

MICHAEL MILKEN IN CONVERSATION WITH HIS EXCELLENCY KHALDOON KHALIFA AL MUBARAK

Announcer 00:07

Please welcome Sarah Sandler, executive vice president, chief growth officer, Milken Institute.

Sarah Sandler 00:20

Hi everyone. Thanks for joining us as we wrap up our seventh Milken Institute Middle East and Africa summit. I want to take a moment and reflect on what this - why this gathering is so distinctive. We've heard from leaders in government, finance, health, philanthropy and AI, and we've heard them explore solutions to some of the world's most pressing challenges. What stood out was how aligned the conversations were. The future of growth in this region will be defined by innovation, by human capital, and by a willingness to partner across sectors and across borders. We've heard about capital flowing into new industries, about health care breakthroughs, moving from aspiration to implementation, and about the rising global relevance of markets across the Middle East and Africa. And what makes this summit special is that it doesn't end here. The relationships built here, the ideas exchanged here, and the solutions explored here will carry impact forward long after we leave the room. So as we transition to our closing session, it's fitting that we end with a conversation between two people who embody the power of long term vision and action. Our chairman, Mike Milken has spent decades championing medical research, capital access and innovation as engines of human progress, and His Excellency, Khaldoon Al Mubarak, has helped shape some of the most forward looking economic and strategic transformations here in the region and with partners around the world, their dialog promises insight, perspective and true to the spirit of this summit, a look at what comes next, and, of course, a peek into their friendship. Please join me in welcoming Mike Milken and His Excellency, Khaldoon Al Mubarak.

Michael Milken 02:30

Well, Khaldoon, it's great to see you.

His Excellency Khaldoon Khalifa Al Mubarak 02:34

Thank you. It's wonderful to be here. Welcome everyone. Thank you for being here.

Michael Milken 02:38

So the theme, as you know, this year was progress with purpose, advancing meaningful partnerships. And I can think of no better partnership that we've forged over the decades Khaldoon from this standpoint. And so today, one of the themes we want to do is really focus on AI and the UAE's view of AI, its position, the progress and Mubadala's progress in this area. Last year, Khaldoon promised us so many things that was going to happen over the over the last year, and so we're going to take a look and see how you did on your scorecard here. So let's start with one. A year ago, we talked about the AI opportunity. You are now in the headlines every week. What's been happening?

His Excellency Khaldoon Khalifa Al Mubarak 03:43

Well, first of all, I've known this man. How many years now are we going to say.

Michael Milken 03:50

You were in your 20s.

His Excellency Khaldoon Khalifa Al Mubarak 03:53

Five years ago. So, unfortunately, much longer than that. And it's I cannot tell you all what a privilege it is to be on stage with Mike, what a privilege it is to call him a friend, and what a privilege it is to have over these many years, counted on his advice, on his guidance, that has always been there, always been there for free, and he's been a great friend and partner, and I would say family to myself, but more importantly, to this country. So for that, you know, I would say thank you, Mike. Now answering your question. So I think I'll answer it in the following way, as you all know Mike, and I think most of you know the UAE has always been, I think, pretty consistent in trying to catch the trend early and take educated —I don't like the word use the word bets. But let's say educated, strategic moves in spaces that it believes are going to be winners going forward, and that have a massive implication potentially on the growth and development of

the economy. Over these last 20 odd years, we've taken such decisions, renewable energy as an example, semiconductors, other spaces that we've really, I think, did the right decision in terms of investing and investing early and taking a long term perspective on where that space is going to go. On AI, I think the UAE, I think also was relatively early, in the sense that, if you go back to 2017 the UAE was one of the first country to have actually an appointed federal minister responsible for AI. Back in 2017 we've had a university fully focused on AI and an AI University established in 2019 so very early.

Michael Milken 05:57

I'm hoping to visit that university tomorrow.

