Pioneering Progress: Investments Stemming from the Middle East

**Diane Brady 00:00**

Hello I am Diane Brady in this scenario. So thank you very much for coming. This is going to be a great—wow, is this very—Is this too loud? I feel like I'm kind of popping—I'm going to now speak very softly, and we have a great panel, of course, with both pioneers, investors, you know, researchers. And I want to introduce our panel so we can just get straight into talking about their mission, why they're here, and, of course, their view of the landscape. We have His Excellency. You are one of two excellencies on the panel, by the way, His Excellency Dr. Majid Alfayyadh. He is the CEO of King Faisal Specialist Hospital and Research Center. Thanks for joining us. His Excellency Dr. Nayef Alhajraf, chairman and co-founder of Capital Asset Management in Kuwait. Thanks for joining us. Majid Mufti, who is the CEO of the NEOM Investment Fund. Majid, nice to see you there. Sarah Nooruddin we've been on, we've been in this panel before, deputy chief investment officer, Osool Asset Management. And last, certainly, not least, Shiv Srinivasan, who is CIO of the Abu Dhabi Investment Council. So thank you for joining me, all of you. Let's start by talking a little bit about your mission and why you're here. Because I—before we talk about what's on your radar, you're not here as an investor, you are here as the CEO of a major research institution. Tell us a little bit about what are you doing in this realm, and what's your message?

**Majid Alfayyadh 01:34**

Thank you, Diane, it's an exciting time, and I'm pleased we are here. So health care used to be a burden, and it used to be a call center, and now, with the new transformation we're doing back home, we're looking at it differently. We're looking as a social factor that to improve the social well-being. We have vision 2030, that started seven years ago, and it's redirecting our effort. And the beauty of it is that it gets all the leadership on one table with one goal, and health sector—health-care transformation in the health sector transformation program is no exception to that. So the way we look at health care right now, we're transforming it from a burden where we used to spend a lot of money with low satisfaction from patients, almost no innovation, very little research, and we felt that the contribution of the country, the Middle East in general, has not really panned out. And we're looking at it differently right now. We're looking at it as a social factor, not only to improve outcomes, but also it's an innovation and it's an economic driver. It employs, right now, more than 350,000 employees in health care, but also contribute with better outcome it compute to the economic output for the whole country. So that's in one arm, and the other arm is the innovation. We are sitting on a lot of data. I'll just tell you an example here that I am fully aware of it, which is King Faisal Specialist Hospital. We are at the beginning of the health-care transformation program in the country, because we have been sort of—we're ready. And I don't want to say we're in the frontier, I want to say guinea pig, but the frontier, end of the pioneer. I like that. I'll use that. So my point is, we have contributed to the Saudi human genome. About 70 percent of the data of the Saudi human genome came out from King Faisal Specialist Hospital, and then we started the Center for Genomic Studies. We are sitting on a lot of data. For the last 20 years, we've had electronic medical record that has all the patient's data, and with that, we combine it with the genomic data, the analysis that we do, and now we end up doing—right now, for instance, last year, we did 10,000 genetic study between whole genome sequencing and panels with about 50 percent rate of diagnosing rare disease. Now for the non-physicians here or non-health-care worker, probably that doesn't mean much, but rare disease mean doesn't happen often, and rare disease is sort of a flag for investors and for researchers, because that's where you found that's where you find discoveries. That's where you diagnose, sort of get diagnostics and get innovation. So when you combine the amount of data we have, which is 25 years of structured data from electronic medical records. You combine that with the rate of genetic disease, we have seven times the rate of genetic disease compared to the US and Germany done by more than one study. The reason, of course, has to do with consanguinity, which is extensive, about 52 percent rate. Now, if you combine that with the technology readiness—and we're very proud of what the country has achieved in digital infrastructure—and with the amount of talents, most of the people are trained either in the US, Canada, and the West, and they have very good knowledge. If you combine all of these with the political will to make a change and invest in biotechnology, with the biotechnology strategy that was approved by His Royal Highness, all of that, we see the promised land where we are contributing and carrying our way in innovation internationally, we are looking for combining force, collaboration, clinical trials, so that we can get this information. That's one aspect.

**Diane Brady 05:50**

So investment and tell—I'm gonna—we're gonna unpack that.

**Majid Alfayyadh 05:53**

I could go on and on.

**Diane Brady 05:54**

No, it's good. Well, I'm gonna go to your Excellency. Can I and second reference, just, can I say? Is it? Should I say doctor? Should I say Nayef? What do you, how would I refer to Nayef? Can I say that? And by the way, I should mention you're also the former finance minister. You were chairman of the Kuwait Investment Authority, and I know you were secretary general the GCC so I know that the role that you're in now, talk a little bit about what is your mission at Capital Asset Management.

