

DRIVING IMPACT THROUGH STRATEGIC INVESTMENT

Announcer 44:11

Please welcome Managing Director, LatAm, Milken Institute, Rodrigo Bettini.

Rodrigo Bettini 44:17

Muchas gracias, muy buenas tardes y buen provecho a todos. Y bienvenidos a nuestra segunda conferencia anual aquí en la Ciudad de México. Today, we stand at a pivotal moment in North America, with Mexico emerging as a stellar beacon of opportunity in the first half of 2025 Mexico set a historic record, attracting over 34 billion in FDI, a 10% year over year increase. This remarkable inflow reflects 165% surge in new investments in the first quarter alone, underlining the growing global confidence in Mexico's economic trajectory. Several factors make Mexico uniquely compelling. Strategic geographic position, anchored by the USMCA, creates seamless access to nearly 500 million consumers. Moreover, Plan México and near shoring reforms are transforming the landscape while accelerating capital deployment and industrial growth. These reforms unlock vast potential for companies eager to relocate production, and nobody is better suited to facilitate a platform for these conversations than the Milken Institute. We heard Martinez Kovari Mention Brazil this morning, where the outlook is also very compelling and presents robust opportunities in tech, clean energy and critical infrastructure. Brazil will soon host the 30th United Nations Climate Change Conference COP30 this November, reinforcing its commitment to sustainable development and providing a unique platform for investors focused on green growth. I'm honored to announce that the Milken Institute will host our inaugural Global Investors' Symposium in São Paulo this November, in a couple of weeks, strategically aligned with COP30. This landmark gathering will bring together over 300 leaders to explore sustainable investment avenues across Brazil's dynamic sectors, from renewable energy and bio economy to digital innovation and agribusiness, to name just a few, we hope to welcome many of you there. And in closing, I want to extend our deepest gratitude, first and foremost, to our sponsors, whose visionary support makes these forums possible. Together, we're unlocking unprecedented opportunities across the globe, catalyzing growth, sustainability and prosperity for all. Thank you very much.

Announcer 47:30

Please welcome the panel for part one of the lunch program Driving Impact Through Strategic Investment, moderated by Richard Ditzio CEO Milken Institute.

Richard Ditzio 48:07

Hey, good afternoon, everyone. Thank you for joining us. Thank you, Christy and Gina, for being here. How do we define impact when trying to tackle difficult problems such as disease, gender parity, or the environment? Whom does society task with solving these complex issues? Often, we think that the philanthropic sector can step in and address many of these challenges, but even with all the generosity coming from philanthropy, we often need new models from the business and investment communities to work in partnership with philanthropy and government to fix the broken pieces of society. So, Gina, I want to start with you. So you have had an incredibly varied and impactful career. You started a magazine. You have started your own real estate development firm, and probably in a move that not many people saw coming, you started a university. I want to know why was that important to you along that trajectory? And now, as an advisor to the president, how do you prioritize what public investments can do to move the gender parity story along?

Gina Diez Barroso 49:15

Thank you. Thank you for the invitation. Thank you the Milken Institute, and thank you personally. Well, in my case, it was extremely important to switch from brick and mortar that I've always loved to impact. You know, when I was 42 I definitely decided that I needed to leave a legacy. And then I started my university. But something extremely important, I think, to everybody, and especially to me, is to don't confuse impact with non for profit. You know, impact doesn't need to be a non for profit. And you know, my university has a double digit editor year over year, and I still have 55.0% of the students with scholarship, and we have zero donations, zero no no donations at all. We did a model that is self sufficient. We it's like a factory of creative students, where we have a very good return on investment. So, you know, that's something that I want to be clear. It is a very good business, and still, you know, 1,500 students do it for free. Then, as you said, as an advisor to the president, you know, we try to encourage more impact investing with high returns. So I do think that that's—actually that's the new way of investing, as you know, you know, with a great wealth transfer, 66% of that enormous amount of money, which, you know, it fluctuates from 80 trillion to one hundred trillion 66% is going to end up in the hands of women. And women don't invest the same as men, you know women, we tend to invest more in impact, definitely, also in health care, in environmental issues, and pretty much in things that will make a better world at some point. So I do think that we need to change the way—let's say people bring businesses to us, because we are going to invest in different ways, and we're going to end up with a lot of money in the hands of women. So that's why we're trying to bring companies and investments to Mexico that are impact investing. Big, big dollar amounts of impact investing.

