operationally and organizationally. That's how we spend our time at CD&R. Operating capability has been a part of our DNA from our beginning almost 50 years ago. Two of our named founders, Gene Clayton and Marty Dubilier, were operating guys, not investors. Today, we have more than 50 operating partners and advisors engaged by our funds, all former



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leaders of companies, who are involved in the entire lifecycle of our investment business.

In addition to these senior, experienced operators who are experts in their sectors, we've built out real functional capabilities across supply chain, digital, IT and sustainability—all focused on making the businesses we back stronger operationally and driving earnings growth through top-line improvement and margin initiatives. For example, we've invested significantly in our AI capabilities—not only to enhance productivity internally but more importantly to help our portfolio companies innovate in practical ways, whether that's small process enhancements or more transformative change. Taken together, this operational toolkit seems to be the best way to create value across cycles, especially in the current environment which won't be driven by low interest rates and abundant liquidity.

Many firms have morphed into broad, multi-asset platforms, while CD&R has stayed specialized. How do you see the trade-offs between specialization and diversification, and what does it take to succeed as a specialist today?

The diversified asset managers have become very large, very scaled and very important to the financial ecosystem. To be good at that, they need to participate at scale across a number of asset classes and

then bring that diversification and insight to their investors. They need to be good aggregators of capital—that's what they're trying to do to drive market returns across their asset classes. With that product diversity, they also have a good offering to the wealth and retail channels.

For those of us trying to specialize—and there are lots of different ways to specialize—we need a slightly different strategy. For us, it's private equity and private equity only, one fund at a time. We are not public; in fact we are 100% owned by our partners. Everyone who comes to work at CD&R, whether in New York or London, is focused on maximizing CD&R's private equity business in an aligned way.

We think that focus and alignment lead to a bunch of decisions that support success. Then it's about leaning into where else you can differentiate. For us, it's industry expertise, operating capability and deep engagement with our portfolio companies.

Governance is under a microscope. How has CD&R's approach evolved?

Given how the industry has grown, we're invested in a lot more companies overall, and they tend to be bigger businesses that touch the lives of consumers and people around the world. With that comes responsibility and accountability for good governance and stewardship.

We have to be honest that there are examples where people—perhaps fairly—thought private equity has not been a good steward. The truth is, I believe, there are many more examples on the positive side, but our industry hasn't done a great job communicating that. We have to get better at explaining how we drive growth, how we lead investment and innovation, how we create jobs, and how that leads to better businesses, more value creation and ultimately more job creation.

For us, sustainability is a tool to drive growth and create value—it's not just a buzzword. The concept of doing more with fewer resources is good business. The fact that it's also good for the environment is another positive. Diversity is similar. We've talked about that for a long time. From our experience, having a diverse set of experiences, backgrounds and perspectives among our employees—both at our portfolio companies and across the firm—is just good business.

The lines between public and private markets seem to be blurring. How do you see the relationship between the two?

As private capital has taken more share of company

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VALUE CREATION."**

ownership, it's been interesting to observe changes in the public markets. The number of public companies is down about 50% since the late 1990s. At the same time, passive investing, or index investing, has become a much larger share of the public markets.

I've been thinking about what this means for the traditional active manager, the value-based investor in the public markets. It seems in large part that they have been crowded out. I think that's the role private equity plays today and can continue to play in a scaled way in the future. We are the fundamental investors. We are the active investors. We are, in many cases, value investors. This is an important investment approach for many institutional and retail investors that provides an engaged, value-add governance model for companies and management teams.

When you look at Europe, which sectors or regions illustrate how private equity's opportunity set is evolving?

I continue to think Europe is an attractive place to invest. It is different from, and more complex than, the US, but you can make good money investing in Europe. Europe still leads in a number of areas, such



**David Novak (far left)
on stage with CD&R
Co-President Rick
Schnall (middle) and
CEO Nate Sleeper.**

as sustainability, the energy transition and parts of the life sciences sector, among others. It also benefits from a deep base of industrial technology. However, where China once competed largely on cost from an industrial perspective, that dynamic has shifted, in that China now has some of the best technology in the world. So, while Europe has a strong starting point in industrial technology, it has to be repurposed in a proactive way to be ready for the next wave of industrial innovation.

From a pure investment and business perspective, I believe there will be a rethinking of the whole defense complex, and that is an opportunity. At the same time, traditional industries in Europe, such as the auto industry, are under real threat of disruption as new players from across the world, most notably China, continue to advance.

Europe is clearly grappling with its place in the world, and what this means for the future of its competitiveness. These types of environments, while complex, can provide really interesting and exciting investment opportunities, but you have to look hard.

The curious thing about investing in Europe is that investors can get caught up talking about macro, but private equity investing—particularly the way we do it—is a very micro business. It's focused on the geography, the industry, the sub-sector, the specific company, and the specific management team and the unique value-creation opportunity. Notwithstanding the additional complexity that exists in Europe relative to the US, if you're willing to embrace it, there are a lot of places where you can create value. I happen to think complexity is the fun part. One reason I've stayed in Europe this long is I like that complexity, I like the challenge it presents.

Not everyone would agree that complexity is fun, but even in our US business, we're leaning into complexity even more than we used to. There's a level of strategic consistency in what we do, but what comes with it is more hard work, more grind to do things differently and do them well. You have to be up for that, but we believe the results will follow.

How do you expect the fundraising environment to change over the next five to 10 years?

Fundraising has a cyclical component. We're in one of those periods where it's harder. But I think private equity will continue to perform, so the long-term trends for capital flow into private equity should be good.

When interest rates are low, and the macro is good, it's easier to make money and return capital.

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MARK BARNETT is a Partner in Brunswick's Global Financial Practice Group. Based in London, he was formerly Head of UK Equities at Invesco.

When the macro is tougher and there's more uncertainty—geopolitically and economically—it makes sense that the institutional LP [limited partner] market will be more focused on where they put capital.

The other side is the growth in the wealth and retail channel—which some estimate is \$150 trillion, with only a small percentage allocated to alternatives today. That's a new opportunity for the private equity industry. It's hard not to think the wealth and retail channel will be an increasingly large part of the capital base. Some describe it as the democratization of private equity.

Not every firm and asset class is suited for that. Our strategy of private equity only—where we get commitments for five years and call capital when we have a deal—doesn't lend itself well to retail products. I think the diversified firms will likely be the early winners in raising capital from the retail channel.

What would you tell someone just starting a career in private equity?

I'd tell them it's hard to invest well. It's not hard to take out your phone, open your Robinhood account and buy a few shares of Apple or Nvidia. But if you want to be really good at your craft you have to embrace the fact that it is hard to do it well, so be prepared to do the work.

I would also emphasize that private equity is an experience-based business. The more reps you get, the more businesses you see, you develop pattern recognition and become a better investor. It's important to think long term about your career and development path.

I'd also tell them: Think about why you want to become a private equity investor. The attraction is great; you learn about investing, capital markets, finance; you get exposure to different industries and businesses; you work closely with senior management teams even at a young age. There are a lot of great things about the job. But if those things are not of interest, there are a lot of other exciting things to do in the world beyond private equity.

The world doesn't need another private equity investor. If you do choose to do it, however, do it because you love it, because it gets you out of bed. Do it because you get energized not only by the exposure and what you learn, but also the day-to-day grind that it takes to actually become good at it.

If that resonates, then get involved—private equity still has meaningful work to do, and its next chapter will be written by those who truly want to do the work. ♦

THE CONVERSATION AROUND CRYPTO HAS long focused on Bitcoin price speculation. That impression has not been helped by what *The Economist* called “the coldest crypto winter yet”: between early October 2025 and March 2026, Bitcoin fell from \$124,000 to around \$70,000, and the total market value of all cryptocurrencies dropped by more than \$2 trillion.

Against that backdrop, the idea that the technology already underpins a large and growing financial infrastructure might sound like industry hype. Yet last year, transaction volumes in stablecoins—digital tokens that maintain a stable value by holding reserves in US dollars or short-term government securities—reached \$33 trillion. By the end of the decade, *Bloomberg Intelligence* forecasts stablecoin payment flows could approach \$56 trillion, surpassing the world’s largest payment networks. And hundreds of millions of people around the world are getting core financial services from crypto-powered products beyond investing.

Max Branzburg, Head of Consumer and Business Products at Coinbase and a member of its executive leadership team, has helped drive the evolution of the business, and the industry at large.

Founded in 2012, the US cryptocurrency exchange was set up initially to make it safe and easy to hold Bitcoin. But it has expanded into what the company describes as the “Everything Exchange,” where users can trade equities, commodities and prediction markets alongside millions of cryptocurrencies; spend on a 4% Bitcoin-backed credit card;



Coinbase’s
MAX BRANZBURG
on crypto winters,
AI and “bringing
the financial
system up to
internet speed.”

The EVERYTHING EXCHANGE

earn a high yield on savings; borrow, lend and more.

This evolution took place against a regulatory landscape in the US that shaped—and, some contend, constrained—the industry. Under former Securities and Exchange Commission chair Gary Gensler, regulators argued that many digital assets functioned as unregistered securities. The agency brought enforcement actions against crypto firms while warning of widespread misconduct. Industry leaders responded that the absence of clear rules was stifling innovation and pushing activity to more permissive jurisdictions. The clash became a test case for how the US would treat an emerging technology:

as an extension of existing financial markets, or as something fundamentally different. The regulatory picture has somewhat clarified: Congress passed stablecoin legislation in 2025 and is closer to resolving the rules around market structure.

Branzburg came to crypto by way of Google,

By **ASH
SPIEGELBERG**
and **EDWARD
STEPHENS**

where he co-founded Google Pay India. The experience of building financial services for a population of a billion-plus individuals—most of whom lacked credit cards but carried smartphones—shaped how he thinks about what blockchain technology can do.

“That same mission, giving people access to better financial services, was what drew me to Coinbase,” he says. “Crypto offered the potential to update the financial system on a new, more powerful technology stack.”

Branzburg spoke with Brunswick Partner Ash Spiegelberg about Coinbase’s role in crypto’s next phase, how AI fits into that picture and why he believes “there’s another step-change coming.”

You’ve been through several crypto winters. Is anything about this one different?

I’ve seen a number of different crypto cycles—from the 2018–19 winter to the post-FTX freeze of 2022–23, and the shifting cycles over the last year or so. In each of those cycles, the analysts and observers have focused on asset prices and the builders have focused on advancing the technology.

Now, more than ever before, the fundamental technology has decoupled from the price of any individual asset or trading volume. Stablecoin usage, for example, is at all-time highs, creating tremendous value for the global economy no matter what is happening with the price of Bitcoin. And Coinbase has evolved through previous winters, becoming the Everything Exchange where our customers can trade any asset on the platform, regardless of the macro conditions.

As the technology continues to improve and regulators around the world improve clarity, I expect we’ll see less cyclical behavior and more consistent acceleration towards updating the financial system.

You posted this in 2022: “The difference between what people think Coinbase is, and what it actually is, is jarring. It’s like we’re watching the same movie, but folks keep leaving the theater and missing key scenes.” Do you still feel that way?

I think people are still catching up to the full movie. Coinbase became popular early on by making crypto easier to trade, starting with Bitcoin. That was important, and Bitcoin is an incredible way to store value and hedge against inflation for people around the world.

But that’s only one piece of what Coinbase does today. Now, you can trade millions of different cryptocurrencies, stocks and ETFs, commodities and

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prediction markets. You can direct deposit your paycheck directly into your Coinbase account, earn the top-of-market yield on your savings, spend on an American Express-powered credit card that earns 4% Bitcoin back in your account, send money anywhere globally for free and more.

Last year, more than \$30 trillion in transaction volume happened in stablecoins across the industry, and Coinbase is helping to facilitate that with USDC, a US dollar-backed stablecoin. Today, you can manage all of your finances on Coinbase with best-in-class rates and services that help your money go further—all in one app.

How do you explain that disconnect—trillions in transactions, the exciting applications, and yet people still think of the space largely in terms of a single cryptocurrency?

New technologies take time to be understood. If you asked people in the early days of the internet what it was for, they might have said bringing newspapers online. Rather than being limited to distribution through newsstands around the world physically, you can distribute them digitally to anyone, anywhere. That was pretty groundbreaking. So that answer would have been right in describing what the internet had been used for in the past, but it would have missed what was being built at the same time: social networks, e-commerce, entirely new ways of interacting.

I think something similar is happening now. People see the parts of crypto they already understand, but miss what’s being built alongside them. Much like they didn’t see the vast potential of the internet, they are missing that crypto is enabling an updated financial system that is faster, more rewarding and more global. And those who see that earliest will benefit the most.

You announced that people can trade stocks, futures and prediction markets on Coinbase. For people who aren’t familiar with the app or business, how does that work, and why should everyday investors be excited about that?

Coinbase is becoming the Everything Exchange—a single trusted place where you can trade every asset, borrow, lend, save and spend with the most attractive rates in the industry. With more than a decade of investment in core crypto and tokenization technology, we can now bring all asset classes into crypto to enable more efficient and global markets than have previously been possible. For the \$1 trillion in global stocks traded daily, \$10 trillion in FX,

“WHEN YOU’RE BUILDING BRAND NEW THINGS, THE TRAJECTORY ISN’T A STRAIGHT LINE. THE INTERNET STARTED IN THE ’60s; AI HAS ROOTS BACK TO THE ’50s.”

and more, this technology is unlocking meaningful gains in efficiency and accessibility. The Everything Exchange will be the single unified platform where you can invest and trade in every asset class 24/7, bringing the financial system up to internet speed.

After years of uncertainty, US crypto regulation is starting to take form. How do you think that will affect innovation across the industry and at Coinbase specifically?

We’ve spent years building the “iceberg”—the massive technical and compliance infrastructure below the surface. Now that the regulatory fog is lifting, the world is finally going to see the tip: a financial system that is 24/7, global and significantly cheaper. Clear regulation finally gives us space to bring that more modern system to every investor and every asset class.

You’re probably sick of talking about AI—

[Laughs] I’m not sick of it at all. I think we’re at an incredibly important moment, both for crypto and AI.

So how does AI fit into that picture for Coinbase?

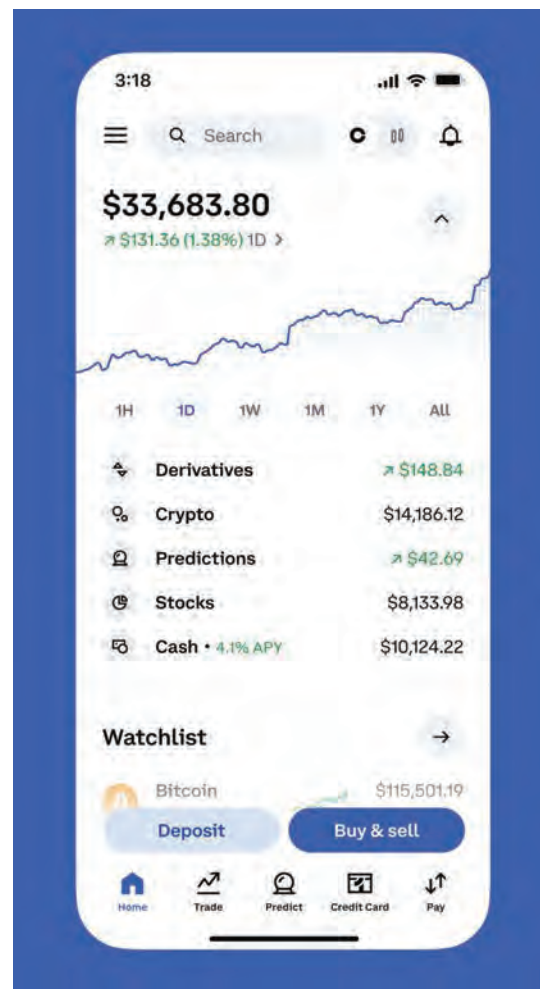
Internally, we operate AI-first in everything we do, from engineering to design to operations. That enables us to improve quality and velocity.

We’re also building products for customers to use AI in novel ways. For example, x402 is a payment protocol that enables AI agents to make payments. As AI agents proliferate and do work on behalf of people, they need to be able to pay for goods and services, and they can now do that with USDC and x402.

We’ve also built an AI-powered Advisor for Coinbase users. Whether you’re not sure what to trade or want help executing some complex trading strategy, the Coinbase Advisor can develop novel strategies that weren’t previously possible. There will be a lot of experimentation in this space, but I wouldn’t be surprised if this becomes a more common interface for trading than traditional order forms and number pads.

Some feel fatigue after hearing about crypto’s promise for years. What do you say to skeptics who feel it’s always just over the horizon?

That’s what innovation looks like. When you’re building brand new things, the trajectory isn’t a straight line. The internet started in the ’60s; AI has roots back to the ’50s. You had people look at both of those technologies and confidently predict they



“The Everything Exchange will be the single unified platform where you can invest and trade in every asset class 24/7, bringing the financial system up to internet speed,” says Branzburg.

were finished.

What I love about building in crypto is the long-term commitment. We’re building an entirely new economy. It won’t happen overnight, but if we stay focused and keep investing, the results will become clear in people’s everyday lives.

Hundreds of millions of people already use crypto around the world. But there’s another step-change coming. I think we’ll see crypto eat all financial services as people and businesses around the world move their money onto crypto platforms like Coinbase.

That may sound ambitious, but we’re seeing some signs of it already, and I think it’s coming sooner than people expect. ♦

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ASH SPIEGELBERG, a Partner, is Global Co-Head of the firm’s Technology, Media, and Telecommunications (TMT) group. **EDWARD STEPHENS** is a Director and Senior Editor of the *Brunswick Review*. Both are based in Dallas.

PROMISE KEEPERS

URING THE 10 YEARS ENDING

in 2024, the Canada Pension Plan ranked second out of 25 global pension funds in terms of investment returns, according to Global SWF. With an average annual return of 9.19%, Canada trailed only Sweden's AP7 fund during that period. • The leader in charge of that plan's investment decisions is John Graham, who earned accolades (and patents) as a scientist at Xerox before joining Canada Pension Plan Investment Board (CPP Investments) in 2008. Brunswick Partner Alex Yankus interviewed Graham about his investment thoughts and philosophies.

In your investment approach, how are you balancing geopolitical risk and the heated debates around it?

We've been around for 27 years. Go back 10 or 15 years, and investing was about following the money, about profit maximization. Gradually, concerns like industrial policy and national security began influencing the flow of capital. Now, geopolitical risk or domestic political risk has been brought forward from the appendix to the first or second page of almost every investment recommendation.

As an organization, we've invested heavily in building our tools internally to assess risk. We also listen to many different perspectives. But we must also be realistic in acknowledging that we don't have an edge in predicting these things.

For example, I can sit in a meeting for two hours, hear a lot of really interesting information, then at the end I ask myself, "Am I going to make a different decision based on what I just heard?" If not, then what information do I need to



As CEO of
CPP Investments,
JOHN GRAHAM
oversees the
management
of almost C\$800
billion in retirement
funds on behalf
of 22 million
Canadians, about
half that nation's
population.

make a different decision? We're very careful not to swing the portfolio around based on the news cycle of the day.

This is why one of our core beliefs is diversification. The expression we always use is "diversification is an act of humility." We're having lots of opportunities to be humble these days in the investment markets.

You've talked about how others think in quarters while you think in quarter centuries. In today's environment, what does it mean in practical terms to act as a long-term investor?