His Excellency Khaldoon Khalifa Al Mubarak 06:00

You're not leaving without doing that. I'm going to make sure. And that strategy of really investing, understanding and when I say investing, it's not just putting money into it. It's the education side of it, it's the infrastructure side of it, it's the human capital aspect in every one of these tranches. I think the UAE has been focused on how AI will be part of society here. So that strategy continued. And I think we established, then a national champion that is focused on AI development, G42. We then established a focused AI investment and infrastructure vehicle, which is MGX. You can see it's a trend of a very targeted and very focused on that space that has been going on for years. It culminated, I think, in a very important, I would say, milestone, which happened in May last year when President Trump came to the UAE. And what you'll see is the slide on top. I'm supposed to see it here, so I'll have to turn in May of last year, the President came and there was a very important announcement that was that was made in which the United States and the UAE had an AI co-operation agreement that set the foundations To the build out of one of the largest AI clusters outside of the United States. Here in the UAE, a five gigawatt let's call it AI factory, Stargate. That was announced. The slide I'm going to show you here is a very interesting one, because typical in the UAE, we try to do the legwork early, and we hit the ground running. When the when the president came, and I was showing him this model of the factory or the space, this is a 19 kilometer square kilometer area. It is about nine times larger than Monaco. And we had already started the early foundation works on the site. I mean we're going full steam ahead on this project. Obviously, it was contingent on a very important agreement between our two governments, and more importantly, or equally important, on the premise of having the right partnerships in place. So that day, we signed an agreement, the partners—if you go back previous to the previous slide, please—what you see right now is the video is a time lapse of what's happened over the last six months since we've signed that agreement. As we speak right now, we've had over 100,000 square meters of concrete poured. Phase one, which is 200 megawatts, is now underway. The foundations are basically enough to build an entire city block already put in place. Actually, the amount of steel works that have been put in place already is almost one and a half times the Eiffel Tower. Over 5,000 people are now working on that site 200 days. You can see the time lapse, and that first phase of 200 megawatts will be in place and ready at some point in the third quarter of next year. An important—another milestone happened a couple of weeks ago, which was the agreement, or the approval from the US Department of Commerce on the export of, obviously, what's going to go into these factories, which is the chips. Just to give you order of magnitude, the UAE now has a couple of thousands chips, the region, meaning this region has no more than 10,000 chips as a whole

right now operational. Through the agreement that we have in place right now in the approvals, we have about 35,000 GP 300 chips coming into this facility. This is like going from speed of five kilometers an hour to about 250 kilometers an hour, right there. This is the speed of how we are moving and executing on this project. And I think this is a very good example of another way of how when we when the UAE, proceeds on a strategic project, this has massive ramifications. The next slide shows really the partnership approach, which kind of typifies how the UAE approach - the UAE always approaches these sort of partnerships and programs. You can see on this slide everywhere from open AI, Oracle, Nvidia, Softbank is in there. Microsoft is also with us in this. So you have the technology industry coming in, in partnership on executing on this project. This is, I think, just to give you an idea how the UAE is moving in that space and the background to it.

His Excellency Khaldoon Khalifa Al Mubarak 06:24

So, Khaldoon, when you visited Southern California, I let you know it took only 17 years for me to get approval to build a house in Malibu. So the change and I go back to that little office you had with big dreams when we first met, and I cannot think of any organization or country in the world that has executed those dreams and made them a reality. Let's go from the UAE now. What about Abu Dhabi and its movement towards AI?

His Excellency Khaldoon Khalifa Al Mubarak 11:35

So the key is about enablement and AI enablement, and I would say, building the infrastructure, investing in this space, building the partnerships, that's certainly a very important components in this journey, but then the capability, building out that capability and getting a population to transition and become AI enabled, I believe that's an area for sure that Abu Dhabi has spent a lot of time and focus and energy on, and you see it today. I think one of the best examples I like to use in terms of that transition from old economy to new economy in this new world is how our government is helping the population through the transition of government services from the traditional human to human interaction to now, essentially making it an intelligence collaboration between the citizen, the resident, and government through an intelligence platform. Today, we have a platform called TAMM every resident and national in the country, in Abu Dhabi here have this on their phones. You have 1,100 use cases on that platform. Essentially, you can do everything right now by talking to a government, your government agent on your phone from renewing your driver's license. You don't have to go to DMV anymore. You don't have to set foot in a municipality anymore, anything to do with your property, land, etc. You can do it now seamlessly through your app. You can you have your entire medical file right now at your disposal at all times. You can move files to doctors, to institutions. You connect to, any services that the government provides, you have a direct connection to and a direct communication through intelligence. Now you can actually check your report cards of your kids. That's all seamlessly built in into that system. This is not something that is aspirational. It's actually operational, as we speak right now, and it's incredible, because what you have right now. I was in a Majlis a couple of weeks ago talking to a 92 year-old young man, and this man pulled out his his phone and was showing me something that he was describing in terms of a property he owns, but he got on the app, so you have a 92 year-old man right now. Now is AI-enabled, so that populational transition is very effective when you help the population through great service to transition into, into AI.