**Nayef Alhajraf 06:20**

Well, thank you, Diana. It's pleasure to be here, and thank you for the audience to be here this morning. And I think if we look back 10 years ago or 15 years, I don't think that at Milken Conference, they will have special panel just dedicated to know what's going on in that part of the world that reflects how important that's part of the world, that region become on the landscape, not only on political arena, which is a lot going into that region, but let's focus on the economic, trade, investments, and how much that region is contributing to the world GDP, how much we are engaging in a very constructive way in the world economy, and what is in the pipeline. So at capital investment, or Capital Assets Management, I mean, our strategy, our investment strategy, is very basic, and this is not only at the assets management part, but also in the family office business. I mean, we are open for engagement. We are open for trusted partnership and based on win-win situation. And this is the bottom line. Whatever happening and within the GCC nowadays is phenomenal. It's something that happened, never happened in any place before, just like his Excellency was referring to the private—the health-care sector, which is leading, and how that's transfer transformation from being a cost center to a profit center, and how that could lead to more innovations. I think this could be applying all different sectors what we have done now, I mean capitalizing on the strength on the region, very stable region in terms of within the GCC, huge amount of wealth, led by the sovereign wealth funds across the GCC, a very young population, more than 50 percent of the GCC population are below 35 years of age. Plus the strategic location connecting east, west, north, south, and state-of-the-art infrastructure, all these together positions the GCC as the land of hope. Now we have seen the Saudi vision 2030, we have seen the Kuwaiti vision, 2035 UAE vision, Omani vision, Bahrain, and Qatar. All these together is articulated as a workforce to lead and to the front of positioning the GCC as the trusted partner for investments, trusted partner for trade, and it will never be inclusive, but we'd like to have—sorry, it will never be exclusive, but it will be very inclusive. We will engage others. And I think we have seen over the last few years, the momentum, the interest that's been developed elsewhere, for businesses to move in. So I think a lot could be accomplished. And as I said, I mean whatever happening is—we are ready to share it with others, because this is part of stabilizing the region, which is very important for the world civilizations process, and also from the region reaching out, giving an example. How can we be sustained? I mean, in the old days, the government within the GCC, all the across the GCC, countries, they have a huge spending budget because it's the only employer and it takes—and their responsibility just to uplift the living standards of the people. Nowadays, private sectors are engaged. The government role has been remodified. They are more into the I mean regulating and enforcing, and the private sectors is leading the process or the work to reach for these objectives, and private sectors mentalities is all the same, whether you are from the GCC, from the west, from east, once they click with the numbers, everyone believes that one plus one equals two, and that's the bottom line. So moving forward, I think the investments landscape is promising. I believe that we are living in a golden window. I think this will be for the next 10-15, years. Anyone who position themselves their businesses in that in different aspects and different sectors, probably they will be able to lead. I see that the next, I mean, 15 years, we probably will see more growth going into Africa, because this is still untapped market. And I think positioning yourself, your businesses within the GCC, it will be very easy to reach out for Africa when the time comes, at the same time, you are next to a huge or the largest population, in the world is, which is India. So that's connecting, the three regions, which I think this should be in anyone's radar, thinking of investments today and for the future.

**Diane Brady 11:40**

I want to unpack that a bit more after in terms of where you're looking at where you're investing. Majid, let me go to you next. Very familiar with NEOM. Talk about NEOM Investment Fund, what's your mission? And thanks.

**Majid Mufti 11:54**

Diane, I mean, so for the wider public, the NIF for the NEOM Investment Fund is the strategic investment arm of NEOM and NEOM, just as a backdrop for most, is the new region that is being developed northwest of Saudi Arabia, which is really revolutionizing the way urban development takes place in the future. This is meant to be a special administrative zone. It is the size of Massachusetts, and within that there are different parts of subregions that are being developed and master planned. But in order for us to not just have a region that's developed, but in order for us to have an economic engine where people are there for business and thrives in job creation, we need to bring in the right types of businesses and industries accordingly. And so the NIF is really there to help forge those relationships and to bring in and de-risk some of the investments at the early days, and also acquire technologies to help bring those and localize them into NEOM. So that's in a nutshell what the NIF is meant to do. The group is really focused across 15 different economic sectors. These range from energy, food, water, media, gaming, across the board. And within each and every region, there's an identification to understand what is that theme of that region, could be a more something that is leaning towards health care, as we've been discussing, or more towards well-being and sports, and so identifying what type of businesses and what type of technologies that we need to localize and services as well. That's where we come in and work with the different sectors to identify those partners, multinationals or start-ups, to bring them into NEOM and start that economy.