Sometimes it means you need courage. I've described our portfolio as a super tanker. If you're a super tanker, you must have a destination and for us, the destination has to be long term. You can't turn a portfolio the size of ours on a dime.

Right now, the investing world is being challenged to think long term and to really think about what that means. If we look at GDP growth for the past 150 years, we have a pretty good track record of growth and prosperity, through world wars, pandemics and trade wars. We have bumps along the way. But you see—over the last 100-plus years—that curve going up and to the right.

One of the most important lessons is to stay invested in the market, even though you know that there are periods when that is going to be painful. There's 100-plus years of evidence that shows that those who stayed invested in the long run prospered. The opportunity cost of trying to get in and out of the market is really high.

We take a view that over 20, 30 years you will get paid for risk. And you'll keep getting paid for risk. We're in a period right now of technological revolution, and it raises a couple of questions: What happens to the investments we made before ChatGPT launched? Does the value of changing your mind go up, when you're going through a technological revolution? Long term, we keep coming back to the fact that there will be ups and downs and we need to stay invested and stay on risk.

Did you anticipate transitioning from science to investing? Or did you think you were going to be a scientist your entire career?

The transition was never as abrupt as other people think it must've been. I worked as a scientist for Xerox, though even there my role evolved a bit onto the business side, and I did my MBA part time. It did mean that I brought a quantitative skill set to CPP Investments.

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I started here in the very early days of CPP Investments. I do have to say, when I first received the call about this opportunity, my reaction was, "John Graham is a very common name. Are you sure you have the right John Graham?"

How are you improving and modernizing the organization—whether that's through technology, talent, decision frameworks—to ensure it remains adaptive?

First, always, we anchor ourselves in our purpose. We manage the surplus funds of the Canada Pension Plan for 22 million Canadians. Our mandate is enshrined in federal legislation. And that is to act in the best interest of contributors and beneficiaries, and to maximize returns without undue risk of loss.

The legislation that created CPP Investments is pretty clear. It says, "This is your mandate. This is your purpose." Everything else we've done as an organization has been a management choice to fulfill our mandate.

For example, we've made the choice that the best way to maximize returns without undue risk of loss is to be an active global investor, to have offices around the globe in New York, London, Hong Kong, Mumbai, São Paulo and Sydney. We've also made a choice to invest in both public and private assets. These are choices. That's not our mandate. And that's not our purpose. Those are execution choices the organization makes.

I subscribe to a kind of biological view that how the organization will fulfill its mandate is constantly evolving. The world is in constant evolution and so are we. The inevitability of change is an ethos we try to embed in the organization.

We look different from 10 years ago. And in 10 years, we'll look different from today. To maximize returns without undue risk of loss, our approach will constantly evolve. We've opened offices. We've closed offices. We've grown and we've shrunk. We've gone into asset classes. And we've changed how we think about entering into an asset class, making sure we never get stuck in the middle, as these markets evolve.

On AI, what is your approach to it as an operational tool, and as an investment?

We've deployed multiple tools to every single employee in the organization. We have provided ample opportunities for training. We're trying to create superusers in AI, with a view that we can't even think of some of the things AI will create, so let's not limit our approach to senior management

thinking about a couple of great things to do with it. On the investing side, this has been an opportunity to be humbled. We do have investments in the sector, including in many of the big model companies. But it's a bit like putting chips on a lot of different squares right now, because we don't know who will win.

We have been knowingly underweight on some of the AI stocks in the public markets for various reasons. We were knowingly underweight, because we were a little bit uncomfortable with the way risk was being concentrated in the public markets. We know we are peeling away from the S&P 500—it becomes very hard to keep up with the S&P 500 when you're not putting 35% of your portfolio in the Magnificent 7. But that's a deliberate decision we have made because we want to avoid concentration risk, and because we need to manage the Fund over a very long time horizon.

The discussion on software over the past few months has been something really interesting to watch. In the span of a week, you see the invisible hand of the market evolving from, "AI is a tailwind to the industry," to AI being a headwind. That "winner" might turn out to be a loser with AI. We're trying to work through that. It's not easy.

In describing your organization's evolution, you used the word biological. As someone who holds a Ph.D. in chemistry—and who for years worked as a scientist—do you make use of that expertise as an investment CEO?

I'm a big proponent of the scientific method. What is the question I'm trying to answer? And how do I answer that question? As opposed to: Let's boil the ocean and see if we find any answers.

But having been in this career for 20 years and still knowing very little with certainty, the one thing I do know with absolute certainty is, I'm not a scientist anymore. I don't do science anymore, because science has answers. Investing just has inferences.

You're both an investor in private equity funds and a co-investor with them in their deals. How does this dynamic work?

I'm a big champion of what we call the partnership model, where we invest as a limited partner with those who we think are the best and the brightest general partners. Then we have an opportunity to co-invest or co-underwrite on an economically advantaged basis. It's been a model we've been running for 20 years. And it works. I think it works for everybody. I think it's a true win-win.

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Does it ever create extra complexity?

Having done it for 20 years, I don't think it's easy. For sure it adds complexity. It means we have to invest in high-quality teams to do the co-investing and the co-underwriting. At the end of the day, it's probably hard to drive attractive returns without accepting a certain amount of essential complexity. What you need to avoid is the accidental complexity that often is a hanger-on.

What are your thoughts about recent challenges in the private credit markets?

I'm still positive on private credit. I think private credit has a real role to play. Private credit is good at matching the duration of the assets with the duration of the source of funding. Mismatches can occur when you have retail investors involved who have a shorter investment horizon. Institutional investors like us understand that an investment may have no liquidity for 10 years.

I also think that private credit is a positive source of capital in the market. I'm similarly bullish on private equity and private assets in general. As an investor with a long horizon, we know that pendulums will swing back and forth, and we've built a portfolio designed to deal with that.

Recognizing that you're not the pension plan, you're its money manager—is there any concern about there being sufficient funds to accommodate increased human longevity?

When you think about the sustainability of the pension plan, longevity is definitely an issue. It comes back to the value of CPP Investments, and a review released by Canada's Chief Actuary in December 2025 showed that the plan is financially sustainable for at least 75 more years across a wide range of demographic and macroeconomic conditions.

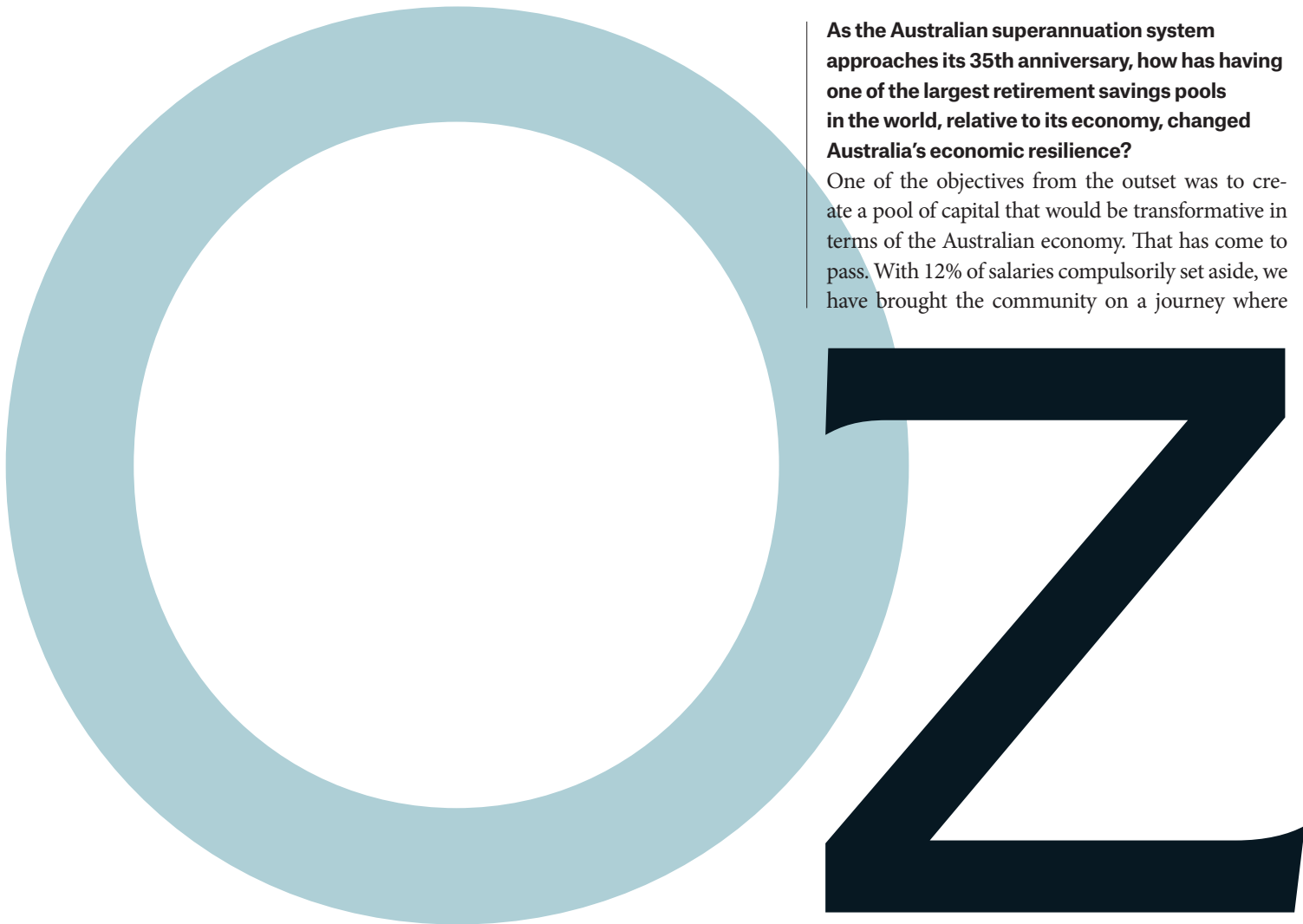
CPP is the compulsory program that all Canadians contribute to. It is the same as Social Security in the US. Every paycheck, there's a deduction (the standard is about 6%) for Canadians that says CPP. What they get in return is a promise, a promise that when they retire, they're going to get an inflation-adjusted pension for as long as they live. If they live to 120, and we hope they do, they will keep getting CPP.

We're here to be promise keepers, to help make sure that the promise that's been made to 22 million Canadians is kept. ♦

ALEX YANKUS, a Partner in the New York office of Brunswick, serves as the firm's Financial Institutions Group Global Lead.



How Australia's
biggest super-
annuation fund
continues to
transform the
nation's economy.
By **MICHAELA
BROWNING**



As the Australian superannuation system approaches its 35th anniversary, how has having one of the largest retirement savings pools in the world, relative to its economy, changed Australia's economic resilience?

One of the objectives from the outset was to create a pool of capital that would be transformative in terms of the Australian economy. That has come to pass. With 12% of salaries compulsorily set aside, we have brought the community on a journey where

DON RUSSELL is the Chair of AustralianSuper, Australia's biggest superannuation fund with assets over \$410 billion. The Australian superannuation funds now manage more than A\$4.5 trillion in assets (\$3.2 trillion), making the funds collectively the fourth-largest pension pool globally, a ranking expected to rise to second by 2035. Nearly 50% of those funds are invested offshore, and superfunds, including AustralianSuper, have the capacity to invest either directly or passively. • Russell, who holds a Ph.D. from the London School of Economics, is a highly respected voice on economic and policy matters in Australia and the surrounding region. His previous government positions include Secretary of the Department of Industry, Innovation, Science, Research and Tertiary Education, Australian Ambassador to the United States, and an advisor to Treasurer Paul Keating, who later became prime minister.

RISING

they have had to be willing to systematically forgo current consumption in the interest of much larger future consumption when they retire. Countries which save more and find a way of channeling those savings into sensible productive investment over time tend to be richer, and that's been the virtuous circle for Australia. We have brought the community along a path where Australia consumes less but can look forward to a dramatically improved retirement. If you look at the numbers, private consumption in Australia as a proportion of GDP is less than in the US or the UK. We don't consume as much. We save more.

We've also been blessed by successive Australian governments that have not tried to gobble up too much of what savings are available. Australia has been able to fund a quite large growth in investment

in the private sector, particularly around the time of the resources boom when Australia secured much of the global supply response prompted by the urbanization of China.

Australia has been able to fund things which we would not have been able to fund without the huge superannuation pool. Take infrastructure: Australians are always a bit surprised, when they go to the UK or the US or other parts of the world, at just how rundown and dilapidated local public infrastructure is. Things get funded here. Not quite like the private equity set up in the US, but given that we are only 27 million people we have quite a vibrant private equity market here.

We also have a surprisingly imaginative corporate bond market, where you have people borrowing in the Australian bond market out of Asia and even Europe for example. That would not have happened without our retirement system. The Australian capital market is significantly deeper, richer and more innovative than it would have been otherwise.

In what appears to be a global era of short-term politics, what are the implications for long-term savings?

Long-term savings matter. But countries around the world are wrestling with unstable politics, unstable coalitions, disgruntled electorates and changing political alliances. So there's huge pressure on governments to deal with the immediate. They have no flexibility to look through current problems to focus on solutions and policies that hold out the prospect of much greater, beneficial, longer-term returns.

In regard to long-term capital and savings, which global economic or policy shifts are the most underestimated right now?

There are huge demands on government for current expenditure and supporting people through transfer payments. There's also huge pressure on governments to cut taxes. Governments are borrowing more than they have in the past, and these huge borrowings are leading to larger pools of government debt, raising concerns about interest payments and debt instability. But it's also upending the savings and investment balances that govern how the whole economy works.

Something tends to get squeezed. I'm not sure people fully appreciate the real economic effects that huge government borrowing will have on the capacity of the corporate sector to invest and even government's capacity to invest in such things like infrastructure.

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In terms of sectors and geographies, what is the current focus of AustralianSuper's investments?

One of its great strengths is that the Australian system was set up as a defined contribution system. That means the member carries the investment risk totally, which means the funds have to invest the members' money in the most productive and effective way possible.

Within the setup we have, it would be totally unreasonable for the member to carry not only the investment risk but also other responsibilities, like nation building, or channeling investment funds into things which may be socially worthwhile but don't necessarily enhance the financial circumstances of the members. It's entirely up to the board to deliver the best returns for the member, with the trustee making a judgment about risk and return.

We are always under huge competitive pressure to invest the money fully. Because we're always looking for the best returns that we can get, risk adjusted, and because we are not constrained to look in any particular areas, the world is our oyster, so to speak.

We can make judgments about a whole range of securities and countries. The pressure on us to be sensible and productive in our investment strategy is huge. There is also pressure on us to be imaginative. We are forever asking ourselves: Is this a good security to hold in our portfolio for our members? And that has proven to be an excellent discipline for us.

We've delivered returns which people wouldn't have expected at the time we set up the system 30 odd years ago—annualized returns of 8% and 9% over 15, 20, 30 years. Individuals really like the idea of having financial assets that belong to them. They really appreciate the flexibility, the empowerment that comes later in life, knowing they have financial assets which are entirely under their control. It just makes people feel better.

You have invested quite a bit in the US. How do you see the US progressing over the long term?

We don't have overarching country views. We're looking at everything on the basis of individual securities and individual assets. Although, obviously individual assets and individual securities gain their income from particular countries.

There are therefore country risks that must be considered, and we are always watching the changing dynamics of any particular country. But we're not imposing a judgment from on high about individual countries.

What has stood us in good stead over the years is diversification. You don't put everything in one place. Find assets that are not correlated, if you can. Build portfolios where you are confident that you know what you are investing in.

What we have also learned over the years is we can use our scale very effectively to build sensible, productive partnerships with large global players, particularly in private markets, where we can take advantage of the partner's expertise, but also negotiate arrangements that reflect our scale and what we bring to the table. And a good partnership relationship can be one way that we can effectively take account of changing circumstances inside particular countries and individual sectors.

The US has been this huge engine for growth, innovation and the development of particular companies. The US has also had this capacity to refurbish old companies. Private equity is an extraordinary thing in the US, helping companies develop, helping companies refocus. As long as the US continues to be highly innovative and continues to have a capacity to build wealth, we will always want to be invested there.

It's true that when you are considering the attractiveness of a particular investment, issues to do with institutional stability and the rule of law can be negatives and you have to take account of such things. But as long as the US continues to have this capacity to innovate, create wealth, and do it on a huge scale, it's always going to be attractive.

And the UK?

The UK is not in the same category as the US. If the US sits in the middle of the road, the world has to go around them. That's not necessarily the case for countries lacking that size and status.

That said, we've been a big investor in the UK. We have a large physical presence there with an office of around 200 people. That's a large commitment; we see London as an important global financial center, and as a place where there's deep investment talent. We're very committed to London, and to the access to skilled people. We're very much of the mindset that we have this large pool of assets that originates out of Australia, and extends in a large way to London, where our investment capability is global.

How about Japan, where the government has a new, significant majority mandate and has outlined 17 critical priority areas where more investment is wanted, from within and outside?

Again, we look at individual assets against the

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country's risk. It's not Japan on, Japan off. Big calls around a country tend not to be well compensated. But yes, there are good assets and good exposure in Japan and yes, the Japanese corporate sector does seem to be in transition.

There are also good managers who know the local scene well. Certainly we're big enough to do things in-house. But hiring managers with a local presence gives us another degree of freedom in terms of being able to make calls about what we might want to do in a particular country.

Is there a particular challenge ahead that has your attention?

The success we've had to date has been very much built on the accumulation stage of our members' journey with us. Now those members have quite sizeable balances and are reaching an age when they have to give serious thought as to how they are going to manage their retirement.

The decisions that members have to make as they approach retirement are much more complex than the decisions they had to make during the accumulation stage. The reality is that a fund like ours is very much a mirror of the Australian community.

We have more than 3.6 million members, and the composition of our members is very much the composition of Australia. A sizeable proportion of the community, including our members, are not particularly well equipped to deal with complex financial matters.

We have a system which is very individual based, quite deliberately, and that's why it's been so successful; but it also means that we're getting to that point where we are expecting individuals to make decisions which aren't just about their super balance with us, but are also about the rest of their personal circumstances too.

Our members are very pleased to have these large financial assets, but they are conscious that they are going to have to make some big financial decisions. We are going to have to help them with these decisions and do it in a way that they find useful. And we are also going to have to do this at scale. That's a huge task for us. It can be done, but we will have to harness digital innovation.

We've got to make sure that our members are protected and equipped to make good decisions. That is probably our biggest challenge. ♦

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MICHAELA BROWNING is a Brunswick Partner and the firm's Asia-Pacific CEO. Based in Sydney, she is a Board member of US-ASEAN Business Council.

A HIGH-VISIBILITY CHANGE IN THE investment world took place in Omaha on January 1, when Warren Buffett stepped down as CEO of Berkshire Hathaway.

His 60-year run as Berkshire CEO saw its share price rise from less than \$20 in the mid-'60s to over \$750,000 today. His famously pragmatic outlook and buy-and-hold approach transformed the business from a failed textile manufacturer into a multinational conglomerate with a portfolio of investments exceeding \$260 billion. His plainspoken, often humorous letters to shareholders have served as a model of investment strategy for three generations. Every spring, thousands of investors trekked to Nebraska for Berkshire's annual meeting, a days-long affair

He's still
Chairman of
Berkshire
Hathaway, but
what does it
mean that
Buffett is no
longer CEO?

