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EP 227 | Private Equity: The Blurring Line Between Public and Private Markets

[00:00] [Rob Campbell] [RC] Private equity was the domain of endowments, pensions, and the ultra wealthy. Today I'm joined by my colleagues Kevin Minas and Peter Lieu to talk about how that's changing, and we tackle a number of the most important topics in private markets today. Along the way, you'll get a flavour for our own private equity strategy here at Mawer, and some of the choices that we've made in its implementation. My conversation with Kevin and Peter, up next.

[00:26] [Disclaimer] This podcast is for informational purposes only. Information relating to investment approaches or individual investments should not be construed as advice or endorsement. Any views expressed in this podcast are based upon the information available at the time and are subject to change.

[00:44] [RC] Peter, Kevin, welcome.

[00:44] [Kevin Minas] [KM] Hey, Rob. Thank you for having us.

[00:47] [RC] Well, Kevin, you're a regular on the podcast, although you're often the one asking questions. And Peter, I think we had you on a couple of years ago as part of an ensemble cast, but this is your first full-length episode. So thank you very much for joining.

And look, guys, this is exciting because most of the episodes that we do, and we can certainly talk about bigger picture themes, but most of them are really focused on public markets, the stock and bond markets that are readily tradable. And today we're going to be focusing mainly on private markets.

Peter, I'm going to start with you just because you've spent most of your career in the private space. I don't know how far back you want to go, but can you summarize the recent history of private equity allocations in investor portfolios?

[01:30] [Peter Lieu] [PL] Maybe we can start with where private equity started for institutions. If you go back to the mid-80s, David Swensen and his team at Yale pioneered the Yale model, moving from the traditional 60-40 portfolio to alternatives. Over the course of 20-plus years, they effectively inverted their public equity holdings into buyout and venture, which is nearly 45% today.

In Canada, you had the early adopters around the same time. You had the Caisse in Quebec, OMERS and Teachers in Ontario. After that, in the early to late 90s, you had BCI, AIMCo, PSP, and CPP adopting private equity. And so you see 2-3 decades of investing in private equity for these institutions.

And today, the Maple 8 have approximately 10-15% of their portfolio in private equity. And it's really been inaccessible to retail clients. But more recently, you've seen a slowdown in commitments from the traditional

institutional allocators.

You still have some young pools of capital in Asia and in the Middle East that are growing their portfolios. But you do see general partners [GPs], private equity managers, that are looking to diversify their client base. And so you see more retail participation in the space.

[02:58] [RC] I want to come back to retail participation in a little bit, but I'd be curious to get both of your thoughts on what I'm seeing as some of the bigger themes in private markets more recently.

Kevin, the first thing I want to ask you about is this: it used to be a pretty simple calculus for private companies. You raise money to get going, you reach a certain scale, and then you go public.

But we're seeing a lot more advantages for companies, or fewer disadvantages, in terms of staying private. And we're seeing a little bit more mixed decisions from companies in that regard. Can you talk a little bit more about this public-private convergence?

[03:31] [KM] Sure. Yeah, it's really a blurring of the lines.

To your point, SpaceX would be a good example of a company that got to a multi-trillion-dollar valuation before they went public. If you were an investor that was able to access the private markets, you could potentially get access to a lot of the phenomenal gains you saw in that business. But if you were relegated to just investing in public markets, that was something that wasn't on offer.

And so you're starting to see a bit of a convergence. It's a question of companies ultimately staying private for longer. Part of it is a function of just choosing to delay IPOs.

Part of it is the state of the IPO market, the initial public offering market where companies go public for the first time. When rates reset a couple of years ago, that slowed down that market a little bit. You've also got the rise, frankly, of private equity.

So whether it's venture capital, as Peter mentioned, growth equity, which is a subset of private equity, or even private credit, all of it booming is ultimately another source of financing for companies to avoid having to go public.

And then you've also got this phenomenon of public-private crossover investing. Some investors can actually invest in both within a given vehicle, whether it be traditional mutual funds, hedge funds, or LPs. You've got all sorts of this proliferation of structures that have allowed investments across the spectrum. And then you've also got the phenomenon, and this isn't new necessarily, of public companies being taken private by private equity firms.

Again, not a new thing, but the volume of it has increased over time. And so for all those reasons, you've got a blurring of the lines. Ultimately, the key implication for investors is that if you want to access that value earlier in the life of a company, having access to private equity is really important.