**Diane Brady 12:12**

Okay, great. And Sarah, you're in Bahrain. So talk a little bit about your own you know, mission, of course, I know this is an investment arm of I believe that I—

**Sara Nooruddin 13:48**

It's the investment arm of the kingdom's pension fund. So it serves the entire population of Bahrain. We're the largest asset manager in Bahrain. The way we look at our investments and how we look at the world is, we obviously look inwards. I mean following on what His Excellency has said this region, or I mean by this region, I mean the GCC and MENA—that region is—it has been resilient has been very stable. It's backed by very strong regulatory and policies in place. And we can see it now with all this uncertainties in the markets and all the volatility. Our region has remained stable. So the way we look at our investments is around 50 percent or so goes into the region. We back our financial institutions. We are the largest shareholders and most of the companies, but a lot of the local equities and the local stock market, because we believe in them. We at the end of the day, we need to get the returns for our shareholders, and then the rest of it would be globally. We're a very disciplined manager. We like to partner with the right partners, with the right investments. We believe in fundamentals, and that's how we look at the world.

**Diane Brady 15:06**

Shiv, UAE, Abu Dhabi, tell us a bit more about what you're doing now.

**Shiv Srinivasan 15:12**

Sure. Thank you. Diane, I've been in the region, my background is a bit different. I was working at HSBC when I started my career, and in 1990 I moved into the region for HSBC as they were diversifying to other parts of the world to develop banking products across the GCC and based out of Dubai. And I did that for a few years, went to higher education, worked in Wall Street at Goldman Sachs, and then I came back in 2007 when the council was formed, when ADIC was formed. And, you know, it's been a wonderful journey. And part of the reason why, or a significant piece of why I came back to the region, was the experience that I had the first time over was excellent. And one of the things I've always appreciated about this region, and that stands true, and if so, more so today, is an embrace of globalization in terms of being open to investment opportunities around the world and also a lot of welcoming of expatriates from different parts of the world. A case in point is if you look at the world the way it is today, I know for a fact for UAE and generally speaking, the region has had significant inflows, migratory inflows into the region. And there are about 200 you know, nationalities, for example, in UAE. And all of this is possible under the visionary leadership within the UAE. So that, to me, is a broad backdrop of why I have been in the region, and it's — and the other thing, as far as ADIC is concerned, the mandate is to invest where the best opportunities are, where are the sources of innovation. And I'm pleased to say that we have partnered with some of the absolute best institutions, particularly in the US, where we have more than 50 percent of our capital, and with a longer-term focus, as well as the other parts of the world, in areas across venture capital, private equity, real estate, infrastructure, hedge funds and public markets that I more get closely involved day to day. So it is a long-standing partnership that stands for decades, and we think long term, you're more long-term greedy, you know, if I may, and so that's really, in a nutshell, demanded. It's very performance-oriented. Our focus within ADIC is to make double-digit net absolute returns. And if you look it up, my portfolio over the last year and the last five years has generated just that, you know. And it's in the liquid end of the spectrum for what I do. So, that, in a nutshell, is—

**Diane Brady 18:07**

We'll hear a little more of what's on your radar in a minute, too. And you're one of the things your Excellency, Majid—I should point out, by the way, I was fascinated by the fact you're a pediatric cardiologist and an electrophysiologist. That's, in addition to everything else. You know you're both — there's the inbound, there's the outbound. Talk a little bit about what's on your radar right now in terms of some of the opportunities to partner. And I know you mentioned this earlier, you've become also a huge research hub that attracts talent from around the world. What are your priorities right now?