After

WARREN BUFFETT

during which Buffett presided as a hospitable, smart and funny host.

Will those traditions—especially Berkshire's history of investment gains—continue under new CEO Greg Abel?

For answers to that and other questions, we turned to Lawrence Cunningham, Buffett's perhaps most trusted chronicler. A business and law school professor, Cunningham holds seats on multiple boards and is Presiding Director of the Weinberg Center for Corporate Governance.

More famously, he is the author of *The Essays of Warren Buffett*, one of the most popular books in the investment world. Organizing Buffett's characteristic letters to shareholders by topic, the book has been described as the definitive guide to Buffett's investment philosophy. First appearing in 1997, it has today sold more than a million copies and has been translated into 12 languages.

In addition to *The Essays*, Larry Cunningham is the author or editor of over 20 books, including a leading college text on corporations. He has served as a tenured professor at Boston College, George Washington University and Yeshiva University. He received a National Association of Corporate Directors Lifetime Achievement Award in Corporate Governance in 2018 and was included by NACD among "the most influential people in corporate governance

LAWRENCE CUNNINGHAM,
author of
*Berkshire
Beyond Buffett*,
shares insights
on the legendary
investor and
the future
of Berkshire. By
KEVIN HELLIKER

and the boardroom." He is also on the *Directors & Boards* select list of "Directors to Watch" in 2026.

Can Berkshire Hathaway shareholders place their trust in Greg Abel? After all, he built Berkshire Hathaway Energy into a \$133 billion portfolio.

Yes. Think of it this way: Selecting Greg was Warren Buffett's most important decision in his entire professional career. So, 75 years of allocating capital, hiring people, firing people, managing that big organization and all the CEOs of the subsidiaries, of the companies where he was on the board. Of all that career, this is the most important thing he's ever done. So, if you trust Warren, by implication, you trust his judgment in Greg. I have some other reasons I think he was a great choice as well. But that'd be my number one.

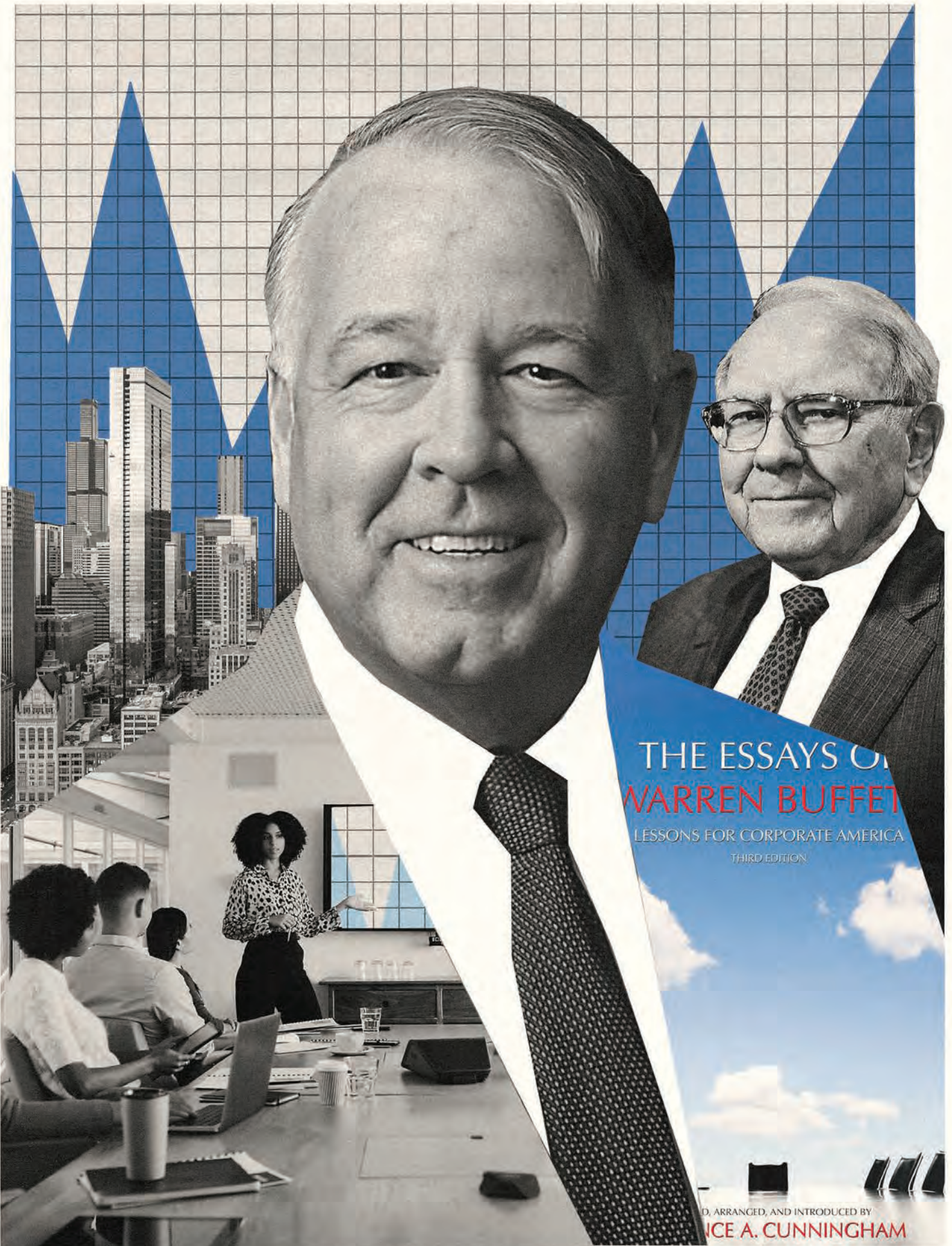
You've written that Abel might prove to be less tolerant of underperformance. Is that a reason for investors to feel confident?

I think so. Warren is famously hands off. He and his partner Charlie Munger used to joke that they delegate just shy of the point of abdication. Warren doesn't change managers just because their businesses are underperforming. He's said that often. Some of the companies are spectacular. But there are a lot of mediocre performers. Could they do better?

Warren's primary brilliance is investing and allocating capital, not really supervising managers, or even managing businesses. That wasn't his superpower. In contrast, that is Greg's superpower. He has very good capital allocation instincts, very good investment philosophy, applies the Berkshire principles. But his superpower is managerial skill, leading people, persuading people, being a manager.

I've talked to him about this. He's going to keep the Berkshire principles of autonomy and decentralization. He was very clear to me about that. But he might feel you have to earn that right to managerial independence. I don't think he is going to be as hands off. But the company's also in a different stage now. Buffett built the company from scratch. We're in a maintenance and operation stage now.

Greg knows he's not Warren Buffett. I don't think you're going to see him having that six-hour Q&A at



THE ESSAYS OF
WARREN BUFFETT
LESSONS FOR CORPORATE AMERICA
THIRD EDITION

EDITED, ARRANGED, AND INTRODUCED BY
ALICE A. CUNNINGHAM

the end of a meeting, trying to field questions, eating peanut brittle and joking about Coke giving you longevity. I don't think he's going to try to do any of that. He will try to write a shareholder letter that he would want to get, if he was the investor. But I don't think he's going to try to have Buffett's Midwestern, aw-shucks witticisms and aphorisms, and quotations of famous authors and filmmakers. He has to be himself. He'll do it his own way.

How did you succeed so spectacularly in gaining Buffett's trust?

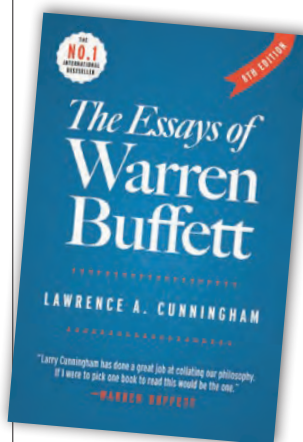
I would say I gained it through a chain of trust. The chair of my university was one of Warren's best friends, and the dean at my school was very good friends with Warren's chief legal advisor. They helped get my proposal in front of him, which was to put together a collated collection of his letters to be the centerpiece of an academic symposium, ideally with him in attendance.

It was a leap, because I knew he had turned down other people who had proposed a book of some sort around his letters. The difference was that I had two people that Warren trusted vouching for me. Warren thinks trust is one of the most important parts of any relationship, business or professional, or otherwise, and he did vet me.

He not only said yes, he brought his whole entourage to our big conference in New York—his wife, his son, Berkshire's Ajit Jain and Bob Denham, and their wives. The conference was two days, a Sunday and Monday, in late October of '96, and it was very successful.

What resulted from that was 150 pages of his letters, conversations from the conference, some panelists talking or writing about him, and from that gathering it seemed clear that I should publish it as a book. As it turned out, the conference had gotten a little press, people all over Wall Street were talking about it, and some of the big publishing houses started calling me, offering big advances for a book. So I called Warren and asked for his advice and he said I could do whatever I wanted. But his advice was: Don't sign a book contract with any publisher. Just publish this yourself. His argument was that once you sign a contract you surrender editorial control, and you get only a fraction of the proceeds. So I took his advice. It was a lot of work but it was worth it. Then it was Warren's idea to come out with a new edition every few years.

More than an investor, more than a CEO, Buffett is widely respected as a kind of modern-day Ben



"LARRY CUNNINGHAM HAS DONE A GREAT JOB AT COLLATING OUR PHILOSOPHY. IF I WERE TO PICK ONE BOOK TO READ THIS WOULD BE THE ONE."

Warren Buffett

KEVIN HELLIKER is a Brunswick Partner and Editor in Chief of the *Brunswick Review*. He is a Pulitzer Prize-winning journalist, formerly with *The Wall Street Journal*.

Franklin, a voice of wisdom and compassion. Is he a role model for younger executives?

Yes. And I know quite a few of them. I'm on the board of two companies where, in both, the CEO is very much a student of Warren's and sees him as a role model. Not only the CEOs but a lot of the leadership teams and managers.

Beyond those two companies, it's not uncommon for younger people to see him as a role model. There are also a lot of cynics and critics, and people who think, "oh, that was a different era." That's just the generational drift that happens naturally.

But I like your Ben Franklin analogy. One of my favorite things about Franklin is that he was a little older than the rest of those founders. He was a real thinker, a real diplomat, a real organizer. He helped bring the French into the war on our side. He coaxed other people into signing the Declaration. He invented the lightning rod and founded a library and a fire department. He was a polymath, but he didn't really steal the limelight.

Warren has a lot of those kinds of traits. He obviously has had a huge public personality that he definitely lived in and loved. But he was never a real self-promoter. Very modest about things. It's harder today, in our much more uncivil society. But Warren had to contend with critics, doubters and naysayers over the years.

He was criticized for missing out on the dot-com era, for instance. He was criticized for opportunism during the financial crisis. And he always played it pretty cool. His ability to stay above the fray earned him, I think, very broad respect.

Can the Berkshire Hathaway model endure?

I think the answer is yes. It will depend very much on the shareholders, in the final word. If Greg is able to promote the performance of the enterprise, across the organization, delivering better-than-market returns—if he can show the value in the model—then the shareholders will nod their heads and agree.

The Berkshire shareholders will be more patient, and this is a big credit to Warren. They're not here for love or emotion; they're here for economic returns. But they'll wait a little longer than average.

Berkshire shows that the conglomerate can still be a wonderful model. And there are other companies that show that too. It wasn't just the Midas touch of Warren Buffett. There's something institutional. That's what my book *Berkshire Beyond Buffett* is about. It's about autonomy, decentralization and trust, the business culture of the organization, the commitment to permanence. ♦

INVESTOR CONFIDENCE IS BUILT THROUGH judgment long before it shows up in the numbers. For leaders of complex, listed businesses, that judgment is expressed through the consistency of a company's narrative, the discipline of its communication, and how leadership behaves when scrutiny is high and expectations diverge.

Such a scenario is well understood by Anglo American's James Wyatt-Tilby, Senior Vice President of Corporate Affairs, and Tyler Broda, Senior Vice President of Investor Relations, both of whom have played pivotal roles in the company's considerable corporate activity of the last two years. Working in a tightly knit group with the CEO, CFO and other members of the executive team, they were central to navigating a rare cyclone of pressures, successfully defending a FTSE 100 company in a takeover attempt, while simultaneously laying the stakeholder foundations for Anglo American's groundbreaking merger with Teck. Unusual for a major corporate



BUILDING BELIEF

transaction, the results have won plaudits from a broad majority of investors and other stakeholders.

Amid a broader trend of consolidation within the mining industry, BHP approached Anglo American in 2024 and again in 2025 with multibillion-dollar takeover proposals. BHP finally abandoned that effort, just two weeks before shareholders voted to approve a proposed merger of equals between Anglo and Teck. Currently valued at \$81 billion, the Vancouver-based combined company will produce about 1.2 million metric tons of copper annually, along with zinc, germanium and premium iron ore. The deal, expected to be finalized by the end of 2026, has the broad support of industry watchers, as well as both companies' boards and shareholders.

The job of bringing Anglo stakeholders along on that tortuous journey fell to Wyatt-Tilby and Broda,

Brunswick's
SONAL PATEL
talks about
the tools
of stakeholder
trust with
Anglo American
Senior Vice
Presidents
**JAMES
WYATT-TILBY**
and **TYLER
BRODA.**

who are responsible for how leadership decisions are interpreted in the larger community. They view confidence, particularly among investors, not as something to be managed in moments, but as something earned cumulatively through alignment, restraint and credibility.

In this conversation, they reflect on how investor confidence is built in practice, how the equity story is shaped and protected, why Capital Markets Days function as signals rather than spectacles, and how alignment across leadership, Investor Relations and Corporate Affairs underpins belief over time and positive market momentum.

ALIGNMENT IS NOT OPTIONAL

For Wyatt-Tilby, investor confidence can't be separated from the wider ways that a company shows up, not least because misalignment across stakeholder audiences quickly erodes credibility.

"Investor confidence is a multidisciplinary endeavor," he says. "It's shaped by the way the organization presents itself across markets, media and policymakers. If those signals aren't aligned, investors pick up on it very quickly. There's nowhere to hide."

That alignment becomes more important when expectations diverge.

"In complex situations, there can be a temptation to overexplain or overcorrect," he adds. "The discipline is knowing what matters, repeating it consistently and being confident about what you choose



TYLER BRODA

not to amplify. Restraint is often key—holding back the instinct to lay it all out.”

Broda sees the same dynamic in investor conversations. “When things are aligned, the conversation shifts,” he says. “You move away from clarification and towards substance. When they’re not, you feel it immediately—more probing questions, more noise.”

That alignment, they argue, only matters if it translates into a shared understanding of what the company stands for.

Both agree: The equity story is not a static artifact.

“It’s not a slide deck,” Broda says. “It’s a shared understanding. You’re constantly pressure-testing whether what you’re saying still reflects what the business is doing and where it’s going. The equity story is always evolving and you need the narrative to stay one step ahead.”

That requires restraint as much as articulation.

“Consistency isn’t repetition without thought,” Wyatt-Tilby says. “It’s deliberate reinforcement of what truly defines the company. Often that means resisting the urge to introduce something new simply because it’s new.”

“If everything becomes a headline,” he adds, “you can quickly lose coherence and credibility.”

VALUE OF CAPITAL MARKETS DAYS

Few moments test that shared understanding more visibly than a Capital Markets Day.

“They’re often treated as a trading event,” Broda says, “but they should be used for long-term

“WHEN THINGS ARE ALIGNED, THE CONVERSATION SHIFTS. YOU MOVE AWAY FROM CLARIFICATION AND TOWARDS SUBSTANCE. WHEN THEY’RE NOT, YOU FEEL IT IMMEDIATELY—MORE PROBING QUESTIONS, MORE NOISE.”

SONAL R. PATEL is a Brunswick Partner based in London and Head of its Investor Brand practice.

signaling. Investors look for continuity—whether the story builds logically on what’s been said before, and whether conviction in the leadership feels earned.”

Success, in his view, is rarely immediate. “If people are still referencing the same themes months later, that’s success,” he says.

Wyatt-Tilby agrees. “A CMD should feel like an expression of strategy, have clear objectives, and not be an annual fixture for the sake of it. If you want to surprise the market, it should be through insight, not because you’ve changed the story again.”

Over time, these moments accumulate and investors draw conclusions not from any single interaction, but from the pattern they see, the message of Capital Markets Day in harmony with all other corporate communication. The level of trust in that message is observed in responses.

“You hear it in the questions,” Broda says. “Are they about fundamentals, or reassurance? Are people engaging with the substance, or still trying to decode the basics?”

Wyatt-Tilby puts it simply. “Trust compounds. It’s built through tone, repetition and judgment. One inconsistency can undo a lot of disciplined communication.”

Neither sees confidence as something that can be created quickly. “It’s cumulative,” Broda says. “And once it’s damaged, it’s much harder to rebuild than people might think.”

This points to a broader truth: Confidence is shaped not just by what is disclosed, but by the consistency and credibility of the story a company tells over time. That confidence builds into belief.

“It resonates,” Wyatt-Tilby says. “Not as a label, but as a recognition that belief is shaped by how leaders behave, even in unguarded moments, not just by what is said at a particular time.”

Broda agrees. “Investors are always forming a view—not just of the numbers, but of the company behind them. Every interaction contributes to that picture.”

WHAT LEADERS UNDERESTIMATE

Both are clear about where senior leaders can misjudge investor perception.

“Tone and body language really matter,” Wyatt-Tilby says. “As well as clarity and consistency, of course.”

Broda is blunter. “You don’t need to be louder. You need to be clearer, and you need to mean the same thing tomorrow as you did today.”

Investor confidence, they agree, is not built in moments, but momentum over time. ♦



AUSTIN LALLY,
CEO of Verisure,

Future SAFE

the leading provider of professionally monitored security services in Europe and Latin America, talks about the company's success story, its recent IPO and its long-term outlook. By **ELSA LUNDQUIST & CARLTON WILKINSON**

IN 2014, AUSTIN LALLY JOINED VERISURE AS ITS CEO. He came from Procter & Gamble, where he had most recently served as one of the multinational consumer goods company's presidents. At that point, he had been with P&G for just shy of 26 years—one tenure, but many jobs, giving him broad experience and taking him to different locations around the world.

"I spent seven special years in Guangzhou contributing to building up the P&G leadership po-

sition in China. And then I came back to Europe, to Germany, to Switzerland, and then the US," he told us in a recent interview. By comparison, Verisure was relatively small, and in an entirely different field. "I would never have imagined at that time that I'd be heading off to lead a monitored home security company."

A native of Glasgow who calls his early P&G position in England "my first international assignment," Lally exudes a bright sense of humor and a warm,

down-to-earth pragmatism. That sensible outlook was in part what brought him to Verisure. In a conversation with the company's investors, it emerged that the market for home security in Europe was undeveloped compared to the US.

"Penetration in Europe was fewer than 5% of homes and small businesses, while the US was more than 20%," Lally says. Yet the consumer habits and practices with consumer goods for the two regions, which he knew from his P&G experience, were very similar.

"So it became an intriguing puzzle," he says. "Why have these markets developed so differently? If we could understand that deeply, we could unlock really significant growth in Europe. And that's basically what we've been doing in Verisure over the past 11-plus years."