Richard Ditzio 51:40

In what for those of you that might not be familiar, what Gina is talking about is that we are in the early stages of what will be the largest generational transfer of wealth in history. So somewhere between \$80 and \$100 trillion dollars will transfer from one generation to the next, and for the first time in history, women will control more of those assets than men. So Christy, let's go to you. You could have chosen any number of issues to bring your resources and platform to address. Tell us what strikes your passion about oceans, and then also as just through happenstance, everyone's enjoying Santo Tomas. Tell us the story of that fish and how it was impactful to you.

Christy Walton 52:20

I'm so happy that you're enjoying the totoaba of San Tomas. It's been 12-15 years in developing and producing that species. Years ago, I decided to focus on one sea and one municipality. And I chose La Paz, the municipality of La Paz and what was known as the Sea of Cortez, Gulf of California. I wanted to change the way the ocean protein was farmed. I

wanted to honor both the animal and the sea and at the same time create a healthy protein. So to do that, we had to develop offshore farm systems that are submersible cages, those are new. That was part of our technology. We actually bought an existing farm site, which is near San Juan de la Costa, north of La Paz that had, I believe, 9 to 11 species that they could possibly farm. So we have a site. We don't have a cage system yet, and we don't have a fish so we bought a company that has a very sexy cage system, geodesic sphere, and that's where we began. And at that time, we didn't have a fish, so we were buying fingerlings from UABC in Ensenada and transporting them to La Paz to put in our cage system. It didn't take long before UABC, say, doubled the price of the fingerlings. So we were paying \$3 for a fish this big to farm, and we realized that we had to create our own system, our own hatchery, our own broodstock, and vertically integrate from the cage system to the animal to the outcome.

Richard Ditzio 52:20

That's great. That's the story.

Richard Ditzio 54:01

Everything starts somewhere. So I know Gina, you and I have had, on a number of occasions, a discussion about how we need to educate both sides of the brain, and that both boys and girls are born similarly, with access to both. But in many cultures, each gender is skewed towards one side or the other, and that often creates challenges in girls developing into leaders. So tell us how, how you've approached that through both your educational efforts as well as the work that you've done on the corporate side.

Gina Diez Barroso 55:31

Well, yes, that's something that— I've always it frustrates me a lot. You know, all the universities that I've that I've studied before starting this new project that I started it eight years ago, called Dalia. It was because, you know, and also starting at Centro. You know, when you go to a business school, if you if you're lucky enough to get into the best business school, whatever you want to call it, you know, you make your choice. You train on the left side of the brain. And you might be extraordinary at having a company of your own, or working at Goldman Sachs, or wherever you want to work. And if you if covid hits, that you need to try to change 180 degrees your company. And do you know something, innovation, or you know 180 degree change, you have no clue. No clue because you don't know how to think out of the box. You are left side of the brain, numbers, numbers, numbers. Let's say you're the right side of the brain now you go to an amazing creative school, and you are incredibly creative. You have no clue on how to read a financial statement, ask for money, do an incredible pitch and make a big, big company out of your creative side. There are a few friends of mine that have the two sides of the brain perfectly set, but usually universities don't cross the two brains. So that was my frustration when I created Centro, and that was my frustration when I created Dalia, what is the problem with women don't reaching their leadership positions are and really get to wherever they want to get. Is not that men don't give them the seat. Is not that companies want to take advantage of them. Is that, basically women, due to culture and education, don't believe they can make it—don't believe they can make it. They don't take the chance they're offered a position, and they are in the comfort zone, so they don't do it. So the idea is that we have to change the way we think, and we have to train both sides of the brain. So at Centro, we decided to join both sides of the brain, and in Dalia what we teach is to change the way you think about your capability and the power that you have never lost. So you don't need to get empowered. You just need to own your power and with the power that you have never lost, do whatever you want to do in life. So those are my two things about brain crossing and recognizing your own power.