**Majid Alfayyadh 18:43**

First of all, I came in to sort of talk to the audience, but I also should talk to my left, yeah, please, and whatever you want, since I have big investors in the region, I'll try to convince them too that health is the way to go. Think health, think investment, and think of the region. As King Faisal Specialist Hospital, I could talk about King Faisal, but the truth is the whole sector is transforming the government used to be the main provider for health care, and now we're asking and inviting the private sector to come and contribute. And we had few investors coming into, in the health-care providing area the—we've just heard about the stability in the region, we've heard about the ease of doing business and the ease of transfer. So these are all welcoming to the investors to come in and invest in health-care providing. But what I can speak of more with more authority is the research and innovation. When I was asked, I was at the King Saud University Medical School a couple of weeks ago before coming in, and one of the students asked me, "Where is health going? What are your area?" And I sort of scratched my head and said, three areas, genetic—I believe that every disease has a genetic base, and we will all have genetic analysis just the same way we have CBC. It used to cost billion to map the first gene. Now in the Human Genome Project now it costs about $200 it will be $10 or less in no time. So genetic is the basis of these, the other one is digital, and IT, robotics and then biotechnology. So when you combine genetics with the data with the artificial intelligence, you get a very powerful solution, huge data with strong processors, then you will have answers. And I would argue that we have good platform to rely on in both the strength of the data, the ability to process, building of the data centers, and that is a site of innovation, not only at the level of genetics, but also a level of robotics. We have invested at King Faisal in robotic. Now we do about more than 5 percent of our surgery using robotics. We have successfully done the first heart transplant using the robotic some four or five months ago, and now we do robotics for liver transplant. We do robotic for majority of the surgeries, and we started doing it in children, which is a big challenge. Being a pediatric cardiologist, I know how challenging the small these small infants, small children, not infants yet. The point is, we're combining the strength of artificial intelligence, the data and the technology, in order to provide better outcomes. And for that, we believe that we know that we cannot do it alone, but we're opening opportunities just like opening opportunities in health care, providing, building hospitals, building manufacturing. What's also in the innovation, the things that are not here yet, not in, not available today. We believe we have the data—and then we have very strong Saudi Food and Drug Administration, Saudi FDA, that can support us and give credibility to the products that comes out of our part of the world. So the health care, as a health-care professional, I would say health-care providing is one area, and it is sort of sure and clear. You build a hospital and then you can get your return. But the more exciting and investment that would be maybe higher reward is the investment in the innovation, the things that are not here yet. And we at King Faisal were very much open. And I have been doing a lot of meeting, hearing some exciting pitches about the what could be out there, collaborating with some innovators, really in the region, trying to combine and make the solution easier for them by providing them the services that they need back home. So I think we have opening up the country, not only from visas and social changes in the country, but also from scientific, from research, from innovation, we're ready to share our data with whomever wants to come and contribute, and that's the as far as a health-care professional, as far as a cardiologist, that's the exciting part of the Vision 2030.

**Diane Brady 23:42**

And of course investment opportunities, to your point.

**Majid Alfayyadh 23:44**

Absolutely, that's why I would [Inaudible] the people to my left before I leave the room and convince them, not only in Bahrain but also—

**Diane Brady 23:57**

So you're actually Nayef, let me go to you. You mentioned this golden age, you mentioned some of the broad categories. Can you drill down a little bit specifically, what's on your radar that right now as opportunities that you're looking at as an investor?

**Nayef Alhajraf 24:13**

Well, allow me just to go back to what His Excellency just mentioning earlier.

**Diane Brady 24:19**

Are we seeing a deal done on stage right now?

**Majid Alfayyadh 24:23**

Cameras ready.

**Nayef Alhajraf 24:24**

Well for the credit I mean, King Faisal Hospital is one of a kind, and it has an amazing reputation as being the center or been leading the innovations research in a very good in a very international way. And thank you, Dr. Majid and your team. I think this is something you should be very proud of. And we are very proud of what, what's the positions of King Faisal's Hospital nowadays. For us, we are, we are, what our biggest investments is in health care in Saudi Arabia. We have a project that's probably will l—investments estimated 2.2 billion US dollar over, the next 10 years, we are building a medical city that will have four components. We have a university, medical school, we have 300-bed hospital, we have biotech hub and rehab center. These are the four main components of the medical city and everything to support the ecosystem then. Why are we driven by that huge investments? And we are not alone. I mean, we have, we have, we have partners who will go with us in terms of operations and the standardizations, and we believe on the power of data and being very innovative. And that's why the biotech is part of it. It's all started back in 2020, a year, everyone will remember that's when the COVID hit, and everyone have to face the reality. I think that was a testimony of how strong the health-care system within our region. And allow me to just to speak about the GCC as one block, because this is where we belong, and this is what we are presenting. I'm from Kuwait, but I think we were in Saudi Arabia, we locked down during the lockdown, we were in Saudi Arabia. So we have first-hand experience of how resilient, strong, efficient the health-care system back then. And that wasn't a surprise, because the amount of investments that was put forward into the health care by the government back then. It has been accumulated over years. And the beauty of it that you will see many, many locals, whether Saudis, Kuwaitis, Bahrainis, Emiratis, Qataris, Omanis, working these hospitals. So that's what the real investments, those are the ones who've been sent abroad, went to best schools around the globe, came back and tried to serve their countries and their people. So that gives the health-care system a very leading positions, and that's where we start developing the interest of investing the health care. So what we are doing and what we are aiming that we will have a destination by itself. That's our projects. We will have a state-of-the-art facilities, but we will make sure that AI is part of the planning from day one, because we don't think that a hospital will be operating, or a university will be open for students, if we haven't implemented AI now for day one. So that's a huge investment that we are having, and that's where we will come back to His Excellency Inshallah, for an MOU to be signed with King Faisal Hospital, because at the end of the day, even—

**Diane Brady 28:01**

You heard it here, there you go, breaking news, they always like breaking news at Milken.