That insight was the first step in an extraordinary success story that has driven a decade of consistent growth at Verisure, tripling its customer base, expanding into new markets and deploying a range of new technology. The company now operates in 18 countries in Europe and Latin America.

"The first presentation I gave to the board of directors was called the 'Road to 3 Million,'" he says. "Because 3 million customers seemed like an ambitious target. Later, I had to go back to the board and change it to the 'Road to 4 Million.' Now we are more than 6 million. I've stopped giving presentations like that anymore."

Verisure had been taken private in 2008, before Lally joined. In 2025, the company relisted on the Stockholm exchange in the largest initial public offering Europe has seen since Porsche in 2022. But that is only a milestone, Lally insists. The company's focus, he says, is always firmly on the long term.

Verisure is in 18 countries now. How did expanding into other markets fit in with your vision to grow the market in your base?

First and foremost, it was about building penetration in our existing markets, because even in the markets we've been in for decades, the penetration opportunity is still huge.

Take Spain, our largest portfolio and a market that we've been in since the early '90s, the penetration there is still less than half what it is in the US. We've complemented that over time by expanding in new countries in Europe and Latin America.

In 2014, we were less than one-third of the size that we are today, in terms of customers, but we were still the European leader in a relatively small, sleepy industry, because we were the leader in some

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medium-sized economies, like within Scandinavia and Iberia. So the idea was, what if we take this Verisure playbook to Europe's largest economies? That meant markets like Italy, the UK, dramatically increasing our position in France. Later, it meant entering Germany. And after a very successful entry in Chile, then going to Brazil.

If I take those large European economies—Germany, France, the UK, Italy, Belgium, Holland—they now drive a significant amount of Verisure's growth.

What made this the right moment to relist, given the long trajectory of success? And why Stockholm?

It was inevitable that the company one day would be in public markets, just from a size perspective. Our private investors have been really supportive. There's been a great partnership over the 11 to 12 years that I've been with them.

I often tell people it's sort of natural, spiritual. We sold our first alarm system in Sweden in 1988. Sweden's not our largest market now, it's number three, but it's still important. We have excellent brand recognition, and the investor base in Sweden was very familiar with Verisure. They remember us from when we were listed there between 2006 and 2008. A lot of our Swedish investors had invested with us before and many that I met were customers.

I'm sure if we had chosen a venue other than Stockholm, it would also have been successful, because of the inherent quality of the business. It's the clarity of the business model. It's the track record over a long time. And we attracted about 50% international investors, so clearly that made a difference.

Plus I'm from Glasgow, not so far away. I think of myself as a Western Scandinavian.

Do you think the success of the IPO has renewed interest in the IPO market in Europe?

We hope that we made a positive contribution to the markets and added confidence. But I also think that it comes down to the quality of the individual assets. It was always clear to us it wasn't really about the IPO or the IPO day, because it was going to be a long-term growth story we were trying to communicate. So hopefully that had a positive influence on the markets at the time.

As part of that long-term story, what do you look for day to day?

We're very focused on how many new alarms we sold and on customer loyalty. We've got the lowest attrition in our industry by quite a margin. Currently,

about 7.4% of customers cancel annually; that's quite a low number. That's because of the quality of the intake in the first place and because of the customer experience that we try and deliver.

Then we look at our pricing per customer every year. Over the past 20 years, the monthly cost to serve the customer for Verisure is basically flat. We've eaten years and years of inflation partly by the scale that we've built and also because we make cost efficiency our big focus without compromising on the customer experience.

I've got to be disciplined also about how I invest in marketing and demand creation. I don't want to bring in customers who are going to leave quickly, who are only buying because of price, because we look cheap. We spend on average about €1,500 to acquire a customer. It's not a small investment. That's why the quality of the customer is very important.

The result is that we have a customer lifetime that's about 15 years on average and a very good level of unit profitability per customer. So that €1,500 we spend on a new customer, that pays back in just over three-and-a-half years.

An IPO frequently can introduce new pressures on a company's business model. Do you feel like the investors are on board with that model?

In the run-up to the IPO, we did really extensive investor education. We met hundreds and hundreds of potential investors. And we had a very high

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conversion from the people that we met, who then came into the book at the IPO.

There were three reasons for this. The first was the business model was fairly simple and well-understood. The second is our track record of more than a decade. You're not buying into some newly arrived company telling you a story. There are 10 years of data on the trending schedules that you can dig into. And then I think the most important thing was the runway of growth ahead.

If I look at Latin America and Europe, and all the premises that have yet to be protected—residential homes, apartments, small businesses—you get to over 430 million. Well, I only have 6 million customers today. To get to 430 million customers, that's probably going to take quite a lot of time. But if you asked the question, "Do you think we can get to 10 million, 12 million, 20 million, 30 million?" Look at the track record. We've tripled over the past decade. What investors see is that there's a really attractive runway of opportunity ahead. We just have to go and execute it.

What is your outlook on developing your customer base?

We're about 80% residential and 20% small business. The story here is we're trying to make peace of mind—feeling safe and secure, feeling protected—something for everybody, for every family. We're not focused on high-end villas or rich families. We think that we can be within reach, in our key markets, for families everywhere.

This is not a financial calculation for consumers. It's about emotion. It's about this feeling of being protected, of being safe, of thinking that you've done the right thing for your family.

The reason we are interested in small businesses is these tend to be owner-operated. Effectively, the same technology solutions work well for those customers. So, we're able to add small business as a productivity builder for the company, without having to create two R&D programs, or two different sales approaches.

Is there a particular technology or aspect of R&D that you're especially excited about?

We have got an intervention device called ZeroVision™, which we call the "fog bomb." That is a safe pyrotechnic that we remotely detonate from the alarm monitoring center. It's designed to get the intruder out of the property immediately, because we can't always control how long a police response may take.

The biggest technology challenge in the industry isn't detecting incidents; it's that you end up generating thousands of false positives, alarm signals being triggered. You know something's triggered it, but you don't know if it's a spider, if it's a dog, or if it's an intruder. Those volumes are too high to dump on the local police departments or to dispatch guards each time.

We target 99.5% elimination of the false positives through verification. We were an early pioneer of bringing imaging into the system. We're bringing video to help the monitoring center really understand what's happening in the home; two-way audio to enable the monitoring center to listen in the home. This also enables the monitoring center to talk to the intruder. "This is Verisure. Please identify yourself. You're being recorded." And if they don't identify themselves properly, then we detonate the ZeroVision™ device.

We guarantee the intruder will leave the property within 30 seconds. As we say in our advertising, "you can't steal what you can't see."

AI now is playing an important role. One of the difficult technology challenges for indoor detectors was: How do you differentiate between a big German dog and a small Scottish burglar? Small Scottish burglar crawling along the floor. Is that Austin? Or is that a dog? Outdoors you have bright sunlight, snow or other atmospheric conditions. AI dramatically improves the job of object identification. So we've just brought what we call GuardVision™ into our system.

We've got a rich pipeline of other ideas that are coming in the period ahead.

Has the geopolitical climate given you any surprises or changed the business at all?

We've seen very little impact. We're not immune to the macro. In my business career, I think '22 and '23 were probably the toughest external environment that we had to operate in, but we still sold around 800,000 alarms a year. We still grew and we had only a very modest increase in attrition. What we learned from the various exogenous shocks over time is just how resilient the business is.

For years, we've been strengthening supply chain resilience so that we've got continuity. If you look at our sourcing today, it's supported by quite robust contingency plans.

One of the things that I'm pleased with, even during the supply chain pressures right after the pandemic, we didn't lose a single sale because of supply challenges. The work we did on resilience paid off.

"HOW DO YOU DIFFERENTIATE BETWEEN A BIG GERMAN DOG AND A SMALL SCOTTISH BURGLAR? ... AI DRAMATICALLY IMPROVES THE JOB OF OBJECT IDENTIFICATION."

Do you think that the long tenure you had, now at two different organizations, has informed your views on leadership?

Thirty-six years in two jobs. It does say something about loyalty and commitment.

I was really fortunate in the Procter & Gamble company, because although I worked in one organization for that length of time, it was a real privilege to be able to work in different parts of the world and to touch different businesses. I learned a huge amount and had a lot of fun and I never really regarded it as one job. I think that what P&G and Verisure have in common is the importance of thinking long term.

I know that the average tenure of a private equity CEO is three or four years. Everyone told me that before I joined. But I didn't come in with that timeline in my head. The team that we assembled is amazing. We all shared one idea, which was that we wanted to build a great company.

We wanted to do for security, for residential families, what companies like Orange, Vodafone and others did for telephony, what companies like Dell and Apple and others did for computing. In the early '90s, portable computing and portable telephony were seen as B2B ideas. And then they got democratized; they became for everybody. We want to make it as normal for families to be protected with electronic security as it is for them to have an iPad or a mobile phone.

It was long-term thinking. We really focused on building our own talent. We built up our own technology organization. It took years to build that platform and it was a strong multiyear investment. You don't build the number one brand in 18 countries overnight. We just entered Mexico, not because we wanted to make the 2026 numbers look better, but because we're trying to ensure that the growth profile of the company in 2030 looks as strong as it does today.

One of the things I'm so happy about is the level of commitment and engagement we've got in the company. People are coming here to build careers because they're building a special company. We are very focused on a really strong ownership culture. What we've got to ensure is that as a public company that's getting larger and larger, we don't dilute that culture. We talk about always innovating, trust and responsibility, winning as a team. Those elements are just as important in public markets as they were when we were a private company. ♦

ELSA LUNDQUIST is an Associate with Brunswick, based in Stockholm. **CARLTON WILKINSON** is Managing Editor of the *Brunswick Review* in New York.

THE TRANSATLANTIC COMBINATION OF Herbert Smith Freehills and Kramer Levin was a strategic move by one of the world's leading international law firms to address a long-recognized gap—the US market. It is a move that marks Herbert Smith Freehills Kramer as a global leader. This year will see Ashurst and Perkins Coie, Taylor Wessing and Winston & Strawn, and Hogan Lovells and Cadwalader vote on transatlantic merger proposals.

Reflecting on the combination six months after Herbert Smith Freehills Kramer went live, CEO Justin D'Agostino says the deal represents both continuity and transformation. It builds on decades of global growth while marking a new chapter for a firm intent on meeting clients where they operate.

"It had become increasingly clear to me that we had reached an inflection point," D'Agostino says. "Our clients were global in every sense. Their strategic decisions, capital flows and risk profiles increasingly included the US. Yet we didn't have the scale there that matched the rest of our platform."

A STRATEGY SHAPED BY CRISIS

D'Agostino became CEO at the start of 2020, and the COVID-19 pandemic. Like many leaders, his early months in the role were defined by uncertainty, urgency and an overriding focus on people.

"Those first weeks and months were about survival: keeping people safe, keeping the firm functioning and maintaining trust," he recalls. "Strategic ambition had to take a back seat for a while."

But once the immediate crisis receded, the long-term questions returned more clearly than before. Among them was a structural reality that had been years in the making.

"We were effectively the last top-tier international law firm without real scale in the United States," D'Agostino says. "That wasn't sustainable."

Herbert Smith Freehills had built a formidable international business, with deep roots in Europe, Asia-Pacific and the UK. But the absence of a substantial US platform limited its ability both to follow international clients into the American market and to attract US clients seeking truly global counsel.

"That gap was becoming more pronounced every year," he says. "And once you see it clearly, it becomes very hard to ignore."

DEFINING THE RIGHT PARTNER

The firm's response was methodical rather than opportunistic. D'Agostino and his leadership team undertook extensive market mapping, working



A MERGER MASTERCLASS

CEO JUSTIN D'AGOSTINO shares lessons from the picture-perfect combination of Herbert Smith Freehills and Kramer Levin.
By **AIDEEN LEE, MICHAEL FRANCE** and **LUCY FLOYDD**

through different scenarios and permutations.

"We were very clear about the shape of the firm we were looking for," he says. "This wasn't about buying revenue or chasing headlines."

The priorities were specific: strength in New York M&A, presence in Washington, DC and Silicon Valley, and optionality for future expansion in Texas. Equally important was avoiding significant overlap that could dilute rather than strengthen the combined offering.

Kramer Levin stood out—not only for its market position, but for its mindset.

"They were bold in the way they were thinking about their own future," D'Agostino says. "And the timing was right for both firms."

Just as critical, however, was culture. "Culture can sound like a soft concept, but in a law firm it's existential," he says. "Partners are deeply attached to the

way their firm operates. The fastest way to derail a merger is to get that wrong.”

From the earliest conversations, D'Agostino sensed a strong alignment. “It was palpable,” he says. “A shared sense of professionalism, collaboration and respect for quality. You know it when you see it.”

INTEGRATION WITH INTENT

Many combinations promise integration. Herbert Smith Freehills Kramer embedded it.

As part of the deal, the firms agreed a detailed investment and growth plan in advance, covering lateral hiring, capability expansion and priority markets. Crucially, that plan was included in the partner voting materials. “Partners weren’t being asked to vote on an abstract idea,” D'Agostino says. “They could see exactly what would happen next.”

The firm also resisted the temptation to let integration unfold organically. Instead, it embarked on an intensive pre-combination program. Practice groups met across borders to develop joint business plans. Client opportunities were identified in advance. Business services teams, from IT and HR to finance and business development, were fully engaged.

“It was almost like a manifesto,” he says. “But it wasn’t top-down. These were plans built by the people who would be responsible for delivering them.”

One decision proved especially consequential: appointing a senior executive partner with sole responsibility for integration and growth.

“Everyone already has a full-time job,” D'Agostino says. “Integration can’t be a side project. Making it someone’s only job was a real investment—but an essential one.”

WINNING TRUST INSIDE THE PARTNERSHIP

Between announcement and partner vote lies what D'Agostino describes as the “moment of maximum risk.” Trust, transparency and familiarity mattered.

Here, the firm drew heavily on lessons from the earlier Herbert Smith–Freehills merger. One stood out above all: the importance of a single global profit pool. “That’s what sustains collaboration,” he says. “If people feel like they’re competing internally, the firm fragments.”

Governance was also addressed early. The combined firm would have one CEO and one chair, but with strong Kramer Levin representation on the firm’s executive team and across governance, remuneration and risk committees.

“For this to work, people needed to see themselves

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Brunswick Partner
AIDEEN LEE leads the
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Services sector. Partner
MICHAEL FRANCE is
Global Lead of the Indus-
trials & Infrastructure sec-
tor group. **LUCY FLOYDD**
is an Account Director.

in the leadership of the firm,” D'Agostino says. “That wasn’t a concession; it was common sense.”

PROTECTING THE CORE WHILE BUILDING THE FUTURE

If there is one area where D'Agostino sees room for refinement, it is workload management during integration. “Everyone wants to work on the merger: It’s the most exciting strategic moment in a decade,” he says. “But someone still has to run the core business.”

Despite the demands of integration, the firm continued to grow revenue and profitability throughout the process. That, he says, required discipline and clarity of roles.

“In hindsight, I might have ring-fenced even more people to focus solely on the day-to-day,” he reflects. “Integration adds weight, and leaders need to be conscious of that.”

A CHANGING PROFESSION

Looking ahead, D'Agostino believes the deal sits within a broader wave of consolidation across the legal sector.

“The profession is extraordinarily competitive,” he says. “If you want to be a leading global firm, you need scale and you need to be present in the world’s major financial centers.”

But scale alone is not enough. The process of articulating the merger has sharpened his sense of what truly differentiates Herbert Smith Freehills Kramer.

“We are now the only firm that can credibly describe itself as both transatlantic and transpacific,” he says. “We have leading transactional and disputes practices across all major markets. Many firms are one or the other.”

That clarity, about identity, ambition and value, has become a leadership lesson in its own right. “Doing something like this forces you to be very precise about who you are,” D'Agostino says. “Not in marketing language, but in facts.”

For Herbert Smith Freehills Kramer, the combination is not an endpoint. With ambitious plans for further growth in the US, particularly in energy and Texas, the firm sees the deal as a platform rather than a finish line.

“We didn’t do this simply to get bigger,” D'Agostino says. “We did it because our clients need us where they are and where they’re going next.”

“Given geopolitical developments over many years—and over the start of 2026—our clients need their global trusted advisors to be able to navigate a complex landscape, and that includes having strength and expertise in the US.” ♦

HOPE BORN IN THE DARKEST HOUR

IN 2020, AS THE THEN-VICE PRESIDENT OF Business Unity South Africa (BUSA), Martin Kingston helped oversee a pandemic response that he believes could serve as a model for marshalling resources to solve immediate societal problems.

“We created Business for South Africa, or B4SA, as an all-of-business response,” he tells us in a recent interview. “We mobilized hundreds of businesses pro bono, large and small, formal and informal, across all sectors of the economy, domestic and international, in a very agile and dynamic way to partner with government in dealing with this existential threat.”

Kingston is today the Steering Committee Chair of B4SA. In his work with the organization, he has been able to bring to bear his own extensive network and professional experience as Executive Chairman of Rothschild & Co. SA, a financial advisory firm that has been involved in shaping South Africa’s economy. Alongside him are over 160 leaders of domestic and international businesses representing 1.4 million people, including Sasol, Exxaro, Anglo American, Standard Bank, Sanlam, Dow, DHL, Toyota and Coca-Cola.

To address the threats of the pandemic, B4SA’s initial focus was on three areas: bringing PPE (personal protective equipment) to all areas of the country, establishing a COVID relief grant to aid the unemployed and recommending economic interventions. Later in 2020, the group began to work closely with government to construct and then implement an effective vaccination rollout program. At the core of the project’s effectiveness was a focus on trust and common goals. This program was a material success, resulting in over 38 million people (64% of the population) receiving access to COVID-19 vaccines.

“It was unprecedented in the context of what

MARTIN KINGSTON

Executive Chairman of Rothschild & Co. SA, talks with Brunswick’s **DIANA MUNRO** and **ROB PINKER** about B4SA and the public-private compact driving economic reforms in South Africa.



had happened in South Africa since 1994,” Kingston said, “this concept of business partnering with government in a very critical area that was impacting society at large, not just the economy. And not just the government but also partnering with civil society, organized labor and faith-based organizations, all of whom came together in that context.

“We made sure there was complete transparency and visibility in respect of everything we were doing,” Kingston said. “We accounted for every Rand and cent. We mobilized support at the highest level.”

In 2022, as the threat of COVID started to recede, the group presented to the country’s President Cyril Ramaphosa specific goals to rebuild the troubled economy in the areas of energy, transport and logistics, crime and corruption, as well as to address the challenges of youth unemployment. The President made the public-private compact with B4SA a key component of the recovery strategy.

“At that time, we were meeting every six to eight weeks,” he said. “Today, we have three or four chief executives of key businesses leading and overseeing the work in each of those areas. They all sit on the Joint Strategic Oversight Committee that I co-chair on the business side, along with Phindi Baleni, the Director-General in the Presidency and the Cabinet Secretary on the government side.”

For more than a decade, even before the pandemic, South Africa faced low growth, rising unemployment and persistent infrastructure failures, particularly in energy and in transport and logistics. The dominant narrative had been one of structural decline.

Today, the picture of South Africa is shifting. The more deliberate partnership between the state and organized business has begun to stabilize key systems, reduce risks in electricity and logistics, and restore elements of macro financial credibility. While not a “big bang” transformation, steady and discernible progress is being made on many fronts, laying the groundwork for a more investable and predictable economy.