Richard Ditzio 58:03

Well, Christy, you've recognized your power and all the efforts that you're doing to save our oceans. How do you think about because of the interconnect, connectivity of solving this crisis and just the number of countries and communities that are involved in and touch water? How do you think about success, of what it would look like? And then are there certain—I know we talked about that it was easier to do it given the regulatory framework here in Mexico as opposed to United States. Like, what could countries do better to attract more investment? Like you've made

Christy Walton 58:36

The permitting process is much simpler in Mexico than it is in the United States. The United States has not really permitted an offshore farm. There's been one in Florida in recent years, but they—the agencies didn't even know how to permit a farm we worked for over—the work was over a 10 year period, and couldn't get it done, but were able to work with the agencies enough so that NOAA could actually permit a farm in the United States, in Mexico, we already had this concession. What I realized when I first saw this cage system, which was over in Guaymas, was that with a concession in the sea, I have a no take zone. We have a no take zone. We have an economic enterprise in the middle of it. We have no atrophic bottom because we're in deep water. So this, was just an aha moment to me, because we had been working with no take zones with, you know, fishing rights. And the problem has always been the enforcement. And with a farm with an actual concession, you have presence 24/7, your economic enterprise, so you're always there. And I love the science of developing species, the latest species that we've worked with in Mexico is the Huachinago, the true red snapper, that has taken us six years to simply have that fish survive past 20 days. So that's six years of investment. So we think long term when we think about the oceans and creating healthy proteins.

Richard Ditzio 1:00:48

Let's go back to Dalia, Gina, because I want to talk about this notion of hard versus soft skills, and how we think about that. If I think back to all of the CEOs that I spoke with during the covid pandemic, right? Most of those people tend to be operationally or financially trained, and I think in that instance, there was a great amount of EQ required. 1000s of people were dying. People were trapped at home. Loneliness skyrocketed, and we were thinking of it in terms people who didn't have that kind of emotional reservoir when that was really what they were being called to do struggled a lot, even though they were ostensibly very adept at the hard skills. So how do you through dialogue? What are you trying to train the next generations of leaders? Should we just abandon the hard and soft notion and just train people to be leaders in a different way?

Gina Diez Barroso 1:01:40

Yeah, I mean, I love that question, because that's now like my mantra. You know, the World Economic Forum, McKinsey and LinkedIn, they published that, you know, that from the 15 skills that you need to succeed in the next five years, 10 are soft skills, which, in my opinion, you know, anybody that name soft skills should be in jail, because, honestly, they have nothing of soft skills here, you know, in Dalia, we call them life skills, because those are the skills for life and the head of CEO of Heidrick and Struggles, I was talking to him the other day, and he was telling me that if a search of a leadership position failed, it never, ever fails for the hard skills, because hard skills, they already check the box. You know, they know that you studied here, you did this, you work here, you work there. It always fails because of the life skills. So, I mean, Dalia started eight years ago. Everything that we train is based on life skills. We don't train anything in academic skills, because for that, we all know that everybody that is here is perfectly training in academic skills. The problem is attitude and life skills. And now more than ever, especially with AI, what you need to be trained and powered in is in life skills, because

those are the things that AI will never take away from you. So I am definitely obsessed with training on AI—I mean, on life skills. And life skills will take you anywhere, anywhere you want to go.

Richard Ditzio 1:03:27

Give us a couple of examples. What are the life skills?