**Majid Alfayyadh 28:06**

Because it's a whole ecosystem. It's all the leading positions, of course, with the King Faisal. But there are many, many good hospitals within the kingdom, because this is our radar now, the private sectors is leading, and that, I mean, some of billionaire, innovative private sector, they even went to the market. It has been listed, and now they are contributing in a very positive way with the overall health care.

**Diane Brady 28:30**

How much of your focus is the GCC versus ex-GCC as investment?

**Majid Alfayyadh 28:36**

One hundred percent GCC focus. And we are very proud of it. Why is that? We are seeing the opportunities. We've seen the national plans that's been put forward. We're seeing the implementation, we're seeing the accountability, we are seeing the legal framework. And this is the point. This is the opportunity that we are not going to miss, not in 100 times. So 100 percent GCC focus.

**Diane Brady 28:58**

Majid, how about for you, what's your—in terms of your focus and what's on your radar as investment opportunities? You mentioned, of course, the ways in which it's accretive to NEOM and that mission.

**Majid Mufti 29:08**

And so I think that there's two parts to that. One part is the need of bringing in technologies. I mean, NEOM is a living lab where we are deemed as a strategic investor and as a strategic investor. What we bring to the table, above and beyond the money, is the opportunity to pilot, to trial those technologies to purchase. When we take a look at NEOM today, I would argue and say, NEOM is probably the largest construction and civil engineering project globally, with hundreds of billions dedicated to that project over the next coming years. Leveraging that purchasing power and thinking about, how can we do things different, is an opportunity for us to say, how can we catalyze and turbo charge some of those technologies to become part of the mainstream industry? And so on the construction side, for example, we are partnering with Samsung in a joint venture where we're using robotics and automation to come in and take the role of what laborers are doing on the ground. And so there's a consideration of how much reduction in labor, there's about an 80 percent reduction when we talk about rebar steel fabrication. We're investing into start-ups that are being bolted onto this joint venture, that are bringing in the right types of robotics. And so when you reduce the head count, when you are standardizing and safety comes into it, you're talking about a sustainable, industrial, revolutionary way for what has been very traditional, in the way that we business has been conducted. And so we have investment thesis around each and every one of these sectors. Some are to actually introduce a nouveau way of how an industry is being conducted. Other ways are also around health care, which we'll touch on, but also mobility, for example. So sustainable mobility becomes an important theme. How can we move in a way that doesn't use gasoline or hydrocarbons from one point to the other? How can we induce micro-mobility as part of urban development? So it's coming in as part of the architecture, but it's also the investments that we make in electric sea gliders, in eVTOLs, and autonomous vehicles such as Pony, which listed here on the NASDAQ Stock Exchange recently. These are some of the investments that we've done in different themes that we follow.

**Diane Brady 30:56**

Are there any friction points in terms of any asks—areas that you're looking at? It sounds like you've obviously got a lot of partnerships that are exciting right now. What are some of the areas that you're looking for? Maybe you haven't found solutions yet.

**Majid Mufti 31:49**

Plenty. The Line, which is a vertical city, is creating a new need that didn't exist before. So a lot of that technology does not exist in terms of how do we move individuals from one place to the other? So think about pods today. We have invested an incredible amount of money globally over the past century into vehicles. What if we are not using vehicles? What if we able to move around in a dense city, but we are able to go from one floor to the other, not just through a lift, but through different types of pods, different types of micro-mobilities, things that haven't yet been imagined? And so the challenge is in a new realm that didn't exist before, what are the new needs in order for us to bring in? And that opens up a whole host of different technology requirements for NEOM.

**Diane Brady 32:41**

Interesting. Sarah, how about you? You talk, of course, about returns being a big—talk, about both where, like geographically, your focus is, and some of the other things on your radar you put on ours.

**Sara Nooruddin 32:52**

So geographically, I'll just repeat, not to sound very repetitive, but what I said before, geographically, we have a lot of home bias, yeah, of course. And then other than that, it's basically the rest of the world. We look at all geographies. We were not we're pretty geographically agnostic in terms of how we look at the world, because what we look for is more about the fundamentals, about how different investments and different opportunities would add value and would be able to, as you said, generates return, but also create those perfect partnerships for us. So it's not about geography as much as it's about the opportunities.

**Diane Brady 33:29**

Where do you see opportunity right now? Of course, we are here in the US, and we're always curious to know how investors think about this market at the moment.