But of course, it does come with a liquidity trade-off. But as Peter was mentioning, there has been a growth in a lot of vehicles that provide access to investors but also have some liquidity provisions, as opposed to the traditional 10-year lockups. So that's really where you're seeing this blurring of the lines.

Some of those evergreen vehicles, those semi-liquid vehicles, allow both public and private equity within them. I think the interesting thing for us here at Mawer is we noticed this convergence going back 5-6 years ago, when we were contemplating starting a private equity strategy. The other area of convergence that we saw, which we thought was an excellent opportunity to leverage our skills, was that the skill set you require in the public markets—there actually are a lot of parallels in private equity.

At the end of the day, if you're analyzing a business model, which we think is one of our key competitive advantages and core functions here at the firm, whether it's a public or a private business, it's ultimately still a lot of the same analysis. That was really the key insight for us and the genesis behind launching the strategy that we did about 5 years ago.

[06:02] [RC] Peter, Kevin mentioned vehicles. I want to ask you about what I've perceived to be an explosion in secondaries and continuation vehicles [CVs]. Can you explain why this has occurred? I wonder if you have a view on this idea of a GP marking their own homework.

[06:17] [PL] These continuation vehicles aren't new. They're effectively the modern-day secondary buyout. If you think about 20-plus years ago, secondary buyouts were a bit of a dirty word in our industry.

It's one where an existing owner, a private equity firm, sells the business to another private equity firm. And historically, that was frowned upon because, for the private equity firm buying this secondary business, the understanding was that the first private equity firm had done all the upgrading of the business and there wasn't much return left. And when you look through the data, secondary buyouts had really strong risk-adjusted returns.

As you go through history, what's happening now is the continuation vehicles are effectively a vehicle that enables the current owner of the business to hold the business for longer, whether it's because they can't sell the business for the price they want or they think there's actually more room to continue compounding the business. The vehicle itself allows the existing owner to own the business and really have a second kick at the can for carried interest.

So, the mechanism to price the new continuation vehicle is a third-party investor. That creates a bit of a conundrum for the current investors in the fund, because they now have to decide: should we sell the business, or should we roll equity into the continuation vehicle? A lot of LPs, frankly, aren't set up to do that. It's not obvious that continuation vehicles are bad.

The market doesn't know how to react to these things. And I think one of the big statistics is that 90% of LPs that are able to roll into the new vehicle actually choose not to. If the security was priced properly, it probably should be something like 50% liquidity and 50% roll, or it could even be that maybe LPs need the capital to roll into other types of businesses.

We don't know, but the statistic of 90% choosing not to roll, that's kind of interesting. That's really the opportunity set for Mawer. As Kevin said, we're comfortable with security selection.

And so we can participate in continuation vehicles ourselves, because we can underwrite the business and invest in them in the new structure. Or if we happen to be in a fund that is selling a business, we can also price whether or not we want to roll or exit.

That's the conundrum that these CVs create. Whereas in the past, the secondary buyout just shifted the company to a new structure.

[09:13] [RC] I've been asking you about—well, I don't know if you'll consider this a fair characterization, but with public markets doing so well over the last couple of years, one of the things I've noticed in the conversation around private equity has been around delayed exits. This concept of distributions being that much more important when evaluating the performance of your private equity sleeve than what's traditionally been viewed as the primary metric, which has been IRR. Any thoughts you can share on that?

[09:40] [KM] It's a fair question, or criticism, arguably. In terms of distributions, that would ultimately be the cash that's actually paid back. So you sell a business, you get the cash back, and it's passed from the GP, the private equity firm, to the end client, the LP. IRR is basically a method of calculating ongoing returns.

And there's some nuance there, but in short, it's basically calculating returns. And historically, to your point, the focus was really on IRR. So, what the posted rate of return was, even though you haven't necessarily sold the business.

So if you mark up a business, let's say the earning or the growth rate has increased quite a bit, and there's been a recapitalization or you take on some debt. Basically, you get a markup in the value of the asset, but if you haven't had to sell, or you haven't done a recap, you haven't necessarily got an actual distribution. So you haven't actually got liquidity.

And historically, people didn't really care because the returns were so good and there were generally fairly frequent distributions. It was almost taken as a given that distributions would come. If the returns were there, the distributions would come.

To your point, that changed quite materially in 2020-2021. Well, going into 2022, you basically had that rate reset happen. It shocked the public markets. Well, it also shocked the private equity markets.