That is what we're doing here in Abu Dhabi. And that's just another example of this population wide transition that I think the UAE is really pushing. I think the frontiers on

His Excellency Khaldoon Khalifa Al Mubarak 14:36

Khaldoon a little concern when you use that word old, because I don't know. I don't necessarily think 90 is old anymore. So and the only thing that concerned me when I saw the 100,000 services is that you can also look at your parking tickets. You know, is there nothing sacred that hasn't moved online here? From that standpoint, I think not everyone has really had a chance to see this up front. And when you were in Washington and we sat down and the data on who's in the hospital, how many hospital rooms, your ability to monitor the health of particularly Abu Dhabi anywhere in the world, what people's diseases are, where they stand, et cetera. And as I mentioned over the years here, it started when I first came to cut that ribbon at the Imperial College Diabetes Center and the most modern facility in the world to be treated, if you remember that day, and then the Cleveland Clinic that I noticed last night, I never saw that it was in bright blue lights before. And when the Cleveland Clinic opened up, we actually had part of this conference at the Cleveland Clinic that day, just to show where it stood. Okay, so we've talked about the country, we've talked about Abu Dhabi. Let's get to Mubadala. We've had a close conference relationship since I saw your plan, more than 25 years ago. Okay, what about Mubadala itself? How is AI changing the way you invest today?

His Excellency Khaldoon Khalifa Al Mubarak 16:39

Again, I'm using my AI powers, where I expected you to ask the question, and about a year ago, me and Mike sat right here, and I should put the video just 10-20 seconds, what I told you last year when you asked me this question.

Michael Milken 16:56

Okay, let's see what you said. You know, that's our conferences. We video you to hold you accountable. Let's see what you said

His Excellency Khaldoon Khalifa Al Mubarak 17:04

All about one promise I'm going to make to you today. We and Mubadala are going to be on the frontier side of AI enablement in our way of doing business next year, 2025 by the end of next year, 2025 in everything we do, in the way we operate AI is going to be fully ingrained. Okay, so that's what I said. Don't clap. That's just what I said. What we've done now, effectively, is, at the moment, we have enabled a board observer, an AI agent, board observer for the board at our investment committee, we have a system that we've developed called Maya. Maya is a platform that supports decision making across the origination all the way towards the ultimate Investment Committee decision. Maya now we use it at the level of an

investment committee in every level of the origination, development, assessment, analysis, due-diligence, all of that is now heavily utilized by by all our executives. It's a platform that has gone from as you know, these things get smarter and smarter. We've now pushed through over a thousand transactions that Mubadala has done over these last 12 months, making that system now almost essential in the way we operate, in the way we work. And I think our effectiveness now, I can see it difficult to quantify at the moment, really the net impact of it, but I think if you ask any executive in Mubadala they'll tell you right now this is becoming a an invaluable tool in the way we operate, in the way we make decisions, and in the way we we run our diligence. So I mean, obviously a lot of companies have pursued that. We're not the only ones, but now we are pushing the envelope even further. I'm going to show you another video here, just a short one on Maya, which is the next evolution step that we're now actually going through.

Maya Video 19:08

Maya IC digital twin demonstrates a next frontier AI solution that simulates the IC meeting decision-making process. It harnesses AI agents to represent each of the IC members, personas and focal areas to model the discussion and decision making process. The digital twin provides deep investment insights in the context of a simulated dialogue between each of the IC's personas.