**Sara Nooruddin 33:37**

So US is still on our radar, and it continues to be on our radar. It's, I mean, the volatility that we see now in the markets does not sway us. We, believe in a lot of—that there are a lot of niche opportunities that will come out because of this uncertainty, which we're keeping our close eye, close eye towards it. I mean, where interest rates is going inflation and all of that. Of course, there's a lot of opportunities there, so we're just keeping a close eye. There is not a particular opportunity we're looking at right now. I think there will be still more developments that we need to wait for. Other opportunities we're looking at, and we've been looking at this for quite some time is AI. AI is, I mean, the boom of AI is not something you can ignore, and His Excellency also referred to it a while back. We think there is still a lot that will develop in AI, and we'll see much more from AI, and we'll be able to generate much more, I mean, value and also return. So this is something we're keeping our eye on.

**Diane Brady 34:39**

Shiv, how about you?

**Shiv Srinivasan 34:41**

With regards to innovation, since His Excellency talked about the importance of health care, one of the key areas that our parent, Mubadala, has done is to bring the best of what is there. The Cleveland Clinic, for example, which, is an institution that is not just for the UAE, but across the region, across GCC and also people from the subcontinent, for them to get the best of health care that there is. So there is a vision to partner with the best pioneers here in the US and collaborate and bring the best back in, into UAE, for the people of GCC. So that is clearly an evidence of something that under the vision of the leadership within UAE and our parent I mean, that has been a success. And in addition to it, currently, with regards to AI, there is a significant partnership by up here in Mubadala with MGX, which was created as a partnership with BlackRock, Microsoft, Nvidia, xAI, and GIP as a partner, collaborative partnership, with this capital put in by all these best in class entities to set up 100 billion collaborative partnership to bring about AI and data, build AI and data infrastructure here in the US, as well as across the GCC region, for the betterment, to capture the innovation that's happening. Within ADIC, we have a very deliberate strategy to go into areas where there is innovation. So clearly, AI is an area that we have partnered with the absolute best venture capitalist firm here in the valley, Silicon Valley, and we actively engage and co-invest with some of the very best large language model providers. To give you an example in areas such as on-stream data, you know network providers, I think data management providers, pardon me, and even the public markets, for example, since you are asking us, given the slice of volatility that you saw. You know, one of the latest opportunities that we took advantage within my own portfolio is to go and but take advantage of this opportunity by investing in within the public markets, within the AI public stocks. You know, if you looked at what the price action of what has happened, in my humble opinion, I feel the baby got thrown with the bathwater. And many of these stocks were down about 50 percent 50, 60 percent at a time when everybody, and you would see it in this conference talk about how AI is the vision for the future across the board. And you saw the Treasury secretary yesterday highlight in this very conference the emphasis on AI by this administration. So clearly that's an emphasis. But just to dovetail another very intriguing and interesting investment that we recently made between a it's a collaboration between AI and His Excellency Majid, who highlighted about health care, the coming of together and I'd obviously be in touch with you, to put you in touch with some of the partners that we've engaged on this. For sure—

**Diane Brady 38:16**

That’s two deals now.

**Shiv Srinivasan 38:20**

The team, really is to partner. What we have done is we have partnered with, you know, in the AI life sciences technology ecosystem, and with investment, the underlying investments within that fund, that it's a small fund that we have partnered with someone who has a very close association out of Boston, with some of the premier universities, Ivy League universities across the US, and one of the firms as a case in point, to highlight the genome, the importance of genome and data science the, you know, what that can bring in areas of innovation, like cancer. You know, there's this company, for example, that we invested within that fund, where they track patient data across all the best you know, hospitals across the US, and they have the patient data and the genome. And for instance, in cancer, if you take something like an ovarian cancer. Every case is different. So you can personalize medicine based on historical efficacy in targeted drug, you know, development and, you know, giving it to a certain patient based on what stream of genome they have. I'm sure you're aware of that. So we have partnered with companies like that. And you know, what would be interesting from a partnership perspective is they would like to have more data of patients, you know, the genome data. And when you said that, you know, you're obviously willing to share some of that, that was like music to my ears. And we would certainly ensure that, you know, some of these firms for a win-win partnership, I think will partner. But even in the public markets, some of our very best investments in this past 18 months has been the sphere of biotech. You know, biotech as a sector, if you go and look at the chart of XBI, which is an ETF, I mean, it's just been bad, you know, across the board. But then there is this whole slew of drug discoveries which are happening. And even within the public markets, there are significant idiosyncratic opportunities within the biotech ecosystem. And a case in point, our best investment last year within the public markets was a biotech fund that was up about 55 percent, you know, amidst an index that was up whatever 5 percent the broader XBI index, and that's because you can identify interesting opportunities, and it goes below the radar. So I think there are, and I also feel like one of the areas that I think is really interesting, given the volatility, to your point, is hedge funds, you know, because it's a liquid, it's in the liquid end of the spectrum. And I do feel that volatility can be a friend for this particular strategy and the uncertainty that we see. But overall, as ADIC we are committed. We look at it over decades, and we've been, as I said, a significant investment within US. You know, it's a north of 50 percent is by far the largest. But then we partner with some of the best. Every crisis brings with it opportunities. And what we try to do is to identify those pockets of opportunities and that's clear, in a nutshell, what my job,

**Diane Brady 41:39**

I love this focus. You're all focused on win-win partnerships and, of course, and I want to just stick with you for a second, Shiv, and then ask everybody else. I mean, you reference the Treasury secretary. How are tariffs? You know? I mean, if anybody wants to get into geopolitics, by all means, go ahead. But I'm really curious just about some of the trade wars and such, is that impacting your investment strategy in the short term? Because that's one of the concerns of people that when I talk to them here, how is that impacting your thinking?