But in the case of private equity, and I think Peter talked a little bit about this, you had far fewer exits and ultimately, sellers thought that the value of their business was a lot higher than what it was now getting priced at, because when the price of debt goes up, the value of the asset, all else equal, goes down.

So basically, people were waiting for better valuations, hoping that the operational efficiency and improvements in the business would kick in and you'd get a higher value. So, there was a bit of a disconnect there.

And what you've seen is fewer distributions, but a lot of funds showing fairly healthy IRRs. If you're an investor,

you make a commitment on a regular basis. So every year, you're making new commitments to funds. Those commitments are typically 10 years if you're doing closed-end structures, which is what's common for institutional investors.

And so you're expecting money to be coming back from the investments you made 5, 7, and 10 years ago to then redeploy. And if that money is not coming back in, but you're making more commitments to keep your program up and running, that becomes a big problem, because now you don't have the capital to actually redeploy. And so you've got to slow down your commitments, and then your actual pacing gets all thrown out of whack.

You've seen a lot of that recently. That is a big issue. Peter and the team have ultimately always focused on both sides of the equation. Yes, IRRs are important, but multiples on investor capital are important and distributions are important.

So you've got to look at it—there's a whole bunch of different metrics to consider. And ultimately, we're evaluating all the managers across a variety of metrics, as opposed to just myopically focusing on IRRs.

And maybe Peter can give a little bit of colour on what we've seen in our strategy.

[12:15] [PL] The first thing for clients to understand is that IRR is a number that assumes you're going to reinvest capital and generate the same type of return. And so it's really a fictitious number. It's a real number that's calculated. But the saying is you don't feed your families with IRR. You feed your family with the money that is generated from exits.

We've always focused on the money multiple in combination with IRR. The industry talks about IRR in the context of it being a measurement tool. Bonuses are paid on IRR. And so they solve for that number.

But ultimately, money back is what matters, and exits matter. Our program's been up and running for 4-5 years now. We've had about 8 full or partial exits and 5 refinancings in the context of our current environment. We feel we're in a pretty good space. And it's because we're focusing on businesses that are interesting and that are growing. And there's a reason for the next buyer to take out these companies.

[13:24] [RC] I want to ask you, Peter, something about—well, you mentioned this at the outset, the history of institutional allocations. And I think you teased that retail participation is coming. And certainly you read a lot about that this year specifically.

What does that look like? How far along are we? And what are some of the issues that private firms and investors themselves are having to grapple with?

[13:45] [PL] If you think about our investment program, it started in February of 2022. It was really a small partners fund, and it's grown to just over $260 million. 9% of the capital is still our capital. We're focused on trying to invest capital for the long term. And we've been conservative with taking in partners and capital.

With some of the retail products in the market, there is a pretty significant disconnect between the liquidity that's being offered versus the duration of the assets. So, we've been slightly different in our approach. We're more

focused on primary investing with funds and co-investing. We haven't used secondaries as much as the rest of the market.

We think the important aspect of getting access is really constructing an institutional-quality strategy, very similar to what the Maple 8 have been doing. Our program is 50% in funds that give us diversification across portfolio companies, geographies, sectors, and, importantly, vintage-year diversification.

So it's a very staggered approach to how we build up our portfolio. And then the second half of our investment program is investing in companies. We co-invest with our partners, very similar to the Maple 8. And we do the occasional direct investing in Canada, where that's home base for us.

[15:14] [KM] On the co-investments, that's a really important piece of the program. Just for those listening that maybe aren't as familiar, typically those are done on a no-fee, no-carry basis. In other words, the cost structure of those deals is advantaged right off the top.

So you've got this structural advantage. And then, to Peter's point, and maybe connecting to what I was mentioning earlier around really leveraging our public-market investing and that business-model analysis and all of the work we've done historically for 50 years, that's really where we apply it on the co-investment side. Because you're not investing in a fund, which will have a whole variety of different businesses that'll get allocated over time.

You're making a specific point-in-time decision on that one business. To Peter's point, the Maple 8 are doing it, but a lot of other institutional investors are not set up to actually do that. They honestly would love to, but it's a lot of work. It requires some excellent investors. It requires a lot of governance to be put in place. And it ultimately requires access to actually get the deal flow.

And you have to get enough deal flow to actually be able to select the best deals and then be able to discard the vast majority, which we do. So I know Peter briefly mentioned it, but I do really think that's a key to the program and a real differentiator versus a lot of the other strategies that are out there.