The collaboration has helped to drive the structural reforms needed to grow the economy, to create jobs, lift confidence in the country’s economic future both domestically and internationally, and increase opportunities for business. In November of 2025, Standard & Poor’s upgraded the nation’s credit ratings, citing improving growth and strengthening revenues. One dramatic sign of progress: Two years ago, South Africans endured nearly 300 days of “load shedding,” rolling blackouts that rationed

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electricity across the country. In 2025, that number fell to single digits.

“Any load shedding is too much, but it marks a profound shift,” Kingston notes. “We’ve sent a signal back to the business community that being patriotic South Africans is not only in our self-interest, but in the national interest if we’re going to achieve our potential as a country.”

The reforms have also sent a signal internationally, he says. South Africa is one of the continent’s most diversified economies, a hub of growing importance as the African Continental Free Trade Area gradually takes shape. Investors with a long-term perspective and tolerance for volatility are seeing new opportunity.

If we were to look ahead, what does South Africa need to do in order to attract investment?

Employment ultimately is a function of growth, and growth is a function of investment. The majority of the investment comes from the private sector. Whether it’s domestic or international, you’ve got to have an appropriate enabling environment for it. Structural reform plays a significant role, but structural reform is not about dealing with crime and corruption. Those are society-wide challenges and they can act as a huge disincentive for investors.

International investors are not going to come in if domestic investors aren’t themselves investing, and they won’t if the opportunities available aren’t predictable, secure, stable and attractive enough. There’s no doubt that having the private sector at the forefront of working with the government in enabling reform sends a very strong signal.

At B4SA, we’ve got 160-plus chief executives of leading companies in South Africa—not just South African companies, but companies invested in South Africa—who signed up to a pledge. And what does the pledge say? The pledge says that we recognize the potential in the country and we’re prepared to put our shoulders to the wheel to achieve those objectives. That is a very powerful signal to the investment community.

Chief executives or business leaders were and continue to be deeply concerned about the anemic level of growth in the country. You can’t have 1.2% growth when you’ve got 1.6% population growth, 60% of youth that are unemployed, over 40% unemployment under the broad definition. That presents not only a social hazard in the country, but a real threat to growth.

Patriotism and altruism also inspire business leaders. It’s not just a selfish view that motivates



people. Because we are focused, disciplined and very transparent about what we do—and because people can now start to see real progress being made—that helps build momentum. If you look at the leaders involved in our work on energy, transport and logistics, crime and corruption, and youth unemployment, they all felt they could make a difference and that has borne out. So it self-perpetuates.

There is significant capital in the pipeline in terms of driving investments in the country, it's enormous and you clearly can't do that without the structural reforms having been implemented that government is committed to. Lots of chief executives acknowledge that. Do they want to be at the forefront of that process? For sure, they do.

In technology, what should South Africa be doing more of?

AI and technology were featured heavily in both B20 [the business component of the G20 summits]

B4SA's initial mandate was to assist the government in forming an effective response to the pandemic. Above, workers load a shipment of Johnson & Johnson vaccines on to trucks for distribution at the Johannesburg OR Tambo International Airport in February 2021.

and G20. But to be competitive, we need to have some of the building blocks. For data centers, you've got to have access to cheap and reliable power. Well, we don't have that yet. We've got to have an adequate supply of reliable, competitive power. We need to have the ability to train people to use AI effectively within their businesses.

For the public at large, we've got to have data network systems and telecoms that reach everybody. At the moment, they don't. In telephony, you've got to have a regulatory environment that is fit for purpose.

In the financial services sector, I think that we are light years ahead of many parts of the rest of the world in terms of fintech, the sophistication of our banking and our insurance systems and our regulatory structures. So there is scope for business and government to work together in creating the right sort of infrastructure and talent for AI. But—and this is a big “but”—we have major capacity constraints as a country.

Water is not the next emerging crisis; it's a current crisis. Shouldn't we treat water as we're treating energy, and transport and logistics? But the reality is that water is being handled by municipalities, not nationally. Health is likewise a provincial competence. What we've done here in the context of the partnership is mobilize resources and interventions at a national level, such as expanding employment, particularly youth employment.

Obviously, AI permeates much of what we're talking about. But do I think that it is the most significant opportunity and challenge facing the country right now in the context of everything we know about? No, I don't.

Private sector funding has been slower than expected. But building the right investment environment takes time. Mobilizing the scale of capital required to repair the electricity grid and grid expansion depends on having the right structures: clear market rules, effective competition frameworks, cost reflective tariffs, and a predictable pricing regime. These elements are being put in place, but they cannot be built overnight.

At the same time, our intensified focus on crime and corruption, particularly within the criminal justice system, underscores the fragility of the current environment. Progress is being made. Standard & Poor's recent upgrade is a welcome signal, and lower inflation and interest rates all point in a positive direction.

But the critical task now is to maintain the momentum needed to drive economic growth, to create

jobs and to build confidence. Investors, both local and international, want clarity that reforms will continue and that progress will not stall.

If that confidence is reinforced, I have no doubt we will see meaningful, incremental capital mobilization in the sectors that are ready for it.

Is there any big decision that you believe will be B4SA's legacy?

B4SA is a temporary platform, assembled for a particular purpose at a moment in time. But it's a manifestation of how business can partner with government in the national interest.

I suppose my professional training has taught me to put in place structures that endure. When you look back, it was just a concept. But now that we can see results, it's very rewarding.

Virtually every single call that my colleagues and I have made has resulted in a willingness from leaders of business to commit, including their own time. Not always funding—we're all constrained by funding—but positive responses from those that I have been in touch with.

Our legacy is a real acknowledgement that in an appropriately organized way, we can leverage the resources of the business community for the good of the country and its people.

When you're actually doing the work, it seems like you're sort of swimming through treacle, but when you look back six months, 12 months, 18 months at what we've done, I think we've made enormous progress. ♦

“OUR LEGACY IS A REAL ACKNOWLEDGEMENT THAT IN AN APPROPRIATELY ORGANIZED WAY, WE CAN LEVERAGE THE RESOURCES OF THE BUSINESS COMMUNITY FOR THE GOOD OF THE COUNTRY AND HER PEOPLE.”

Over 160 CEOs of businesses with operations or investments in South Africa have committed their signatures to the following statement:

B4SA'S CEO PLEDGE

“As South African business leaders, we firmly believe in the immense potential of our country. We are committed to building it and have come together to address the current challenges with the aim of achieving sustainable, inclusive economic growth. Through strategic partnerships and focused interventions, we have the power to make a significant and positive impact on our nation, creating hope for all South Africans. We are resolutely committed to being a force for good.”

DIANA MUNRO is a Brunswick Partner on the Financial Practice Team advising on critical issues.

ROB PINKER is Chair of Emerging Markets and Regional Head, IMEA for Brunswick. Both are based in Johannesburg.

AS A CHILD, HISTORIAN RACHEL SEIDMAN loved books, especially girls' classics like *Anne of Green Gables* and *Heidi*. She eagerly explored used book sales, dusty piles of 15-cent cloth-bound titles.

"One of my favorite finds was from 1941, called *Peggy Wayne, Sky Girl*," she tells us in a recent interview. "I loved this story of a plucky nurse who decides to become a flight attendant, a new career for women at the time. But she also secretly learns how to fly a plane, which comes in handy when the plane gets hijacked."

"Looking back, it turns out that this issue of women and careers, of broadening the scope of what women could imagine for themselves, has been something that I've been interested in since I was a child."

Seidman went on to get a Ph.D. in History from Yale and is now a curator at the Smithsonian American Women's History Museum. Established by Congress in 2020, the museum is the newest member of the national Smithsonian Institution family. The plan for a permanent facility is under way, hopefully on the National Mall. In the meantime, the organization already funds and oversees projects, exhibits and events dedicated to expanding the story of America through the often-untold accounts and accomplishments of women.



A WOMAN'S PLACE in HISTORY

The museum itself represents more than a century of extraordinary change for women, a history attributable to the work of many generations. The museum's two dozen Advisory Council members include former Secretary of the Air Force Barbara Barrett, Bank of America's Chief of Human Resources Sherry Bronstein, *Wonder Woman* actor Lynda Carter, and tennis legend and investment entrepreneur Billie Jean King.

"The whole field of women's history was really taking off in the mid-to-late '80s when I was in college and graduate school," Seidman says. "It was an exciting and intellectually eye-opening moment. There was a camaraderie in working with all these other scholars to develop this field and think about evidence in new ways."

Seidman was previously the Director of the Southern Oral History Program at the University of North Carolina and specializes in the collection of

Curator **RACHEL SEIDMAN** on the Smithsonian American Women's History Museum project "We Do Declare," a series of first-hand accounts of women's determination to build financial independence.

first-person perspectives on history. At the Smithsonian, she is currently the project curator of "We Do Declare: Women's Voices on Financial Independence," researching, recording and presenting women's stories related to the 20th century changes in law and culture that created greater economic equality.

Prior to the Equal Credit Opportunity Act of 1974 (ECOA), for instance, banks routinely discriminated against women. Married women could only get a credit card in their husband's name. Couples seeking a mortgage sometimes were required to provide a "baby letter."

"That was a shocker," Seidman says of her research. "For a woman's wages to be considered part of her income, she had to provide a letter from her doctor promising that she either could not or would not get pregnant." Later, the ECOA needed to be strengthened to dismantle biases against race, color, religion, age and more, throughout the financial industry.

Like many women's history researchers before her, Seidman's work on "We Do Declare" had to begin by uncovering the names of women that had been forgotten in discussions of events they helped shape—for example, Emily Card, a legislative fellow who played a critical role in the passage of the ECOA and whom Seidman interviewed.

"I would venture that many women are not surprised by the fact that women's work has often been overlooked or forgotten," Seidman says. "That is something that many women have experienced. But what is harder for them to accept is what that has cost all of us in terms of understanding the past and our role in it."

Among many others, "We Do Declare" features interviews with Claudia Goldin, the first woman to individually win a Nobel Prize in Economic Sciences for her work on gender equity; Ai-jen Poo, President of the National Domestic Workers Alliance; Jacki Zehner, the first female trader and youngest woman to make partner at Goldman Sachs; and employees of the Women's National Bank, founded in 1977.

In the following interview, Seidman tells the *Review* about "We Do Declare," which launched on March 1, some of the women she met in her work and the role that such research plays in society.

What sparked this project?

I wanted a way for our museum to commemorate the 250th anniversary of the signing of the Declaration of Independence, to explore what independence means in the context of women's lives.

We decided to focus on financial independence as the bedrock for any other kind of independence that people might want or have or need. I set out to interview women who worked to expand women's financial independence. Why did they think change was needed? What were their experiences before—and those of their mothers and grandmothers? What did they set out to change, and how? What kinds of strategies did they use? What kinds of resistance did they face, and what kinds of success did they have?

How did you identify people to be interviewed?

I did in-depth research on all the ways women's relationship to the economy had changed over the course of the 20th century and identified different approaches women had taken to increase their own and others' economic power—for example, by expanding the careers open to women, advocating for equal pay laws, labor organizing or through philanthropy. I also drew from my decades of teaching women's history at the college level.

Gail Winslow was one of the first women stockbrokers on the floor of the NYSE. She held a senior position first at Ferris & Co. and later at the Royal Bank of Canada. Bottom, Rachel Seidman interviews Barbara Franklin, former US Secretary of Commerce.

For example, I had taught students about the displaced homemakers movement. Talk about something that's been forgotten. This was a piece of the women's movement of the 1970s. All these women who had done what society told them to do—put aside their job aspirations to raise children—then either through widowhood or divorce, were suddenly financially on their own. In a no-fault divorce, they're not going to get alimony. They were often in their 50s or 60s, too old for the job training programs that existed, didn't know how to write a résumé. A whole movement formed to get them funding for job training and centers where they could find support groups, workshops and all kinds of things.

I knew that the leaders of that movement, Tish Sommers and Laurie Shields, had died quite a while ago. I found an article that mentioned a young attorney named Barbara Dudley, who had written the legislation that got the funding for these centers and services. She was not easy to find, but, putting on my



PHOTOGRAPHS: COURTESY OF SMITHSONIAN AMERICAN WOMEN'S HISTORY MUSEUM

best Nancy Drew impression, I found her, and then flew to Portland, Oregon and had this amazing experience interviewing her.

Were the women you approached surprised at your interest? How did they respond?

There were people who were not at all surprised of course—the ones whose work is more public or well known and are used to being interviewed. Even so, most of them feel honored to be included in the Smithsonian American Women's History Museum, and are thrilled that their work is considered worthy of historical attention. But others were definitely surprised.

The most touching moment was with June Inuzuka. Even after the ECOA, women still had to get male co-signers for business loans. It's not until the Women's Business Ownership Act of 1988 that that gets addressed. Inuzuka is a Japanese American woman who had been an attorney for the Women's Equity Action League at the time and advised on that law. She wanted to make sure the statistics that the law ensured would be collected were broken down by race—that they not just assume all women's experiences were the same.

So, I set out to contact her. She told me later that she was deleting my emails and refusing my phone calls because she thought it had to be a scam: Why would the Smithsonian be interested in her? When I finally interviewed her, she said she “felt like a failure” after the law was passed because the first annual report that came out did not in fact break the statistics down by race as she had advocated for. She left law, moved to Denver and raised a family.

But over time, the reporting did start to reflect the detailed statistics. After I contacted her, to prepare for the interview she did some research and realized that everything she had been arguing for had eventually been included. She said the process of doing the interview completely changed the way she thought about her own impact and role in history.

That was a really powerful moment, very emotional; we both were near crying.

How will the public interact with this project?

Most audiences will be interacting with short vignettes from the longer, videotaped interviews. These excerpts are focused on how each woman set about to make change, and why. We're creating a new webpage for “We Do Declare” and the vignettes of these women's stories will live there and will be shared via social media. We will also publish contextual essays on the website that trace the different

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JULIA ROSICA is an Associate with Brunswick Arts. **CARLTON WILKINSON** is Managing Editor of the *Brunswick Review*. Both based in New York.

pathways women took to create change, connecting their stories to one another and to the larger historical forces that shaped their work.

We are creating public programming and we'll be doing public screenings of the videos. We're going to create a kit for communities around the country to watch the women's stories and then discuss what they've heard. They can have community members talk about their experiences or share memories of their families. They could potentially invite local leaders to host a panel discussion. We're also creating materials for K–12 teachers and for the Girl Scouts—they have a badge for financial literacy.

How does this work reflect the current challenges for women in society?

The museum has an incredible opportunity to shine new light on the amazing achievements of women that have happened all around the country over the last 100 years really, but especially the last 30 to 50 years. The public doesn't know about it for the most part. So, one thing we can do at the Smithsonian is lift up this incredible work and help more people come to understand the complexity, the inspirational stories, the really diverse ways that women have both experienced change over time and created change over time.

Even though I focused to some degree on women who moved the needle, they were just regular people who saw a problem and decided to do something about it. People often think of history as something that happened long ago and far away to people not like them. In the way people are taught history growing up, the Civil Rights Movement, for instance, equals Martin Luther King Jr. And most people feel that they can never be like MLK.

But if the only people that we notice are the people who stand up there and give the speeches, then we're going to miss all of the work that happened behind the scenes that made change possible. We'll miss the work of the women who organized the Montgomery bus boycotts, who mimeographed and distributed fliers, who organized meetings and made food for the people attending events. None of that happens without the incredible actions of just regular, everyday people. We can help people today see that they both experience change over time and can help create change over time—they, too, are part of history.

I think there's a hunger out there for these new stories. And people are going to be really excited when we start telling them. ♦

Visit “We Do Declare: Women's Voices on Independence” at womenshistory.si.edu/we-do-declare/



Why an AMERICAN
Acquired a
**SAUDI
FOOTBALL
CLUB**

PHOTOGRAPH: COURTESY OF AL KHLOOD FC

In conversation with Brunswick's **ADAM JIBALI**, investor **BEN HARBURG** discusses his acquisition of **SAUDI ARABIA'S AL KHOLOOD FC**, the strategy behind starting from the bottom, and what Saudi football looks like through a private capital lens.



THE SAUDI PRO LEAGUE HAS NO SHORTAGE of global attention. From landmark player transfers to a growing media footprint, the League is being reshaped in real time, and increasingly, it's catching the eye of institutional investors.

In the summer of 2025, Harburg Group became the first foreign investor (and also the first private investor) to fully acquire a Saudi football club, buying 100% of Al Kholood FC in a deal facilitated by the Ministry of Sport and the National Center for Privatization. It wasn't one of the big names. It wasn't Al Nassr or Al Hilal. Al Kholood, a modest top-flight club from the Al-Qassim province, had no real infrastructure, no brand and no fan base to speak of. That, according to Ben Harburg, was the appeal.

Harburg is an American investor with a background in global tech and venture capital. He is a founding partner at MSA Capital, where he invested early in companies like Uber, Airbnb, Palantir and Nubank. He also now leads Novo Capital, a special situations fund focused on the Middle East, and chairs Harburg Group, his multi-club football investment vehicle.

Harburg has spent the past five years in football. Alongside a stake in Spanish side Cádiz CF, Al Kholood represents Harburg's most ambitious football project to date, not because of its size, but because of what it represents: a bottom-up experiment in building value through structure, data and long-term discipline.

Recently, Harburg sat down with Brunswick's Adam Jibali to talk about why he picked this club, what a private capital model in Saudi football looks like and how he plans to compete without relying on stars, subsidies or social media hype.

What made Al Kholood the right entry point into Saudi football?

First, it was the location. Al-Qassim is different. It has a strong regional identity that you don't really see elsewhere in Saudi Arabia. People say they're Qassimi before they say they're Saudi. And that matters. Some of the country's most influential families come from there. They may live in Riyadh or Jeddah now, but that Qassim identity carries weight across boardrooms and government offices. You hear it everywhere.

That makes it a strategic place to build from. It gives us pockets of support across the Kingdom, and when you're starting from scratch, that's valuable. From day one, we branded the club as "Al Kholood Saudi Arabia." We're not trying to build a local team.

We're trying to build a national-level challenger club.

There's also a unique opportunity in how fans support football here. Most people follow one of the big four clubs—Al Hilal, Al Nassr, Al Ittihad or Al Ahli—even if they're from smaller provinces. Their connection is soft. It's not city-based. That gives us a chance to win people over. If they were all die-hard fans of their hometown club, it would be harder. But they're not. We can pull them in with the right story, the right identity.

And from an ownership standpoint, having a smaller club is actually an advantage. There's no fan pressure to overspend or win now. There's no legacy baggage. Every step we take becomes a first. First derby, first five-goal game, first time selling out a match. That's powerful. It means we get to define what this club is, on our terms, without the noise.

You clearly have a strong grasp of the local dynamics and have spent a lot of time on the ground. What's the value in doing that as an investor? What does proximity allow you to do differently in terms of building trust?

This wasn't a standard acquisition. It wasn't a private equity deal where you come in, restructure a few things, cut costs and exit. This was a start-from-zero build. The infrastructure was the weakest in the top three divisions. We effectively inherited a squad of six players. The administrative team quit the day we arrived. It was more of a startup than a football club.

And I've studied this space for a while. I've been in football ownership for five years now. One of the clearest patterns I've seen is the failure of absentee owners, especially foreign ones. They buy a club, never visit, never understand the city or the people. That disconnect is where things fall apart.