His Excellency Khaldoon Khalifa Al Mubarak 19:33

So we've created now our digital twins. You can see, I don't like the picture honestly, but it's okay. So we all have our digital twins, the investment committee, and it now mirrors our tendencies. The way we think, the way we decide what sort of questions we normally ask. We can mimic now an entire investment committee meeting, you know, right now I can, I can sit with you. Might have this conversation, and I'm having my digital twin is having the Investment Committee, and not at the moment, making a decision, thank God. But you can, you can see just the level of detail now that we're that we are able to get to in a much more effective and efficient way through these digital twins. So this is another process that we are going through. We're creating our own contrarian agent, very powerful, as you know, particularly in investment decision making. The power of having a strong contrarian member and a board or in a committee. Now we have our contrarian agent. So it is now pretty much sewn into the DNA of how we operate. And we're going to continue to evolve and generate more ideas in terms of how we can make AI, you know, hand in hand in the way we run and operate businesses.

Michael Milken 20:50

Khaldoon, a thousand transactions have now gone through this system. It's hard to believe you know that you haven't had some resistance from some parts of the investment process that's occurred, let's talk about how it was implemented, how you got it accepted, from the bottom of the organization to the top.

His Excellency Khaldoon Khalifa Al Mubarak 21:18

I'd say, Mike on this one, there are in any organization that you're involved in, all of us went —there is a process of building consensus., but there's also times where you need to just make a decision. I think this one was more of the latter category. It's about just deciding we're going to do this, and we're going to do it, and you're either on board or you're not. It is a high conviction decision. It is absolutely, in my view, the right perspective. And I think what you find with people, while naturally, you're going to be resistant, and I've seen it, you know, as we started, also pushing it into many of our companies, many boards. I sit on a financial institution, I won't name it, where again, there was a lot of resistance from the management in terms of pushing this through. And at the end, you know, I said, ok, well, I'm not attending any board meetings until this is operational. And they're like, wow, you know, we can't, you know, there's governance, regulations, etc. Figure it out. I'm not going to attend. So I think you have to, ultimately, and I believe strongly about this, you have to make that leap. And it's not a leap of faith. I think there's conviction in this. It's crossing that bridge. And once you cross that bridge institutionally, and I've seen it in every single use case, in Mubadala or any one of our companies, once they cross that bridge, there's no going back, and everyone that resisted inevitably will come to you and say, Thank you, thank you for pushing us in that direction, because now we can see the benefits clearly.

Michael Milken 22:55

So Blackstone one of the world's largest alternative manager, brought in a senior partner from Sequoia that is now overlooking their activities. Did you bring anyone from the outside, or did it all occur on the inside?

His Excellency Khaldoon Khalifa Al Mubarak 23:18

I would say majority inside, because you're crossing new grounds, and you have to be very careful, particularly with IP and your own - you know, this is your own, basically secret recipe of how you operate and how you decide. But you need also a technological aspect of the right partners that can come in and really fill some of these technical voids that are necessary. So it was, I would say, majority in house, but with certainly a couple very important technical partners.

Michael Milken 23:54

So partnership, our partnership, over the years here, has shaped Mubadala and shaped how we look at the world. But the other side today, there's enormous competition for technology, capital, influence. How do you balance cooperation with competition?

His Excellency Khaldoon Khalifa Al Mubarak 24:21

Yeah, I think competition is inevitable and competition is necessary, and actually it is critical you don't make the next leap without proper competition. And you can see that in every business and every

industry, when you have actually a strong competitive situation, that's when actually parties push each other higher and higher. So I think, from my perspective, or I would say from from Mubadala and even a step up, the DNA of the place here in the UAE, in Abu Dhabi, is a DNA of partnership. It's a very collaborative partnership oriented - uh, approach, and that you can see it in everything. And that has proven to be a very successful model. When I look at Mubadala, I would say continuing, going forward, we will continue to follow that approach of finding the right partners, the best in class, in whatever sector we're involved in, in whatever geography we're involved in, and put the right constructs to put these partnerships in place and then grow and invest and partner and succeed together. That model I have now ample evidence, is a very effective model, and it will continue to be the case.