**Shiv Srinivasan 42:10**

It's topical. We look at these things. The investment mandate of ADIC, is spans from a long-term perspective. So our partnerships are long-term in its orientation. We don't look at things quarter by quarter. We obviously have portfolios, for example, I mentioned hedge funds, which have the wherewithal to go and capture opportunities of winners and losers and the fallouts from this in the liquid markets, which we do. But then some of the themes of innovation, like we talk about in terms of life sciences and AI, are structural themes that we invest. And so, you know, I truly feel that volatility is not a bad thing. I mean, clearly there is a pivot that is happening. As investors, I think it's critically important to be forward-looking and not just follow the paradigm that worked and but then by the same token, I feel there are opportunities in every region, you know. I would not, you know, write off the US and you know, and by the same, but by the same token, there are winners and losers, you know, within this ecosystem, and that's what we try to do, you know, in terms of how we capture our opportunities.

**Diane Brady 43:25**

Does anybody else want to weigh in? Mean, for example, let me go to you Your Excellency, Majid. You know how the trade wars have any impact in terms of, since you're such a global player, and you're also attracting global talent, etc., you know, to Saudi Arabia and vice versa. Any thoughts, is it having any impact, or is it really your, as business as usual.

**Majid Alfayyadh 43:47**

Sitting next to four, I don't know, financial economists, I would be sort of the weak link in that, in that discussion. But so far, our focus in patient care, our focus, and I do not see it as hugely impacting. It may affect our financial sustainability, our bottom line, but that is as a not-for-profit organization that has not been sort of in the discussion at the health-care area, but I am sure smarter people, economists, who worry more about the bottom line, are thinking about that well.

**Diane Brady 44:25**

And let me maybe reframe it a little bit. Nayef for you, I know President Trump is going to the region. What kind of message does that send you mean in terms of how you're thinking about it?

**Nayef Alhajraf 44:36**

Well, before answering that, I just want to please my colleague mentioned there. I mean, it's very important that for any investment, any investors would like to look into opportunities. Now, within the GC, two things, I mean, should be forward-looking, thinking out of the box, and this for long-term investments. I mean, if someone is thinking that they can jump in and out quickly. I don't think—that not to be the right place, but for long term, I think this is, this is the place where someone could position their businesses, of course, not to write off any other opportunities, in the other regions. And I do, I do agree that there always will be a challenge, and with the challenge comes an opportunity. One of the challenges, what we have seen over the last 100 days since President Trump took office in Washington, I mean, the uncertainty, ambiguity that coming from the White House and the president himself just shared a lot of concerns within the investment landscape. Because one of the things, I mean, we're talking about data. I mean, to have good, very solid decisions, you need to have enough data. You can't plan your business strategy if there is ambiguity everywhere and, of course, I don't think in the benefit of everyone to see a trade war between the largest two economy and the world. And I think this now we're not, not an exception. I think the tariffs is across all the countries, everyone, no exceptions. Then it has been put on hold for 90 days. Then some places have seen increase in the tariffs, business people cannot work in this kind of environment. Yes, there might be an opportunity, but the opportunity will be very difficult to oversee unless we have more clarifications of what is the intention of the Trump administration for the next four years. I mean, I was hoping that this secretary of Treasury yesterday will allude clearly or give some comfort to the audience and to the rest of the world, but we haven't listened to that clearly. You can read between the lines. But I think that's not enough. We need to have a very clear, informative directions where this will lead. Now for President Trump to choose the region for his first overseas visit and his second term. Of course, he went to the Vatican, but that was for a special purpose, but for him and not and to include three countries out of six GCC countries, that's 50 percent of the GCC. So he will be visiting Saudi Arabia, Qatar, and UAE. I'm sure the more this kind of engagement, the better we will be able to understand each other's and to understand each other would mean that we could be in a better place to address common concerns. I always an advocate of the economic trade agenda. I know there will be some political agenda to be discussed, but with the political views, there are always differences, which is very much welcomed. We do have our differences. But when the economic agenda, with the investments agenda, I think it's could be measured in very objective way, one plus one equals two. And I think that's where we need to focus our effort. I know that there will be a huge business delegation arriving in Riyadh for a US, Saudi Arabia investment forum, which will be a sideline event during the visit. I think that's what we need to focus on, and that's what I think the leaders need to listen, what is the outcome of this kind of discussions. And, I mean, we could do a lot, and we can achieve a lot if we decided to handle our differences, but focus on what brings us together.