Proximity definitely matters, especially in Saudi Arabia. I've spent countless hours in the community. Visiting clinics, schools, hospitals. Talking to kids, giving out scarves, inviting people to games. And it works. I see the same faces now at the stadium. That kind of relationship has to be earned. It doesn't come from behind a desk in another country.

We're not trying to win people over with trophies or star players. That's high risk. What if the player leaves? What if you lose a few games? You've got nothing left. I wanted to build something that's impervious to all that. A fan base that really loves the team, not just winning.

From day one, we set expectations: no famous signings. No 35-year-olds looking for a final payday. We're bringing in 20-year-olds no one's heard of and turning them into something. We're not going

to outspend the big clubs. But we can outdo them on structure, culture and professionalism; things we can control.

You've said that this isn't a short-term play. What does success look like to you in five or 10 years?

First, let me be clear, if you're looking to maximize financial returns, football probably isn't your best asset class. There are easier ways to make money. You could invest in the S&P 500 and sleep better at night. Or put money into one of my tech funds. But if you're going to do football, you need a kind of religious fervor for it. You have to love it beyond logic.

Our view is that there's a way to create real value, if you get the fundamentals right. That starts with buying in at a low equity cost. Most investors overpay for the badge and then spend years just trying to keep their head above water. We didn't do that. We came in at a sensible valuation, with a clear plan to increase the club's commercial performance and player value.

That being said, we talk about building a sustainable club, staying mid-table, running a profitable player trading strategy. But privately, I believe we can do better than that. I believe we'll be better run than a lot of the clubs we're competing against. And in this league, that counts for a lot.

We may not have the biggest budget, but we'll have the strongest model. And once we've cleared out the legacy costs and rebuilt the squad over a few windows, I like our chances.

What is the governance model you've put in place that you think puts you at an advantage? And how does it connect to the multi-club strategy you're building?

We're not personality-led. We're infrastructure- and strategy-led. From the start, we made decisions at the Group level, what kind of players we want, what our game model looks like, how we run the football side of the business. Then we put the right people in place to deliver that.

The best thing an owner can do is hire smart people and let them do their jobs. I try not to interfere day-to-day. We've got a strong Group CEO and a top-level sporting director. Then we have sporting directors at club level in Cádiz and Al Kholood who stay closely aligned. They engage across both clubs. It's collaborative, not siloed.

We're already sharing resources like data science, scouting, analytics, performance planning. Staff have spent time in both places. We've moved players between the clubs. And because costs in Spain are

lower for comparable talent, we're already seeing the benefit of operating between two markets.

That said, each club needs to be financially sustainable on its own. But where we can centralize and create efficiencies, whether in recruitment, development or analytics, we will.

There's been a visible shift in the types of players joining the SPL. This summer, the top 15 arrivals were all under 30. From an international investor perspective, did that make the investment more attractive?

We certainly helped drive that trend, let me put it that way. Every player we brought in over the summer was 25 or under. And I've been outspoken about this at the League, Federation and Ministry levels. Saudi Arabia should not be a final destination league. It should be an interim destination. This shouldn't be where players come to wind down their careers.

At Al Kholood, we're very clear. We're not signing anyone whose best football is behind them. I've said from day one: No one should retire at this club. I want to bring in players who might not have considered Saudi before, and position us as a stepping-stone to bigger things, whether that's the national team, or a move to Europe. It's healthier for the League. It's smarter financially. And it opens the door to building something sustainable, where we're developing talent and creating value.

You've put a lot of emphasis on data. Some might compare your thinking to the famous "Money-ball" approach. How are you actually using data inside the club?

I don't want to give too much away about our secret sauce, but I will say that we believe in data over instinct. We believe in data over humans, frankly.

We've built a system that synthesizes a huge number of performance metrics, both on-ball and off-ball, and localizes them to our specific league and game model. It helps us evaluate how a player will actually function in our environment, not just how they looked in another one.

We've brought in people who are data-first and have done this at the highest levels of global football. It's a major focus. We've invested heavily in it. And it's working. We've signed players who weren't on anyone else's radar, certainly not in our league, and they've performed exactly as we expected them to.

For a team with one of the lower budgets in the league, it's a way to punch above our weight. And that's why we've put a huge amount of time and money behind it. We don't have the biggest budget

"WE'RE GOING UP AGAINST CLUBS THAT WILL OUTSPEND US 8- OR 20-TO-1, MAYBE MORE. BUT I THINK WE CAN SPEND A QUARTER OF WHAT THEY SPEND AND STILL OUTPERFORM THEM. NOT THROUGH TALENT ALONE, BUT THROUGH STRUCTURE AND DISCIPLINE. THAT'S THE BET."



Al Kholood's Myziane Maolida, right, in the October 2025 match against Al-Riyadh in the SHG Arena in Riyadh, Saudi Arabia.

compared to other teams. But when the modeling works, it gives us an edge. And when you're trying to punch above your weight, that edge matters.

You've said that women's football in Saudi could one day even outpace the men's game in the Kingdom. From an investor's point of view, what would need to be true for that market to scale in a commercially meaningful way?

My comments have been very specific to Saudi. Globally, I think women's football in some markets is overvalued. You see speculative investors applying venture-style valuations to something that's not yet delivering venture-style revenue growth, profitability patterns and returns. That sets things up for disappointment because investors have to grow into the valuations they are applying today.

But Saudi is different. The competitive landscape is wide open, on both the club and national team side. With even a modest amount of serious investment, you could outspend and outperform most of the market. That creates a window to leapfrog years of slow organic growth.

It won't take huge budgets for the women's national team here to surpass the men's, just steady investment and proper infrastructure. Already we're seeing high-caliber global players come to the Saudi women's league, not far from the top of their game, because people here are willing to invest seriously.

So yes, I'm bullish on the opportunity in women's

football, but only in places where the economics still make sense. Saudi's one of those places.

In your experience so far, what's it been like operating in a league which still has a lot of state subsidies and support? And how is that different from your European football experience?

It's a challenge. In Europe, you have predictability. You know your TV revenue, you know your match-day income, your merch projections. Here, those things don't exist in the same way. And most clubs still rely on state subsidies.

We're going up against clubs that will outspend us 8- or 20-to-1, maybe more. But I think we can spend a quarter of what they spend and still outperform them. Not through talent alone, but through structure and discipline. That's the bet. And my hope is that if we succeed, the League and the government can look at our model and say: We can do this more efficiently. That what we're doing becomes a cost benchmark others can learn from.

Right now, our league is top three in the world in spending. In my view, we should be top five in performance. I actually think this league is already better than the French League, for example. We just need to sort out the sustainability side.

We've got a nine-year runway to the 2034 World Cup in the Kingdom. That's how long the League has to get to sustainability. Our bet is that over the next decade, we figure that out. ♦

ADAM JIBALI is a Brunswick Associate specializing in media relations. He is based in the firm's Dubai office.

WHEN LUIS GALLEGO BECAME CEO OF Iberia in March of 2013, the Spanish airline had been losing money for nearly a decade and was heading into a painful restructuring. In a dramatic and immediate turnaround, Iberia returned to profitability and refocused on ensuring on-time flights and other aspects of the customer experience.

In 2020, at the start of the global pandemic that shut down air travel around the world, Gallego was promoted to CEO of IAG, the parent group of not only Iberia but also British Airways, Vueling, Aer Lingus and LEVEL. He led the group through the COVID ordeal, transforming it at the same time. Emerging from the crisis presented yet another crucial test of his leadership, one that demanded a transformative mindset.

“At that time, we didn’t know if corporate traffic would resume,” Gallego told us in a recent interview. “After all these Zoom and Teams meetings, would people get used to that?”

Since then, IAG’s recovery has been nothing short of spectacular. Traveler numbers now exceed 2019 levels. All five airlines were profitable in 2024 and approaching new operating-margin targets. IAG’s airlines currently have 601 aircraft, 259 destinations and 122 million passengers per year.

Gallego was born in Madrid and earned a degree in aeronautics engineering before joining the business side of the airline industry 30 years ago. Prior to Iberia, he was an executive with Vueling. In June of

LUIS GALLEGO piloted **IAG**, the parent of Iberia and British Airways, out of a crisis, toward a transformative future.

FLYING

2025, he was named Chair of the International Air Transport Association (IATA), where he has served as a boardmember since 2018.

Gallego spoke to *Brunswick Review* about IAG’s business model and culture, which emphasizes the operational independence of the individual airlines and an awareness of where support from group leadership can make a difference.

“We’re not an airline,” he says. “We don’t sell tickets. Even our name, International Airlines Group, is different from other models that have the name of an airline. IAG airlines have to compete for capital. It’s a model that creates tension by definition.

By **KEVIN HELLIKER** and **CARLTON WILKINSON**



But that tension is what helps the different airlines to be better every day.”

Did the changes you implemented at Iberia apply to the company as a whole? Is that approach replicable elsewhere in the airline industry?

We are in a different situation now compared to the situation with Iberia in 2013. The necessity to change is the same, but not to the same degree.

At that time, I was losing a million euros per day, every day. Our net promoter score was negative. People didn’t want to fly with us. We were one of the most disparaged airlines in the world. We had a



PHOTOGRAPH: COURTESY OF IAG

very strong, immediate need to change the business platform. That wasn't the case with IAG.

But having good results sometimes means it's harder to convince everybody that you need to change. And we do still need to change. The world is very volatile. If you don't adapt, you are going to die. Or at least, you are going to be in a weaker position in a couple of years.

When I started as CEO of the group in 2020, we launched a new department called Transformation, because we didn't know how aviation was going to be after the COVID. We didn't know if people were going to fly again or not, or if the corporate traffic

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was going to come back. The only thing we knew for sure was that we needed to be better, more efficient and more prepared. Through the transformation we launched thousands of initiatives.

In the end, corporate traffic has come back in volumes, around 70% of the volumes that we had in 2019. But premium leisure is very strong, better than the pre-COVID situation. And we are offsetting the decline of corporate traffic with the premium leisure segment—a sign of our flexibility.

We have now embedded this transformation culture throughout IAG. The methodology that developed through our transformation has helped

us reach our current levels of profitability. So I think transformation is a must. It's not a PR exercise. We do it because it works. We change or we die.

IAG manages independent company identities crossing Spanish, English and Irish. How do you manage such separate cultures across the business?

Our individual airlines are responsible for profit and loss, for their customers, for their brand. A long time ago, we decided that we were not going to do group level things that don't add value—we do things only when we determine we have to. Even where they fly. We have some committees overseeing, just in case, but we know it is much more efficient for our airlines to compete for the capital. They preserve their identity and their cultural differences.

This worked very well during and after COVID. We did an analysis in 2023 to see if we needed to change the way IAG manages the airlines. And the conclusion was that the model delivers better results than the competition. There was some fine tuning that we needed to do to continue that level of outperformance, but the model was working.

Procurement is an area where we achieve value negotiating together with the group. We have more than 600 aircraft, we get better deals with the manufacturers if we do it together. Likewise, there are IT and cybersecurity functions that make sense to do at group level. But things that are very close to the customer, the airlines themselves do much better.

When I was CEO of Iberia, we had the freedom to do the things that we thought were best, but we also had the support of the group. I've always said that the transformation of Iberia would have been impossible without that.

Looking back, what lessons did you take from COVID? Is there anything that surprises you?

We anticipate crisis, but we didn't expect something like COVID. And we failed to predict the recovery from COVID. We knew that aviation always recovers. But it came back faster than we thought. Some people were even asking if the surge we were seeing was revenge travel—a bubble that would burst. But COVID was more than five years ago. What we see now is here to stay.

COVID has changed the way we as a society approach travel. Travel means freedom. Everybody now has, in their top five priorities, to travel and to have experiences with their families. I know that's something my family and I realized after two years in our house.

“WE TRY TO INVEST IN THINGS THAT ARE GOING TO DELIVER A VALUE FOR OUR BUSINESS, OR FOR AVIATION IN GENERAL. WE WANT NEW TECHNOLOGY THAT CAN IMPROVE EXISTING PERFORMANCE—THE NUMBERS, THE REVENUES, THE COST OR THE CUSTOMER EXPERIENCE.”

Now people can travel for reasons other than work. Or they can work from other places. They can combine leisure with business trips. It's a new situation where we have less corporate traffic, but more leisure and premium leisure demand. That's something we didn't expect to see.

Spain, in particular, is a very important market for tourism. There are family ties, for example, that have led to increased travel between Latin America and Spain. That has emerged since COVID. A lot of people say now that Madrid is the new Miami. Wealthy people from Latin America are coming to spend time or to live in Madrid.

What are your growth objectives and investment priorities?

We reviewed our strategy in 2023, as I said, and decided that we only needed to do some fine tuning. We needed to repair our balance sheet after COVID. We needed to be more efficient. And we wanted to put the focus on our brands, our core market. Not just hard assets, like new planes, but investment in aspects like customer loyalty. We're putting, for example, £7 billion (\$9.4 billion) in three years for British Airways and €6 billion (\$7 billion) in Iberia.

We have initiatives in every airline. At BA, for example, it's improving the customer experience—that was a crucial point. We have moved the measure of punctuality to 10 points above where it had been last year in a difficult airport like Heathrow.

We also said, in that capital markets day, that we wanted our operating margins to be in the range of between 12% and 15%. Today, Iberia and British Airways are in the top of that range and Vueling is around 12%. Aer Lingus had a strike last year and is taking more time, but it's also coming into the range. All the airlines are moving in the right direction. We also have very strong partners; Qatar Airways is helping us build connectivity to Asia out of Doha and with American Airlines in the US.

So investing in our core, being more efficient and developing our relationships with our partners. And that's all going very well.

What excites you most in sustainability? What does leadership in this area look like for aviation?

We know that we need to decarbonize aviation. We were the first group worldwide to commit to net-zero emissions by 2050. The problem we have now is that decarbonization has to happen everywhere and progress is mixed. In Europe, for example, we have a mandate for the use of sustainable aviation fuel. But Europe doesn't produce sustainable aviation

fuel—we have to import it from other places. Other regions have sustainable aviation fuel, but they don't have mandates.

In the end, we need to have a global solution, because it's a global problem. And we need to create a level playing field, because by definition, aviation is a global industry. So it's not enough to try to solve this problem in only one part of the world.

But I think it's an opportunity. In the short term, we are replacing our old aircraft with the latest technology that we have in the market. With that, we can reduce around 15% of the fuel consumption in the narrow-body planes, and up to 40% in the wide-body planes.

But for the midterm, the only solution we have now is the sustainable aviation fuel. And we need to develop the industry that can deliver what's needed.

Is that a conversation that takes place among leaders of the industry?

Yes. We are having this conversation continuously. Everyone agrees that we need to decarbonize. But we have different regulations in different places. The challenge is to get everybody to work together to try to solve a global problem. We cannot save the planet by only addressing the issue in Europe.

How would you describe your leadership style? And what do you look for in the leaders that you promote into key positions?

I don't like to talk about myself. But what I look for in the people here are people who are team players. You need to have people that understand the concept of the group.

I also want people who have change in their DNA, who want to change the status quo. Companies like Iberia or British Airways have done a lot of good things in their more than 100 years of history. But they need to change some things and they need to be willing to look at ideas outside their own organization.

We want to find people who can challenge every aspect, and who are not afraid of failing. I don't want soloists—people who are very good, very intelligent, but can't play in a team. It's better to have people that make other people better. That's the profile that I look for.

What are the leading trends in business air service that are foremost on your mind?

Sustainability, as we've discussed, is a leading trend. Also, artificial intelligence—we have identified nine domains of transformation and for all of

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LEISURE AND
PREMIUM
LEISURE
DEMAND.”**

KEVIN HELLIKER is a Pulitzer Prize-winning journalist, a Brunswick Partner and Editor in Chief of the *Brunswick Review*. **CARLTON WILKINSON** is a Director and Managing Editor of the *Review*. Both are based in New York.

them, we have AI projects. About 80% of the projects are related to technology. It will help, for instance, with the customer experience, predictive maintenance, handling a disruptive crisis and what we call the engine optimization system—the detailed monitoring to ensure the engines run smoothly.

We still have the challenge of disrupted supply chains. As you know, after COVID it was a big problem. With the situation with Russia and Ukraine, things are still difficult. We are seeing manufacturing delays delivering aircraft, with engine manufacturers as well, and other providers. Air traffic management has been reduced. So the geopolitical situation is a challenge.

But we are feeling positive. We are pushing for a single European sky. I think the opportunities are huge.

There is a lot of talk of innovative technology, electric vehicles, flying cars, robotics and such. Is that an investment area that IAG is watching?

We are always interested in trying to see the future of different technologies. But usually, we try to invest in things that are going to deliver a value for our business, or for aviation in general. We want new technology that can improve existing performance—the numbers, the revenues, the cost or the customer experience. I don't want people doing things with robots that don't increase value.

But the innovation team is working on things related to robotics—humanoids and technologies that can have a role at airports or in other places. So we are investing in things that we think can increase value in the future.

Could IAG's model serve as a model for other businesses?

I think it would be a little arrogant of me to say something like that. We are different. I am prepared to learn from others. We are always looking at outside ideas—from a transformation viewpoint. We share best practices within the airlines of the group and we learn from each other. But we also always look outside the business, not only to other airlines but to what is happening in the world in general. We want the opportunity to learn.

Others have tried to replicate our model. But some people are trying to go in the opposite direction. There is more than one recipe for success. Our model is working for us. It's working because we also have extraordinary people in the business who are making this possible. But maybe our recipe doesn't work for everybody. ♦

ENGINE

JENS WIESE,
Co-Founder
and Managing
Partner of
transatlantic
venture capital
firm Leitmotif,
talks to us about
bringing AI to
industry and the
ties that bind
Europe and the
US. By **FELIX
MORLOCK**
and **HANNAH
RÜCKEL**

THE PREVAILING NARRATIVE OF 2025 frames Europe and the United States as economic blocs moving along increasingly divergent paths. Yet the strengths that distinguish them may be more complementary than conflicting, says Leitmotif Managing Partner and Co-Founder Jens Wiese. ■ “The US is great in software development,” he says. “But not so much when you talk about industrial AI. For that, you need the industrial backbone of Europe, a focus that the US over many decades has lost. To be able to compete against China, you’ll need to see those strengths working together.” ■ A native of Germany, Wiese started off his professional life in consulting, which led him, in 2018, to join Volkswagen. There he was in charge of Corporate Development for the group and helped develop its battery strategy and led a collaboration with Ford for electric and light commercial vehicles. ■ “The part of my role at Volkswagen that gave me most joy was working with all of the partners and facilitating these connections with the mothership,” he tells us in a recent interview. “It was interesting to me in part because it required a broader skill set: some cultural skills and understanding of how a small organization works, plus people skills to put the right teams together on both sides, in addition to mere commercial skills, orienting around common objectives.” ■ In 2023, together with his US Partner Matt Trevithick, Wiese founded Leitmotif, a venture capital firm headquartered in Palo Alto, California. Anchored by a \$300 million commitment from Volkswagen, Leitmotif invests in startups on both sides of the Atlantic. The firm has a focus on decarbonization through “hard tech,” including innovations that marry robotics and AI in the industrial space. Its portfolio includes a mix of deployable and speculative technology, including fusion energy, battery development, circular materials and others, along with industrial AI and robotics. ■ While independent, Leitmotif maintains a close relationship with Volkswagen, to the benefit of some of the companies in its portfolio. ■ “There really are not that many firms out there that are able to bridge Europe and the US with pretty much equal footing the way we do,” he says. “I wouldn’t say we are unique, but in our model, I think we’ve got a number of things right.”