Michael Milken 25:39

So through Mubadala capital, you're really kind of the first sovereign investor going to manage institutional third party money, something you and I have talked about for decades. Talk about that process.

His Excellency Khaldoon Khalifa Al Mubarak 25:58

So Mike, this is a process that you kind of helped - you seeded in your own way. Mike, as always, will give you advice, will give you hints, but then the onus on you is to pursue it. We had—until Mike really seeded the idea that we should now think about moving the way we operate towards actually—we do a decent job managing money. Why don't we manage other people's money and get a fee for it? And that led to the creation of Mubadala capital, and that's—we started small. We had a set of early investors that partners with us in that space. Mike, you know, gave the advice and then put his money behind his advice, and was one of those investors. And over time, we've been very successful as I think the record shows, and that model of managing—we probably are, I think, the only sovereign fund today that has created a vehicle that manages third party capital. We've done it generally. We've done it also in focused areas like venture - like Brazil. I would say Brazil is an excellent example of a market that we've targeted. We went we built the capability, we built the right expertise in that market, we have multiple funds there. All of them are, I would say, upper echelon, tier one, probably top 10 percentile in terms of performance as funds. And we've done that with probably, you know, a third of our money and two thirds of other people's money. And now we are growing through both organic and inorganic way to build Mubadala Capital to be one of the premier money managers in the world. And that, I have to say, is thanks to Mike, because he actually was the one that seeded that idea. I don't think he thought I'd actually follow through. I think he thinks sometimes he tells me stuff, and I don't really listen. I actually listen Mike.

Michael Milken 27:58

Well, sometimes I have to drop little pebbles all across the stage for that.

His Excellency Khaldoon Khalifa Al Mubarak 28:04

By the way, I had a nice lunch with Mike right now. He gave me three ideas, three that are actually brilliant. Now, you know, he's going to KPI me on this one. Let's see how I do next year.

Michael Milken 28:19

So, you know, one of the things we have a lot of people that have come from dozens of countries here, and it's impossible, really, not to feel the incredible dynamism and energy here in Abu Dhabi. It's also impossible not to see how relatively young the leadership is, and how many people in the leadership have been in the private sector before they went into the public sector. And the optimism here is infectious. Let's talk about some of the positive opportunities that you see, also potentially to partner with the people that are here going for it.

His Excellency Khaldoon Khalifa Al Mubarak 29:12

I think Mike, I'm pretty sure most, most folks in the room today will feel just being here in the country, being here in this gathering dynamism, for sure, but I would say - I would describe it more as momentum. There is just strong momentum. And the momentum is driven by, again, I would say strong fundamentals. You have a strong foundation in terms of the country, regulation, rule of law, governance, government. I think that lays a very strong foundation. There's strong infrastructure, telecommunications, transportation, technology, roads, highways, connectivity. So very strong infrastructure. Safety, crucial. It's a safe place. It's a safe place with high quality of life, education, health care. So I think these very crucial foundations now are there and now you have, I think, this dynamism that you see through multiple - multiple companies and different sectors in an economy that is now a an interesting corridor between East and West, between Asia, Southeast Asia and Africa, the Middle East, Europe. You have a market of 2,000 let's say kilometer radius, or 2,000 mile radius around us, of connectivity that the UAE essentially is a perfect point of connection, point of operation and point of growth. So I think all these facts I just gave you, I think, are interesting and make it interesting for everyone to see where this place is going. And I think one thing we have today that we didn't have, maybe as much 20 years ago, even 10 years ago, is now mature, institutional, both, not just sovereign, quasi-sovereign, private equity, public companies. I think all of that has evolved significantly over these last 10 years, making this now ready to scale up. Then you transition into new economy versus old economy. This is a new economy, and where this country is going, and where we are going is it's a new economy. We're investing heavily in the new economy and sectors that I think most folks, I suspect, in this room are focusing on, from technology, AI to biotech, life sciences to digital infrastructure. These are renewable energy and new energy. All these areas are areas of big focus here in the UAE, and with the institutions here in the UAE, and I think as we look at the future, these are the opportunities for both partnership, co investment and all forms of growth together.