**Diane Brady 48:55**

And it's a momentum. And I'd be remiss you know, I've had several people here comment on the number of women investors in the region. I've had several of the hedge fund managers talk about that. Sarah, I'm looking at you, of course, but so I, you know, I know we're doing an event in the region later this month with powerful women. So let me—I've got, we've got just less than a minute each, but I want to give each of you a chance to give some final thoughts. I'm actually going to start at the end Shiv in terms of what you want the takeaway to be. Any thoughts for this audience in terms of your mission.

**Shiv Srinivasan 49:27**

I think his Excellency Nayef, I share his views in terms of having needing a resolution. I think there are significant benefits for globalization. I do truly believe that one plus one is three. If the large pillars of global economies come together, the overall prosperity of global growth, everybody stands to benefit, In the absence of that, I mean, there's going to be more volatility, and as investors, we will need to under have greater clarity to the point highlighted on the specifics, because we hear a lot of CEOs sort of holding back and but then there are opportunities that come in terms of flow of capital to certain pockets, and that's where as investors, we are trying to take advantage of in strategies where we can take advantage of given our mandate.

**Nayef Alhajraf 50:18**

That's a good thing. So having economists, economists always see one plus one equals three.

**Diane Brady 50:24**

I think you started with two,

**Nayef Alhajraf 50:26**

Yeah, because I'm coming from accounting. For me, one plus one always—

**Shiv Srinivasan 50:31**

I capture the multiplier effect. Starting with banking. Someone want that one, get the someone else lends that to another one. The multiplier effect.

**Diane Brady 50:41**

Now we're going to quiz everyone here. Sarah, what's one plus one for you? Any final thoughts?

**Sara Nooruddin 50:44**

I mean, I couldn't have said it's better than everyone here. So I'm not just going to repeat what they said, because I can't say it any better than they did. But what I would say is one of the focuses, and I think everyone should look at is, I mean, going back to the GCC, how stable it is, the strong policies there, the strong regulations, the regulatory bodies. And, I mean, we've seen it now, right, with all the volatility in the world, we've remained stable and resilient. And the President Trump's visit to the US right now, in the coming weeks is, I mean, I think just shows that as well the strength of the region.

**Diane Brady 51:22**

Great, wonderful. Majid?

**Majid Mufti 51:25**

I think, talk about opportunity in the region, the trade war has actually opened up an opportunity for a lot of businesses in what has been traditional areas of manufacturing or supply chains to actually look for a safe haven for them to localize, and that's been something that we just hasn't just started, just been actually imploded in terms of or expanded in terms of what's taken place. But we're seeing companies coming in from Europe, where it's also very expensive. On the energy side, the labor laws. We're seeing Asian companies looking for an extension of where they exist today, and the Middle East is becoming a ground for that to happen with data and how we're thinking about data, and having that advantage of being able to collect data, maybe in the health sector, from cradle to grave, that is unique, creating those archetypes that are coming into that genome sequencing, For example, that invites a lot of collaboration and innovation. So there's a few nuances that actually are unique to the region that opens up a unique opportunity for us to be the bedrock.

**Diane Brady 52:32**

Excellent. Final thoughts, your Excellency Nayef?

**Nayef Alhajraf 52:36**

I think looking forward, just highlighting that AI is changing everything, and everything will be changed as AI, as advancing in different sectors, different fields. So I think our way of thinking should have this in back of the mind, because it won't be business as usual or what has been used. We will be pushed out of our comfort zone, in no time, I think we are already and I think AI will have huge opportunities coming forward.

**Diane Brady 53:08**

Great. And last word goes to you, Your Excellency, Majid.

**Majid Alfayyadh 53:11**

Thank you. I've heard the word volatility a few times here, and then I'm glad to hear the word stability, because I look back home and I see stability and they see opportunity. The word opportunity that His Excellency and I have just mentioned, I think is great end to this discussion. There is there are multiple opportunities, whether it's in the health-care providing or whether it's manufacturing, or the more exciting to me is the manufacturing. But before I finish, I want to weigh in, in the last 10 seconds, in the one plus one dilemma from health perspective in every labor room, one minus one equals two.

**Diane Brady 53:50**

Ah, there you go. I can't think of a better place to end in there. Please join me in thanking our panelists. Wonderful discussion. Really appreciate it. Thank you very much. And I believe there's some MOU, I'm just kidding.

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