PROGRESSES



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How did your career unfold?

When I finished my studies, in my very early days, I wanted to become an investment banker. But I wasn't able to land a job at one of the top tier investment banks. And I was not ready to compromise. My second passion was in automotive and so I joined global consulting firm Roland Berger, where right from day one on I could concentrate on the automotive industry. But I never lost sight of the investment side.

During my consulting career I did several projects very closely related to investing. Then I joined VW. Working on partnerships there was my first responsibility, as part of the Corporate Strategy division. In addition, I subsequently took over corporate development, which was the global M&A side, plus all the investments. A long, winding, but entertaining road, without any regrets to get where I am right now. I am doing what I really love and enjoy.

The fun thing is that had I taken the straight road from university going into M&A and investment banking, I most likely would've gone to a private equity firm and would be in a role that suits me less. At Leitmotif, I can use all the experience that I collected along the way. So I'm very thankful for that opportunity.

Looking at the balance of investment power right now between the US and the EU, what are the trends you see there? How is that shifting?

Traditionally, the US captures most of the funding, particularly in venture capital. If you look at AI, it's even more concentrated. The US is currently winning on all fronts in terms of technology, capital and talent. It's leading across the board. It has a super-strong ecosystem in Silicon Valley that has long been dominant in software and now is leading in AI. What we will see going forward is an even stronger emphasis on physical AI. That is where Europe can play—and frankly has to. That's the opportunity we focus on at Leitmotif. Take the capabilities of AI models and connect them with the physical world and industry. From proof of concept, to early pilots, to actually using these ideas to solve real-world problems.

The combination of AI and robotics enables us to automate tasks that so far could not have been automated. A lot of people talk about them in terms of the dull, the dirty and the dangerous as first priorities. Dull refers to highly repetitive tasks that have been somewhat hard to automate, maybe they have slight variations in the process for instance. Smart robots could do those. Dirty, refers to work environments that are not pleasant for humans, for example waste-handling or industrial cleaning settings.

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Dangerous, you can think about situations that you don't want to or simply cannot send a human into, like hazardous inspection jobs on offshore platforms or high-risk industrial sites, such as nuclear power plants. Deployed in a robotics-as-a-service model, these robots work at lower cost than human labor and can work 24/7. If you go out far enough, you start looking at robots assisting your personal life. But I think the industrial applications are more realistic and profitable right now.

Automation plans must meet resistance from employees. How do you approach that?

To some extent it will become a question of financial priorities and negotiation. In my mind, it's not black and white—humans or machines. It's a transition that will happen over time. You always have attrition, so you can automate to just replace attrition. As I said earlier, in today's manufacturing environment, there are jobs that are unhealthy or dangerous for humans, and natural for automation. Those could be candidates as well.

New jobs will be created, jobs that don't exist at present. But yes, a lot of basic jobs—and, I think increasingly also, higher-skill jobs—will go away over time. That's a fact.

What should a policymaker or investor in Europe be looking at right now?

In terms of policy and regulation, you need a framework that provides guardrails around where AI development is going. It is becoming smarter and smarter, and thus more and more independent, which makes that harder. But it's headed into uses where it won't be directly supervised by humans, so it's important to get it right. Data is a case in point. It can be a strong asset in industrial situations. You want to make sure that the data is appropriately protected and valued as the technology changes.

At the same time, there's competition for speed. The US tends to regulate to a much lesser degree, and to rely more on marketplace mechanisms. In Europe, you often see strong regulation and safety guardrails that make development slower. I think it comes down to striking the right balance between the two. But you need to ensure that European companies can act at the same speed as the US players.

We talked about the arc of your career. But what inspired you to start Leitmotif?

I saw from the perspective of a large corporation how they struggle in their interactions with the startup community. At the same time, I saw a

lot of opportunity for startups to better collaborate with large industrial players. That was kind of the nucleus. I started to think how that relationship should look. With Leitmotif's independent setup but strong industrial backing, we are combining the best of both worlds. Going forward and starting with Fund II, we intend to further expand our base of industrial partners.

Some of your investment portfolio—the investment in batteries, for instance—have real tangible results being produced. But some, like fusion energy, look much farther out. Is there a criteria for deciding that balance?

Yes. When we thought about building out our portfolio, we set a couple of goals. First, we wanted it to be balanced geographically—two-thirds of our money in the US and one-third in Europe. And then we also balance about two-thirds of investment in near-term innovation, solving problems in existing markets, and one-third in frontier tech. Frontier tech has a longer time horizon, but if you solve the problems, the return can be much higher.

Leitmotif is set up as any traditional US venture capital firm and acts as a financial investor. Hence, most of our portfolio companies don't have a connection with Volkswagen. But there is a smaller group for which we can leverage the strong link to Volkswagen, where we can open doors. We're adding real value to the portfolio in the process. At the same time, we are connecting the US innovation ecosystem, which cycles faster, with the European industrial backbone and its wealth of experience and capability.

As an investment focus, we invest in hard tech and deep tech companies and founders that work on real, hard transformation problems, and that work on breakthrough technologies—from fusion energy to next generation batteries, to circular materials to advanced manufacturing. It's not an easy space, but our differentiated model gives us a clear advantage.

What do you think is the most misunderstood trend in the auto industry right now?

Electrification is for real. In that regard the direction that the US is taking, that is, going back to combustion engines, is wrong. Ultimately the industry is moving towards electric vehicles. And China has thrown that race into high gear, initially focusing on dominating batteries but ultimately aiming for the entire vehicle industry.

The European industry is at least keeping pace to a degree, but it's hard to keep up with China, because China is just moving forward so aggressively.

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FELIX MORLOCK is a Brunswick Partner specializing in M&A and is based in Frankfurt.
HANNAH RÜCKEL is a Director based in Munich.

The second trend is autonomous vehicles. That will be a huge market in the future. On the forefront are new players like Waymo in the US or Pony in China. Most of the established carmakers are working with technology providers on these autonomous systems. Getting your share of the business in that segment, breaking into that market, is a huge challenge.

Are you optimistic about Europe's role in leading this technological shift, and in keeping up with China?

I am optimistic, because I'm always optimistic. As I should be in my job. Europe has a lot of opportunities. We're coming back to the initial discussion, particularly in terms of industrial AI. Europe needs to put the right emphasis and also the right focus on this topic, with all of its industrial heritage, backbone and experience. There is a lot of talent in that sector. Europe has leading research organizations.

There are a lot of places where I'm optimistic that Europe has a right to win. It just needs to make it happen. The competition is super tough. Europe needs to up its game, to train harder, be more daring and more aggressive. Europe is still a fragmented economy with no common, fully orchestrated strategy.

Do you feel like the geopolitical situation has changed the scenario enough that it's waking Europe up? Is there a change that you're seeing?

Yes, definitely. I think for Europe this was a much-needed wake-up call. It's necessary now to work out what fields you need to master, and the areas where Europe needs sovereign solutions. But they need to do that without losing the important international relationships that they have. This is what I miss in this conversation as we move from transatlantic cooperation or globalization, to now having individual deals country by country. There's an opportunity—and a necessity—to maintain collaborations across regions, collaborating on a transatlantic basis, leveraging existing strong relationships. We need those complementary skill sets.

What are you most excited about in your investment portfolio or the horizon?

I've always worked in industry, for companies that produced real goods. So, I'm super excited to see how much technical progress there is, how much opportunity there is to advance the physical world. I'm really excited about all these deep tech and hard tech opportunities that are out there. That's where my passion lies. And that's what is needed to address a lot of the real-world problems, as a society. ♦

ONE BATTLE AFTER ANOTHER, THE TITLE OF Paul Thomas Anderson's 2025 film and this year's most decorated Oscar Award-winner, is also an apt description of what the film industry has faced the past few years. It has battled pandemic restrictions, the Hollywood writers' and actors' strikes, and the rise of streaming.

But belief in the business never wavered for Tim Richards, founder and CEO of Vue International, one of the world's leading cinema operators. Even amidst the most recent battle: the months-long bidding war between Netflix and Paramount to acquire Warner Bros. Discovery.

Prior to Netflix dropping out of the race in late February, many were concerned about what it would mean for cinemas, and the movie industry as a whole, if the streaming giant acquired one of the big five legacy Hollywood studios—but not Richards. "The demand for theatrical experiences has been proven across all demographics," he says. "The upcoming slate includes multiple billion-dollar films. Other major studios, both legacy and new tech giants, are significantly increasing theatrical commitments."

THE



"Our audiences never left us; they were just waiting for movies to return." Vue Founder & CEO

TIM RICHARDS

CBE reflects on the industry challenges of the last few years, cinema's enduring power and the innovations shaping the next era of moviegoing.

Richards' confidence is neither naïve nor nostalgic, but gained from over three decades of experience and a willingness to evolve. A former Warner Bros. executive, he left the company in 1999 and founded Vue, opening its first venue in 2000 in Scotland. Under his leadership, the business has grown to be the largest privately held cinema operator in Europe. Currently, Vue International operates 222 sites, providing theatrical experiences across 1,951 screens in eight countries.

For his achievements and contributions to British film, Richards was awarded Commander of the Order of the British Empire (CBE) by King Charles III in December 2024. When we spoke in January, Richards reflected on the rollercoaster of the past few years, the value of the shared movie experience and his excitement for cinematic innovation.

The film industry has faced its share of challenges in recent years and many believed the industry wouldn't be able to recover. What is it about cinema that makes it so resilient?

I've been in this industry through three major

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PICTURE



**"IT'S ALL ABOUT
DELIVERING AN
EXTRAORDINARY
SOCIAL EXPERIENCE,
SOMETHING
STREAMING CAN'T
REPLICATE."**

By **DAN ROBERTS &
CHARLOTTE SIDWELL**

recessions: 1990-1991; the dot-com crash in 2000; and the financial crisis of 2007-2008. We have a history as a business of being counter-cyclical to economic downturns. Over the past century, film has survived recessions, depressions, wars, feasts, famines. I think to some, this time felt different, but I believe in the business and I will always believe in the business.

Movies are funnier, scarier, more emotional when they're shared socially with others, particularly friends and family. That hasn't changed. Film as an art form is relatively new, but over 120 years we've seen that demand for out-of-home entertainment and films.

Now that Netflix is out of the race and Paramount is set to acquire Warner Bros. later this year, what are your thoughts on the deal and on the preceding bidding war for the acquisition?

I think the outcome removes a degree of uncertainty for the industry, which is helpful.

David Ellison is a highly respected filmmaker who founded Skydance more than 20 years ago and has produced some of the most successful films of the modern era. He doubled Paramount's theatrical slate after he acquired the studio, from an average of seven films per year to 15 or 16 in 2026, and that was before the Warner Bros. opportunity.

With Netflix, they've had a very limited number of films play for minimal runs at small independent cinemas. So there were questions about whether they would collapse the theatrical release window—the length of time between when a film hits the big screen and when it goes to streaming. We saw how that played out during the pandemic. Studios and filmmakers took the opportunity to test a different business model, either bypassing cinemas entirely or simultaneously releasing films to cinemas and home entertainment on the same day, removing the theatrical release window altogether.

The studios have admitted, both privately and publicly, that they lost hundreds of millions consequently. And now they have embraced the 100-year-old-plus model—with a slightly adjusted theatrical release window of 45 days rather than four-to-six months. Perhaps now Netflix has seen Warner Bros' theatrical model, they might embrace it and release some of their amazing movies on our screens.

I think the studios have a new understanding of the value of the cinema experience. They've recognized, along with the analysts, that watching a movie on a big screen is not specific to any one single demographic; it has universal appeal across all audiences

"WHAT I LOVE ABOUT OUR INDUSTRY IS JUST WHEN YOU THINK THERE'S NOTHING LEFT TO DO, THERE ARE

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NEW THINGS. CINEMA IS CONSTANTLY REINVENTING ITSELF."

worldwide. That's been proven in the last five years post-pandemic and post-strike, where records have been broken across every genre of film, from *The Minecraft Movie* to *Oppenheimer*.

Our audiences never left us; they were just waiting for movies to return.

So, you feel confident that the studios will keep investing in big-screen films?

Feature films that are released in our cinemas are the catalyst for all the ancillary revenue streams. Filmmakers and our partners at the Hollywood studios have made commitments to feature film production that is unprecedented.

Paramount, as part of their deal to acquire Warner Bros., has promised to release 30 films a year between the two studios. We also saw the birth of a new studio with Amazon; they're building their own distribution offices globally and have made commitments to release 14 to 16 films a year. This is out of nowhere, and they are officially a new studio. Then Apple joined in; they've been around for a little while working with some of the top filmmakers in the industry, most recently with Sir Ridley Scott for *Napoleon* and last year's release of *F1* that grossed over \$650 million.

That's two new studios that have joined, which is extraordinary because these are movies that are being produced that we hadn't even had in our plans for the next two years. We are going to have a wealth of incredible movies of all genres for all demographics.

After all the recent challenges, do you have any advice for leaders facing similar obstacles?

There's no playbook for how to react to an entire industry shutdown. We were coming off a very strong trading period globally, a record \$42.5 billion in box office revenue in 2019. As a company, we broke all records in 2019 as well. Going from that sort of high to having to close our cinemas in nine countries in the span of three weeks, it was gut-wrenching and apocalyptic.

For us, our loyalty was to the 10,000 employees that helped us build the company. We wanted to preserve their jobs and fortunately, we were successful. But first and foremost, we saved the company.

How did you keep confidence among your staff and investors?

It was tough. We went through a major restructuring in late 2022, and in 2023 we finally started to see an emerging recovery in the industry globally. Filmmakers started to dust off their scripts, they got the

production crews back together and started to get films going again. Then in May of '23 the Writers Guild of America went on strike and a few months later they were joined by the actors, SAG/AFTRA.

Many people didn't realize this wasn't just a Hollywood issue, it was a global issue. Filmmakers worldwide stopped production in solidarity. When the strikes ended in late 2023, it took months to rebuild the production pipeline. You can't just flick a switch. It's a complex matrix of talent and business that all need to come together again. We had a lot of support from the creative community. That, with my complete and total belief in the long term of the business—I did everything I could. I wasn't looking at it through rose-tinted glasses but looking at the facts, what had happened historically versus what was happening currently, to keep everyone going.

Many businesses constantly have to innovate to keep customers coming back, how does that translate to the cinema?

What I love about our industry is just when you think there's nothing left to do, there are 10 new things. Cinema is constantly reinventing itself.

We were the first company in the world to eliminate box offices back in 2006, one of the few sleepless nights in my career. After our recapitalization in early 2024, we had the chance to start trialing and testing new initiatives again. We took another leap by removing concession stands as a trial in our Swindon cinema; this time I slept well because I was highly confident that we were on to something pretty big.

The ambition is a seamless "seat-to-seat" journey: from the car or train seat to the cinema seat without touching your wallet or phone. We have food and products in our foyer that customers can shop via facial recognition and walk right through. They see it as better service, because our staff are now all front-of-house, greeting and spending time with our customers.

In the theater, our focus remains on the three S's: seats, sight and sound. We want to make sure that our customers have the best viewing experience they can possibly get. We've partnered with Barco, which we believe has the best laser projectors in the market and we cannot roll them out fast enough. We introduced our new Ultra Lux seats, which are wider, enhanced recliners featuring built-in champagne coolers and side tables for storage.

A little over a year ago we realized we were slightly behind on our premium large format experience. We spent a year looking into emerging technology, trying to find the best product. We ended up choosing

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DAN ROBERTS is a Brunswick Partner with 25 years' experience as a political and financial journalist. **CHARLOTTE SIDWELL**, a Director with Brunswick Arts, has worked with the creative industries for over a decade.

HDR by Barco with the brand new lightsteering technology and the incredibly immersive Dolby Atmos sound system. We created a new brand called EPIC. We've opened seven locations so far, two more are opening soon, with a goal of over 60 by the end of 2027. It's all about delivering an extraordinary social experience, something streaming can't replicate.

Speaking of innovation, tell us about Vue's venture into film production.

Fifteen years ago we saw the opportunity to release movies and work directly with filmmakers, but we got very busy while entering into the European markets and we put that on the back burner. Recently we've started again, we saw a gap in the market for high-quality British and independent films, and we launched Vue Lumière at the end of 2024. We brought on Eve Gabereau, one of the most highly respected independent distributors in the UK, if not Europe, to run it for us. We currently have a library of 15 films and have plans to expand across Europe.

Every year in our markets, three to five of the top 10 movies are local films. So that acts as a natural hedge to Hollywood, and it just makes the international market a little bit easier than working in a domestic market, where 95% of films come from local content.

AI is a huge topic in Hollywood right now, how do you see it affecting the industry?

There's a lot of discussion around AI, and there's certainly cause for concern. Personally, I see it as an incredible tool, as long as it's used responsibly and with proper controls and guardrails. The ongoing conversations with the creative community and filmmakers are very constructive; everyone recognizes that certain limitations need to be implemented to protect the industry going forward.

We're using it effectively. AI books all our screens, determines what we show, where we show it and when we show it, on every single screen. There's certainly very repetitive work that's being done currently by computers that can be replicated on AI that can create some incredible images. But it is a tool, and it needs to be used as such.

You must see a lot of films for work. Do you still enjoy them socially, or have you had enough by the end of the week?

I've always loved movies. I'm lucky and blessed to be in an industry that I love so much. And when I'm not watching screenings or attending film premieres, in my free time I go and watch a movie. ♦

FOR DECADES, BEFORE THE OPENING OF many Hollywood films, theater audiences were witness to one of the great branding coups in entertainment history: the Dolby trailer. A short sequence with breathtaking soundtrack and stunning visuals would culminate in the name of the latest Dolby technology enhancing the cinema experience. Debuting in 1971 with *A Clockwork Orange*, these short reels became a staple of the movie-going ritual.

Those trailers were emblematic of the company's impact: Dolby shapes how billions experience sounds and images. Yet Dolby may be most remarkable for its behind-the-scenes business model. Rather than building gadgets, it builds the technology inside them, licensing innovations to nearly every corner of the entertainment world. In addition to movie theaters, the strategy puts the company's products into televisions, smartphones, home audio systems, automobiles, streaming music and many other applications and devices.

That strategy was the brainchild of the company's founder, Ray Dolby. In 1965, he founded Dolby Laboratories to commercialize the noise-reduction technology that became essential to producers and

DOLBY'S

consumers as a result of his decision to license it to existing audio equipment manufacturers. As the technology landscape changed, the implementation of that strategy became more critical and increasingly complex.

In 2011, the company brought on board Andy Sherman as Executive Vice President, General Counsel and Corporate Secretary. Part of his job was to oversee the company's legal affairs and worldwide government relations, but he had another important role: to develop new ways to generate value from the company's ever-growing portfolio of innovations.

The resulting unbranded patent licensing business, which complements the business of the branded licensing of products that made Dolby famous, has grown to play a significant part in the company's recent success.

Sherman came to Dolby after a career that saw him move from a litigator at a Silicon Valley law firm to Senior Vice President and General Counsel

License to INNOVATE

BY STINA SKEWES-COX TRAINOR & CARLTON WILKINSON
PHOTOGRAPHS BY MARK LEONG

A man with glasses, wearing a dark blazer, white shirt, and jeans, is sitting in the center of a large, empty stadium. He is looking directly at the camera with a slight smile. The stadium seats are dark and arranged in rows, extending far into the background. At the top of the frame, there is a bright light source, possibly a stage or scoreboard, which illuminates the scene. The overall atmosphere is quiet and contemplative.