[16:19] [RC] For a firm that has focused so long on the public side of things, how have we been able to build this access on the private side as quickly as we have?

[16:26] [PL] Earlier, I had mentioned the slower fundraising pace for GPs. It reminds me very much of the period in 2009-2010, post-GFC. There was a denominator effect for institutional clients. And if people remember, that's when public markets came down, so their private-market exposures were way offside, and the traditional institutional investors couldn't continue allocating to the new funds being raised.

And it was really the last period of time when GPs couldn't raise capital. Given that the fundraising pace has been slower, it enables us to build relationships with GPs before we invest. Sometimes you can come across a fund that's a late primary, and so you can see two or three businesses that the GP has invested in.

And then this enables us to underwrite these three companies with the same philosophy and process that we conduct on the public-market side, so we're not just investing in a blind pool. Co-investment activity has been a bit of a carrot that GPs have dangled to get fund commitments.

We separate those decisions in our investment program. The fund has to work for us, which is a very long-term partnership. And then the company obviously has to work for us, given the concentration risk relative to a diversified fund.

But I think, as Kevin said, this allows us to reduce the cost of implementation, and it's something that institutions do. Smaller pools of capital can't necessarily do that. How we benefit from creating access is that these GPs want to continue investing or partnering with longer-term pools of capital.

[18:14] [RC] We spoke about how we started the program, I think almost 5-years ago, but more recently launched a mutual fund trust offering. What was some of the thinking behind that?

[18:25] [KM] We started with a traditional LP, a limited partnership structure, and that allowed essentially our institutional investors, as well as high-net-worth investors in their taxable accounts, to invest. It was an important first foray for us. As we mentioned, this was the start of the program 5-years ago, the first private-market offering.

And we've built it out to be a pretty robust program that's $260 million in capital. But now, over the last few years, as we've started doing more external fundraising, a lot of our clients have come back to us saying they'd love to invest some more. Or perhaps they haven't invested yet, but they'd like to invest in their registered accounts, so things like RRSPs, LIRAs, TFSAs.

In order to do that, you have to have a different fund structure, a mutual fund trust. I won't go into all the boring details of why you have to do that. Long story short, for tax purposes, that's what allows you to offer these products through a registered account. And since we had lots of demand from clients, we thought it made sense at this point to provide access to those investors through this format.

The other factor is just that, again, I won't go into the boring details, but basically the fund structure allows us to also offer it at a lower minimum investment. So it's just a different degree of access; we're able to provide it to investors at smaller amounts, which is sometimes important for registered accounts. RRSPs aren't necessarily always big for all investors, so being able to access at a smaller scale matters.

But then the last factor, which I think is probably the most interesting one, is there's actually a phenomenal alignment between the type of these registered accounts and the actual asset class. When you think about an RRSP, it might be somebody that's in their 20s or 30s or 40s. They've got decades before they need this capital, and it's actually locked up by just the way the account is structured.

Then you think about private equity: money's getting locked up. In the ultimate investment, the GPs that we're investing with, these are often 10-plus-year commitments. And so there's that great overlap between the intention of the asset class, harvesting a liquidity premium by staying in for the long term, and the nature of the account. So that's the other reason why we've extended the offering to a mutual fund trust.

[20:22] [RC] That's a great point, thinking back to what Peter described: the Yale model, the pensions, the endowments with these really, really long time horizons. Yeah, it'd be the same in an RRSP or earlier or something like that, absolutely. How do you guys think about the liquidity side?

People do draw their RRSPs from time to time. The nature of what's being invested in, relative to that. And I imagine this mutual fund trust is offering daily liquidity. How do you guys think about those liquidity windows?

And certainly, we've seen vehicles in Canada and the U.S. come under some redemption pressure, not being able to meet those, and having to gate their funds.

[20:56] [PL] I referenced vintage-year diversification. We stagger our portfolio, and so you can think of it as a bit of a bond-ladder portfolio. There isn't any guarantee of exits.

That's an area where we can provide liquidity. Ultimately, just structurally, we've chosen to have an annual redemption window. It's 90 days' notice, another 45 days before the cash has to be used to satisfy that redemption.

We plan accordingly, and we're fairly conservative with our deployment pace. Some of the other vehicles have that quarterly liquidity function and a lot of this is predicated on the fact that this is a partners' fund. A significant amount of capital is our own, and we do want to ensure that the clients that do come in are in it for the long haul, just like we are.