Gina Diez Barroso 1:03:29

Emotional Intelligence, you know, number one, empathy, you know before, like 20 years ago, 10 years ago, if you were like, you know, attributes on a leader. Empathy, you couldn't even find it, and now it's on top of the list, empathy, emotional intelligence, negotiation skills, work on intergenerational teams. You know one—you know team building, you know caring for your for your people. You know all of those skills. And let me tell you something, and I don't this take away the word gender. Okay, here, now, the type of leadership needed is more feminine leadership, not talking about women here. You know men and women have two types of—we all have masculine and feminine attributes. We all have it. Nowadays the feminine type of leadership is much more needed than the masculine type of leadership before, I mean, the tough this is it. Do it because I say so, and I'm your boss and you be quiet. I mean, that was many years ago. Even our parents, you do it because I'm your father and shut up, you know? And we did it. I mean, we did it now, you say one of those things to your son, and I want to see the answer, you know, you don't even say the last word, and he's already gone out of the door. So it's a different type of leadership. As a father, as a brother, as a boss, as anybody, not so as a man, you need to develop more that feminine side that we as women have a natural so we need to be more feminine type of leadership, which is natural for us women. You know, the feminine side, the empathy, the understanding that the human side, the caring, those are natural for us, not so natural for you guys, but now you have to learn a little bit more and be that type of leadership, because that's the one needed now. So that's my point.

Richard Ditzio 1:05:37

All right, guys, try and get better at that. So Christy, just wanna follow up on what you said before, on the length of time. These are not easy challenges. They take quite a long time. And when I think about how people structure what they want to accomplish, you've done something with Innovaciones Alumbra, how do you think about what you want to accomplish while you're on the earth, and how does the work continue past for your legacy?

Christy Walton 1:06:06

Two things I would like to see continue to come. One is the Center for Applied Aquaculture Innovation. What we realized with our farm systems and modern technology, the robotics, the science, the vaccines, the pathogens, all of the work that goes into raising protein in the sea is that we don't have the workforce for it. So the this center is around that developing a workforce for this kind of technology, for this kind of farming and these kinds of systems that will continue to develop. The other one is the center. And I call them centers because we're not allowed to call them institutes. So is the center for—and I use the word applied because I am tired of seeing science put on a shelf and research put on a shelf and never looked at again. So it's applying our knowledge, it's applying what we know, it's applying what we learn, and that is applied—dry land water studies, we've been doing a lot of work in watershed restoration, learning a lot on how to bring water back to arid lands. And so that one is also underway. I personally went to the school of life. That's the ongoing school I've gone to and continue to go to, and I look at it in the way of healthy systems, and those are an environmentally healthy system that we need as humans, economics and social well being. So pulling those three things together is what we endeavor to do.

Richard Ditzio 1:08:08

So I think we learned a lot about great leaders, such as yourselves, from what inspires you. We, as many of you know, at the institute last month, opened up our Center for Advancing the American Dream in Washington, DC. Some of you have been there. It's a six building complex across the street from the US Treasury and the White House. Part of that project, we are filming 10,000 individuals, many of which are from Mexico and Mexican descent. And as I watch the videos, I'm always struck by nearly every one there's a reflection that one person believed in them and saw some potential that maybe the person didn't see in themselves, and they reflect on it and often tear up as they're telling the story. So I want to ask both of you, who in your life has been that person for you that really gave you a touchstone that you go back to again and again? Gina, I'll start with you.

Gina Diez Barroso 1:09:09

Well, the person, I mean, I was born in the shoulders of a giant, which was my father. I've always been closer to men than women as far as role models and my mentor, Pedro Aspe, always so I've been, I've been very close to those role models.

Christy Walton 1:09:31

I would say my late husband, John. He was so intelligent, curious and innovative. He had a different kind of mind. And, you know, as he went through his life, his work on the environment was creating business like for solar, you know, his thought went that way. And an education. He came here to speak to President Fox about the educational system of Mexico, which is very similar at the time, to the Union control of the educational system in the United States. And we worked really very hard to—first of all going for a voucher system where the money follows the child, whether it's a private or a public school, and ended up with the charter school system, which is a public school system, but it works outside of the union to deliver education. So that was his passion.

Richard Ditzio 1:10:45

So I want you notice that each of them smiled when they thought about the person that inspired them. Yeah, so I want you to think of the person that inspired you, and if they're still around, you should reach out and thank them. And I want to thank both of you for this panel today, and we'll continue with the next part of this session.

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