Michael Milken 32:14

So for 20 years, Khaldoon and I sat on a trading desk, and you had to make a decision, are you buying? You're selling? What are you doing? And if you can't make that decision in a few seconds, you move on. I think one of the things that struck me when we talked about, pretty much what are the fundamentals of

the new economy, energy systems, compute capacity, supply-chain resilience, long term capital. It's been very interesting, as this has been a core strategy that we've seen you execute in a short period of time, not a long period of time. Many of us are from countries in the world. Well, you might talk about something, and then 10 years later. We were going to build a high speed rail in California. It's about 400 miles. I think, in 10 or 12 years, they've covered one mile. I don't think we're not—in the lifetime, there'll be some other transportation. What is the core area for profit, nonprofit, the people coming here, that really drives this, not only sense of execution, but a sense of urgency?

His Excellency Khaldoon Khalifa Al Mubarak 33:42

I think it's a sense of purpose. I think there's a strong sense of purpose driven by strong leadership, clear vision, a history of consistent execution and always looking at the future. I think when you combined all of that, that's, I think, is that mix that answers your question.

Michael Milken 34:11

So I remember you pulled up this graph, you know, I gave them all a QR code with 300 slides here, not to weight everyone at the conference down with paper, but I remember that slide you showed me of where millionaires are moving. It's actually the first time I saw it, because most millionaires move to the United States. And I think the first year was 23,24 and 25 and where are most the millionaires moving? Khaldoon today?

His Excellency Khaldoon Khalifa Al Mubarak 34:48

Well, I think what we've been talking about for this last 20-30 minutes is why the UAE has become the premier destination for that movement of high net worth individuals, they are moving to where they feel is a safe place where they feel it's a well regulated place, where they feel they can grow, where they feel they have high quality infrastructure and high quality of life and hopefully, they also have that confidence that they have great partners and that they will always be safe. So I think the data doesn't lie, and particularly with that category of individuals, you know, it's not, you know, you didn't hear me say the word tax. Because, yes, of course, there's a tax advantage to a certain extent, but I don't believe for a minute that that's the primary driver. It's a combination of everything else. And the tax aspect is certainly a good to have and a nice one, but it's, it's all of that, and I think that really is a nice way to end in the sense that it is that path that now this country is forging for the future and again credit to you, Mike. You saw that many, many, many years ago. You know, Mike's, you know, as you all know, has created more billionaires than anyone else on Earth. I think he didn't create a billionaire here, but he certainly, I think, saw in this country that next analogy of a billionaire and I hope, through this journey, you've gone with us, Mike, you've seen that execution.

Michael Milken 36:27

Okay, so we're now going to have a lightning round. I'm only giving you five or 10 seconds to answer a few questions.

His Excellency Khaldoon Khalifa Al Mubarak 36:34

I wasn't prepped for that. No one told me.

Michael Milken 36:36

What percent of the UAE GDP today is non-oil?

Michael Milken 36:46

Under 30 percent.

Michael Milken 36:52

So, what is the—what country has the number one global ranking for entrepreneurship?

His Excellency Khaldoon Khalifa Al Mubarak 37:04

The UAE.

Michael Milken 37:06

Good, correct answer. What country is in the top five now in world competitiveness?

His Excellency Khaldoon Khalifa Al Mubarak 37:14

Thank you.

Michael Milken 37:15

You're giving me the same country?

His Excellency Khaldoon Khalifa Al Mubarak 37:18

Same country.

Michael Milken 37:18

Ok. And what country is now in the top 10 for talent mobility?

His Excellency Khaldoon Khalifa Al Mubarak 37:27

UAE?

Michael Milken 37:27

That's correct. All the answers are the UAE,

His Excellency Khaldoon Khalifa Al Mubarak 37:31

Thank you.

Michael Milken 37:37

Khaldoon. You can give a lot of people advice, but the percentage that can execute is small, and your dreams when I saw that little model so many years ago have not only come true in executing that but taken it to another level. So congratulations, I did not wear the garment you gave me on stage and you did not wear the baseball hat that I gave you. So maybe next year. Absolutely. Thank you so much.

His Excellency Khaldoon Khalifa Al Mubarak 38:09

Thank you, Mike. Thank you.

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