[21:55] [RC] A really good understanding, as an investor, of your liquidity needs definitely needs to go into this. Kevin, can I ask you about what returns have looked like? I know we mentioned this a little bit earlier, how perhaps they haven't been as strong, and certainly not in relative terms, relative to all the markets in the last little while.

Has that generally been the experience? Are different types of PE funds experiencing different behaviours? In general terms, what's our experience been over the last couple of years?

[22:21] [KM] Historically, if you go back to the 1980s, 1990s, and 2000s, I don't know if you meant to go back that far, but if you go back that far, returns were quite strong for the asset class, especially top-tier managers. 300-500 basis points of net alpha over public markets was pretty common, even more in some cases, but you did see large divergence, or dispersion, between top-quality and bottom-quality managers. Having access and being able to pick good managers was very important.

Fast forward to, I guess, more like the last 4-5 years, those factors are still incredibly important. The dispersion going forward might actually be even more, potentially, in our view. It does require, again, all the same things you needed before, but to your point, returns have been a bit weaker over the last few years. It really comes back to some of the factors we talked about right off the top.

When rates started to reset in 2022, that, again, depressed multiples, depressed asset values. That's a headwind, as opposed to the last 40 years where falling rates were a tailwind for the industry. I would mention, though, that that's a tailwind for public equities, too. That's a tailwind for lots of asset classes.

Lower rates are helpful for a lot of different asset classes. It's often seen as a knock on private equity that there's leverage involved, and therefore lower rates help improve returns. That's a true statement, I think, personally, but it's additive to a lot of other asset classes.

That has been more of a challenge, but rates have kind of reset higher now, at least past that initial shock. If you're putting fresh capital to work, that's less of a concern.

Rates, of course, could continue to go up. But when you're going from zero to five — overnight rates were at nothing, and now, zero to long end being 5% — you've got a little more comfort there that rates might be a little bit more contained. That risk, I think, is a little more reasonable now, but that has been a tailwind.

The lower level of exits has also been a factor. There's been a confluence of factors, and then, on the other side, public markets have done far better than their historical averages. I think 4-5 years ago, you'd ask most people what they thought their 10-year projected returns were for public equities. I don't think most people would say 15% or 20%. That's atypical. There has been a divergence.

Ultimately, asset classes are cyclical. Yes, we've had a little bit of a pullback, but I think, over the long term, all of the same value drivers that existed, certainly—maybe notwithstanding rates—all those drivers are still there. Being able to improve the business, having managerial control, all of those factors are still absolutely present in the industry.

If you believe that, and there is that liquidity premium still, then, over time, the return profile theoretically should continue to be attractive even compared to public markets. Just speaking briefly about our strategy without getting into too many details, people can look it up for themselves if they're interested, but it's been a very constructive backdrop for us for the last 4.5 years.

That isn't necessarily the environment that—or, in that period, I think a lot of other funds have been a bit more challenged. Particularly evergreen vehicles, if they were very aggressive deploying capital in 2020 and 2021, you think about what happened in the markets there. Valuations got very aggressive. There was a bit of FOMO.

People wanted to deploy capital as quickly as they could. And if you think about that, well, you're deploying capital fast, valuations are high, and then rates crash shortly thereafter. Well, that's probably going to be a bad vintage.

To Peter's point earlier, you want to have that disciplined capital allocation across vintages, partly to hedge that risk. We had the benefit of starting our deployment in 2022, so past that period. And we didn't really even accelerate that deployment until 2023.

And that's when the valuations were a lot more attractive. So it's been a pretty constructive backdrop, I think, for our strategy.

[25:40] [RC] I'll ask you guys to start looking forward. We've talked about themes impacting private equity, private markets today. But what do you guys think is underappreciated in the private equity space that you think we'll all be hearing a lot more about?

Perhaps it's this vintage diversification. Maybe it's sports. I hear a lot about private equity and sports. What are some of the themes that you think will be really important a year or two from now?

[26:06] [PL] Funny enough that you brought up sports. That was our last fund commitment that we made. I've been following sports for 7-8 years now, more of a curiosity than anything.

And really looking at it through the lens of diversification: sports events, or live entertainment events, and in the era of social media and on-demand media, live events continue to grow. It was very interesting to watch. But it was never really something that we could act on, because a lot of the ability to invest in sports was really around minority and passive stakes, trophy assets that may not necessarily be generating cash flows, but the valuations of these sports franchises were obviously going up.