Executive
Vice President
and General
Counsel
ANDY SHERMAN
reveals the
secret behind
the 60-year-old
company's
consistent
pace of
world-changing
technologies.

at CBS Interactive. A pivotal moment came early in his career when he accepted a position at a software company. It seemed a natural fit, handling the business's representation in Latin America. He had been raised in Argentina speaking both English and Spanish. Together with his tech background, he was the perfect candidate. But the reality of the new job wasn't what he expected.

"My previous position in Silicon Valley had been a very dynamic, high-energy environment," he told us in a recent interview. "But suddenly I was doing more transactional work. I felt like I had made a mistake. I told my boss that I was thinking about going back to my law firm job and he said, 'wait, don't do that.' This eventually led to an expansion of my role to include the entire international function."

The move gave Sherman new business leadership responsibilities, and a keen insight into the role of legal strategy. "It changed my mindset from being a legal advisor to being somebody who's positioned to help solve more conceptual and challenging problems at a business level," he said. That thinking and experience ultimately brought him to Dolby.

I remember in the early '80s, pressing the Dolby button on a Sony boombox, a large portable cassette recorder. I remember thinking, "OK, who is Dolby? Who is doing that?"

Ray Dolby, our founder, loved music but was dissatisfied with the quality of the sound recording, so he used his degree in physics from Cambridge to figure out how to solve those technical problems. He was a genius technology innovator. Those of us that met him, knew him as an engineer's engineer. If you did your job as an engineer, people would buy your products. That was his mindset. He thought of marketing as a gimmick.

Ironically, he was a genius marketer. It was important to him that these deeply embedded technologies be visible to consumers as produced by Dolby. The cassette tape cartridge would have the "Dolby" logo, and there was a branded button on the players. The consumer would have to press the Dolby button to immediately hear the sound improve, and recognize that the good sound is Dolby technology. It had the effect of searing the Dolby brand into the memory, like it did for you.

He repeated that again in the cinema industry, recognizing how important it would be for the Dolby brand to be associated with high-quality experiences like stereo. He was part of the negotiation with the studios to create the best cinematic experience, and he traded benefits to ensure that there was a Dolby

"WE SPEND A LOT OF TIME HELPING EDUCATE REGULATORS AND POLICYMAKERS, TO SHOW THEM HOW IMPORTANT INCENTIVES ARE, PARTICULARLY FOR SMALLER INNOVATORS THAT ARE PURE INVENTORS."

trailer at the start of each movie that introduced audiences to Dolby sound. Right at the moment where the film was about to start, when people are on the edge of their seats with focus, that's when you saw the Dolby trailer.

What attracted you to come to Dolby?

One of the things early on that I was curious about was Dolby's ability to replicate success and innovation across generations of technology, across sectors and across decades. Having one or two successes is unusual. But delivering success after success over such a long period is extraordinary.

History is riddled with companies in virtually every sector that seemed invincible—massive resources, smart leaders, incredible capabilities, robust strategic planning processes that looked way out into the horizon, all of the things people think about when they're talking about creating long-term success. And yet most of those companies were unable to sustain that innovation.

So the curiosity for me was, what is it about Dolby's business, and in particular its alignment between intellectual property strategy and business strategy, that has enabled that multi-generational and multi-sector success?

How does Dolby balance those two approaches of continuous innovation on the one hand and focusing on your strengths on the other?

We ask a couple of questions. First, how do we generate value from our innovation? And second, how do we set the stage for future innovation and success? The answers come from a combination of experimentation, which is essential, and staying close to our customers, knowing their concerns.

Much of the experimentation that we do will not have financial success, but we learn a ton from that work. It requires a lot of investment and effort to detect the types of opportunities that can deliver real value.

Then it takes a lot of patience, a lot of investment and wherewithal, to get to a business that builds an ecosystem, and delivers the technologies that activate that ecosystem.

That's the long-term perspective.

For Dolby Atmos, for instance, we work with the content creation and production communities—everybody from cinematographers to sound mixers, engineers, producers and directors. We work with them to develop next-generation tools and capabilities that allow them to deliver the highest-fidelity, highest-quality entertainment experiences.



We also work with the distribution community, from national broadcasters to IPTV providers to streaming services providers to satellite providers. And remember, each region of the world has its own. Think about the complexity of that work.

Then we work with chipmakers that introduce our technologies into semiconductors that then are available to manufacturers of finished goods, the products that bring audiovisual experiences to every location on Earth. And all of that is constantly changing and it all has to work together.

Dolby's mission is to unlock the power of sight and sound in pursuit of awe-inspiring experiences. Staying close to each part of the ecosystem helps us find the right balance and stay focused on our mission.

Yet you remain a relatively small company. Is that an advantage, where innovation is concerned?

It's both an advantage and sometimes a disadvantage. The advantage comes from specialty and focus, really being the best in the world at what we do. The potential disadvantage is that scale can matter in certain environments.

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Dolby also helps shape regulation around the world. Can you talk about that?

For a business like ours that has such long time horizons, hundreds of millions of dollars invested to create a next-generation technology, it is important that there's a framework of intellectual property that allows us basic controls over that and the opportunity to generate value from that so that we can reinvest it in the next generation of technology.

We spend a lot of time helping educate regulators and policymakers, to show them how important incentives are, particularly for smaller innovators that are pure inventors. We have those discussions with regulators in Europe, in the United States and in Asia.

From the days of Edison and the Wright Brothers, often the most disruptive innovations come from smaller companies or from innovation specialists. There are a lot of very big businesses out there innovating. They do great work, no question, and some are great partners of ours. But they don't have quite the same intellectual property needs as a smaller company, and they don't innovate in quite the same way as smaller companies do. As a business community, as a society, it is important to protect the innovation that comes from smaller players. Patent protections need to be strong to support that.

How does this type of thinking resonate in China? Dolby is doing well there at a moment when a lot of other companies are pulling back.

We've been involved in the Chinese market since the early 1980s and we have been very dedicated to supporting that entertainment ecosystem. We have very close, long-term partnerships in China. Many of our partners are large global companies that are major innovators, and I think that has helped us find common ground. They have become a lot more active as intellectual property advocates across the globe—because they are now major beneficiaries of legal systems that protect innovation. So we've seen significant transition. There are discussions about the quality of legal, justice and jurisprudence systems that properly and fairly value intellectual property. We're increasingly seeing greater alignment between our partners in China on some of these broader global intellectual property policy ideas.

Can you talk about Dolby's use of patent pools and how that has worked for the business?

Patent pools are the go-to-market strategy for our patent licensing business. They have been in existence since the 1800s, but have recently become

more popular as a solution to license patents essential to implementing technical standards. It's kind of an "exotic plant" area, but important in the tech world.

To understand why patent pools make sense for us at Dolby, we first need to understand something about technology standards. In our space, standards are needed to ensure interoperability—to ensure that audio or video captured anywhere can be streamed over any network, and viewed on any device. To accomplish that goal, we work in standards bodies—alongside many companies, universities and research institutes—to develop the audio and video technologies that form the backbone of that interoperability. The best ideas emerge and are adopted in a standard. The challenge is that this process can lead to 40, 50, 60 or more owners of the intellectual property embodied in the standard.

That's difficult from a licensing perspective. Nobody wants to negotiate multiple licenses for a single technology. A patent pool solves the problem by putting all the patents together into a one-stop shop and then offering them, in a single transaction, to the implementers, the manufacturers, in a way that's efficient for them and fair to all the IP owners.

We participate in many different patent pools and contribute to those underlying standards. That's an extension of the broader Dolby strategy of supporting technology ecosystems.

Does that interfere with the ability to license Dolby-branded technologies?

No. The Dolby-branded and patent licensing businesses are complementary. They offer different products in different ways. One example that I like to use, to help people understand why, is Honda. Honda Motors sells more engines than anyone else in the world—but not because of its branded products. Most of the engines it sells end up in devices that are not Honda-branded. They are components in products manufactured by others—from lawnmowers to leaf blowers to irrigation systems. So Honda has effectively used its engine-building expertise to create an unbranded business that doesn't compete directly with its branded products.

That's similar to us. We have branded offerings for customers that need complete audio and video technology solutions. It's really a full-service business. We also use our expertise to contribute, along with other industry players, to standards that ensure interoperability across the ecosystem.

To reiterate: These are different products for different use cases.



In *A Star Is Born*, director Bradley Cooper plays aging country rock musician Jackson Maine, and Lady Gaga co-stars as his protégé and love interest, Ally. Cooper says the use of Dolby Atmos and Dolby Vision created a dramatically realistic experience of fame and was a critical part of the film's success. In a Dolby behind-the-scenes video Cooper says, "Without that technology, you just don't have the same experience."

Let's talk more about Dolby Atmos. Theaters can optimize their sound systems for it. But it can also adapt to whatever system the user has?

Atmos is a level of abstraction above stereo or surround sound channels. With Atmos, you can identify 128 discrete sound objects and place them in your listening environment, given the properties of the playback environment.

If you are optimized with 150 speakers and many subwoofers, you're going to get the most advanced sensation of sound, the most realistic. In your living room, you're going to have fewer tools to be able to recreate it. But the technologies calibrate the dimensions and the reflective properties of your room and then use the speaker systems of soundbars, for example, to bounce sound off the reflective surfaces—off the ceiling, off your back wall—to deliver those sound objects to you in your room. It recreates the sensation that you've got speakers all the way around you. It's pretty amazing.

Bradley Cooper, the director and the lead actor, used Atmos in the film *A Star Is Born* (2018). He used our testing lab to incorporate Atmos into the film. He's aligned with us because we gave him the opportunity to represent what it feels like—the experience of fame in this case—in novel and realistic ways.

There's this one scene in the film where Lady Gaga's character shows up at a stadium where he's performing. There are tens of thousands of people. This was filmed in real, live environments. She walks through the back channels of the stadium, and it's muffled, and as she's getting closer to the stage, it's getting clearer and clearer. When she arrives onstage there's this huge explosion of sound from the band and the audience. You're hearing the music from her perspective, as the musicians would hear it, from the onstage monitors (where the mix is tailored for each musician), so it changes as she walks across the stage. You've got the sound of the audience coming in in waves, reverberating.

These audio technologies are enabling that feeling of emerging from the depths of the tunnels backstage to the stadium stage. You're feeling like you're on that stage.

Whether it's Atmos, or whatever comes next, Dolby will continue to work with the creative community, we'll continue to innovate, so that audiences can continue to enjoy awe-inspiring sights and sounds as the artists intended them. ♦

STINA SKEWES-COX TRAINOR, former Head of Global Policy Engagements at Meta, is a Brunswick Director based in San Francisco. **CARLTON WILKINSON** is Managing Editor of the *Review* in New York.



AFRICELL turned the unlikely subject—a contentious infrastructure project—into a feature-length film streaming on Apple TV and Amazon Prime Video. By **SAM WILLIAMS**

The LONG ROAD to LOBITO

PHOTOGRAPHS: ALEXANDRE BERTRAND, COURTESY OF AFRICELL

THE CONVOY STOPPED AT DUSK SOMEWHERE in the middle of the Democratic Republic of Congo (DRC). One of the cars had sprung a leak. The next town was three hours ahead through empty bush on cratered roads. Behind us, an hour back, local kids had warned about bandits and rebels who “kill people in strange ways” in these parts.

As night neared and we stood wondering what to do, someone noticed it: a railway sleeper, half-buried

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In Angola, explorer and presenter Dwayne Fields walked through a minefield with Seb Haddock from the HALO Trust.

in elephant grass, barely visible. The track ran straight in both directions, carving a line through the wilderness. The railway had been laid over a century ago and cost countless lives in the process. For the past 50 years it had mostly sat silent, its bridges blown up, its periphery mined, vines slowly strangling the rails.

This is the Lobito Corridor, the railway meant to connect Central Africa’s Copperbelt to Angola’s Atlantic coast, and the subject of Africell’s feature-length documentary *Lobito Bound*, a film that would eventually stream worldwide on Apple TV and Amazon Prime Video.

Africell is a mobile network operator, not a railway company. But in the Lobito Corridor we saw a mission like the one that drives our business: creating connection. Rather than producing reports no one would read, we wanted to get people to pay attention to a project in a part of the world that is too often overlooked, but which we call home.

The railway to Lobito had been a source of hope and disappointment since it was first conceived by an eccentric Scottish tycoon in the late 19th century. With the assent of Angola’s Portuguese colonial authorities, it had been built to haul Congolese minerals west to European foundries and factories. Angola’s civil war in the 1970s, which killed as many as a million people, shut the railway down. China tried to revive it in the 2000s, though progress stalled. Now the US and EU are investing billions to rebuild the railway and help safeguard its access to copper, cobalt, coltan (and a bewildering array of unpronounceable “rare earths”) while also creating jobs and infrastructure in one of the world’s poorest and most troubled regions.

In June 2024, Africell set out on a 4,000-km film-making expedition to discover what that promise actually means to the people of the region. From Tanzania’s Indian Ocean coast to Angola’s Atlantic shore, Dwayne Fields—a Jamaican-born British explorer who traces his ancestry back to Central Africa’s Copperbelt region—spoke with senior officials and investors. But he also sought out voices that are typically absent from discussions of policy and infrastructure.

In Kitwe, Zambia, Fields walked through a township with Chomba Nkossa, a miner turned comedian. They wandered down streets that once had cinema halls, sports fields and community centers—all sold off now.

“When I go back in time and see what we had then and look at now,” Nkossa said, “sometimes I feel like crying. It’s like a war zone.” He hopes

new investment might restore what was lost, though he's wary.

Outside Kolwezi in DRC, Fields descended 200 meters into Kamoia-Kakula, one of the world's largest copper mines, where almost 1,000 people work underground each shift extracting minerals that might end up in smartphones, electric cars, wind turbines, data centers or ballistic missiles. The mine already plans its own railway spur, anticipating the extension of the corridor. Fifty thousand tons of copper leave this site every month, on trucks that can take 10 days to cross a border.

Angola is one of the most heavily land-mined countries in the world. In its highlands, where the air is thin and light blinding, Fields walked through a minefield with the HALO Trust, an NGO that clears the debris of war. Seb Haddock, the unit commander, showed Fields a waterfall that should be a major tourist attraction, but is empty because it can't be reached safely.

On the Swahili coast at the beginning of the journey, Tanzanian journalist Elsie Eyakuze told Fields that Africa too often feels like "the grass beneath clashing elephants," that is, like a land caught between great powers competing for resources. "If it doesn't go well," she said of the Lobito Corridor, "then maybe it's just the carving up of Africa all over again."

At the journey's end in Lobito, then-US Ambassador Tulinabo Mushingi described the project as "win-win": supply chain security for America, jobs and infrastructure for Africa. When Fields asked when ordinary people would benefit, Mushingi said, "As soon as their mother can come and sell something quickly, as soon as health wagons stop

and people can come and see a doctor, that's when they will start to see."

If a theme emerges in *Lobito Bound*, it is that of hard-bitten hope. Those living along the Lobito Corridor aren't betting too much on the success of a project that may be hostage to changing administrations, shifting priorities and volatile funding. But they do believe that, unlike in earlier times, more Africans stand to gain from it if it does come good.

"It has been hard to ignore the echoes of an age-old story," Fields says in the film's final shot,



Above, a picturesque waterfall in Angola that is unsafe for tourists. Fields, at left in a brown shirt, with then-US Ambassador Tulinabo Mushingi, beside one of the SUVs that carried him and an Africell team across much of the width of Africa.



squinting against the fierce tropical sun. "It's a story of outsiders looking to exploit this continent for its enormous wealth. But this version does feel different. On my journey, I've met Africans working hard to make this story their own. And I've met many more who are excited about the opportunities to come." Fields gazes out to sea. Tankers and container ships wait along the horizon for a berth. It is unclear whether those ships are bringing things in or taking them away. "I don't think any of these people know for sure whether they believe in the Lobito Corridor or not," he says. "I don't think that matters. They are just hoping it works." ♦

SAM WILLIAMS is Africell's Group Communications Director and the executive producer of *Lobito Bound*. He worked for Brunswick in London and Abu Dhabi between 2015 and 2020.

THE TULIP FOLLY 1637



ABOUT 70% OF FORECASTS PREDICTING A bubble-bursting market correction turn out to be wrong, research suggests, while that vision of doom that proves prescient is so rare as to build reputations. Who can resist clicking on the latest post from a genuine foreseer of the 2008 crash?

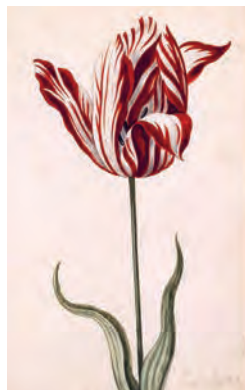
But if prophecy is notoriously difficult, retrospection isn't necessarily foolproof, as demonstrated by the famous case of the Dutch Tulip Mania. Originally from Asia, tulips took Holland by storm early in the 17th century, with demand so far outstripping supply that a high-quality bulb might cost as much as a mansion. Early in 1637, prices collapsed, leading to the ruination of the Dutch economy, to widespread suicide and bankruptcy.

For Gordon Gekko, anti-hero of the 1987 film, *Wall Street*, it was “the greatest bubble of all time.”

Or so it was believed for centuries.

Now, the work of (among others) Anne Goldgar, a University of Southern California professor of European history, pops that narrative bubble. After years of research in Dutch archives, Goldgar found little if any evidence of widespread economic impact from the 1637 collapse of tulip prices in Holland. No suicides jumping to their deaths in canals. No tulip-induced bankruptcies. The relatively few people who did lose big could afford to do so, she found.

Nineteenth century painter Jean-Léon Gérôme depicts a nobleman guarding a tulip field during the collapse in prices, while soldiers trample other tulip beds in a vain attempt to drive up demand. Below is a Semper Augustus, the Tulip Mania's highest priced bloom.



KEVIN HELLIKER is a Pulitzer Prize-winning journalist, and Editor in Chief of the *Brunswick Review*.

The notion of a tulip-market crash sounded as humorous in the 17th Century as it does to modern ears, Goldgar found. The crash was widely satirized in various accounts that 200 years later were stripped of their humor by Scottish journalist Charles Mackay in *Extraordinary Popular Delusions and the Madness of Crowds*, a book that remains a Wall Street classic.

Goldgar in 2007 set the record straight in her own book, *Tulipmania: Money, Honor and Knowledge in the Dutch Golden Age*. A critical and commercial success, it established Goldgar as the leading authority on Dutch Tulip Mania. Yet something about the myths and the alleged devastation has proven resilient. Every hot new investment, it seems, reinvokes the tulip craze. Goldgar has found herself arguing that, “whatever it is, Bitcoin is not tulip mania 2.0.”

On financial websites, on social media, in business school lectures, “tulip mania gets brought up again and again, as a warning to investors not to be stupid,” Goldgar wrote in a 2018 essay for *The Conversation*, an academic website. But, she added, “tulip mania wasn't irrational. Tulips were a new-ish luxury product in a country rapidly expanding its wealth and trade networks. It wasn't irrational to pay a high price for something that was generally considered valuable, and for which the next person might pay even more.” ♦

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