And given that the demand for live entertainment has been going up, the media contracts have skyrocketed. But it was just not really consistent with our investment philosophy or approach to underwriting cash flows. And so earlier in 2025, we connected with Otro Capital, which was a team that spun out of RedBird Capital, which I had met in 2019. And their strategy is really sports assets, but cash-flowing sports assets.

But it also includes sports-adjacent businesses that do fit our investment philosophy. And we did the underwriting pretty early, midway through their fundraise. And we benefited from doing the work—a first-time fund.

The data does suggest first-time funds tend to outperform fund 10, just because funds get larger and returns get compressed. But at the end of the day, that fund ended up being oversubscribed. And we managed to get our full allocation because we had done the work early, so we benefited from that.

Going back to the diversification lens of sports, one of the investments in that fund is that we own our pro rata share of the Alpine F1 team. And so you can imagine that's not that correlated to financial markets.

And a recent investment in the fund is also a partnership with the University of Utah's sports program. So, college sports, again, a highly attractive asset in the U.S., and not necessarily something that you can invest in through public markets. It's really one of the few private investments in U.S. collegiate sports and that's pretty interesting to us.

In terms of themes going forward, the democratization of private equity and retail, I think that's going to continue. I think people will be surprised. Financial markets tend to be pretty innovative. People will figure out how to solve that wrapper that matches client interest with access to private companies.

If you look back 50 years ago, if you wanted to participate in the economy, you'd be able to invest in public companies. With companies staying private for much longer, and fewer listed companies, you're not going to be able to participate in the whole economy.

Retail does need to get involved in that over time, just because, one, if you look at Amazon, for example, pretty much all the value creation or wealth creation was in the public space. Today, SpaceX IPO'd at a $1.7 trillion valuation, so a tremendous amount of compounding that happened in the private markets.

I think institutional investors, while they're slowing down their investment pace, their allocations aren't going down. The industry is going through a bit of a liquidity reckoning, but I think the appetite for private equity from a portfolio-construction perspective is highly relevant.

I don't see that going away. Continuation vehicles will continue to happen as well. The history of quality companies being held in private hands for much longer is very consistent with the lack of IPOs in the market, and the cost of running a public company versus a private company from a regulatory perspective.

Public companies are under much higher scrutiny. Do management teams want to be public? A lot of companies actually don't trade that well in a public space. And ultimately, you have regulators that are moving towards creating access for smaller pools of capital.

[30:48] [RC] It's an interesting statistic I read in preparation for the episode. And I'm going to get this precisely wrong, but generally right. I think it's that there are half the number of publicly listed companies in the U.S. today as there were maybe 30 years ago, and that 87% of companies in the U.S. generating over $100 million in revenue are private, with the other 13% being public.

So it's quite a transformation. Kevin, any last thoughts or anything to add?

[31:13] [KM] I would just say, in terms of themes, I think the continuation of the proliferation of secondary deals and secondary stakes, that's likely to continue. I guess maybe it is a bit of a prediction, or what's arguably, in our view, already happening: secondaries can be a very useful tool for gaining liquidity. But I think, at the same time, there's probably a bit of an overuse in pockets of the market as a way of deploying capital quickly.

Generally speaking, you're buying at a discount, so you get a markup immediately, so it can bump returns up. But then, the return profile of those deals after the fact—you still hold the deal for 2-5 years, whatever the remaining commitment is for the fund or the particular asset—the returns there maybe aren't always quite as strong. And that intuitively makes sense.

The bigger the discount you're getting up front, maybe it's because the asset had to be discounted. And so I think that might be a bit of a headwind for pockets in the market. On the flip side, though, it makes it more interesting for us.

We always look at secondaries, as Peter mentioned at the beginning, but at the same time, the proliferation of them, and they may be overused by some pockets of the market, just creates opportunity for investors like ourselves.

[32:13] [RC] Well, gents. Peter, I know you mentioned you've been following sports for 7-8 years. I happen to know you've been following the Oilers for a lot longer than that. So I take it that was in a financial sense. But thank you both. Certainly a wide-ranging conversation, and I look forward to having you on again soon.

[32:29] [PL] Great. Thanks, Rob.

[32:30] [KM] Appreciate it. Thanks very much.

[32:32] [RC] Hi, everyone. Rob here again. To subscribe to The Art of Boring podcast, go to Mawer.com.

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