



PART 1: LEADERSHIP IN A CHANGING GLOBAL ECONOMY

Sri Jegarajah 00:14

Good morning, everybody. We hope that it's been productive so far for you at this 2026 Milken Institute Asia Summit. And welcome to today's opening session and today's forum. We are in a really unique moment in economic history. The structural forces that are reshaping our world, geopolitical competition, and all the supply chain realignments that we've been seeing, rapid technological shifts, and the innovation cycle. And it goes far beyond what we have traditionally seen in the business cycle that we are used to. And navigating this landscape requires a complete redefinition of institutional competitiveness and state resilience. So, in keeping with today's panel on leadership, it'd be really interesting to get an idea of what leadership looks like, whether it's in asset management, or whether it's with regard to resiliency, and where we stand and where we're moving in this increasingly fragmented global environment. So, let's start by introducing the panel. First of all, Daniel Gamba joins us, president of Franklin Templeton. His Excellency Hadi Badri, CEO of Dubai Economic Development Corporation, and Kevin Lu, Dr. Kevin Lu, chairman and CEO of Partners Group Singapore joins us. Hadi, let me start with you, if I may. And we can't ignore the repercussions of the conflict, this kinetic conflict in the Middle East, which continues to be a big factor for the global markets and the macroeconomic environment. This has been a real test of leadership in Dubai. What is it in terms of the foundations of the leadership and the specifics and the DNA that has created this resiliency and pulled you through?

His Excellency Hadi Badri 02:34

Thank you. You know, we are so blessed to have the leadership that we have in Dubai and the UAE. They are caring, they are consistent, and they are competitive. They're caring because they always engage with business and people to listen, and they encourage us as public servants to do the same. They are consistent because, at the end of the day, the value system that has been passed down generation to generation from our leadership is one which is pro-business, is one which is pro-openness. And, you know, they're competitive because they want what's best for our residents. You know, once upon a time, our leadership were asked, "You're already the best in the region. What more is there for you?" And our leadership are always thinking like founders. They're always dissatisfied with status quo. They're saying, "Why can't we be the best in the world? Why can't we bring the best in the world for our residents, for our people?" So, I think that philosophy is really what has carried us through. It's a philosophy which is: prepare when things are calm so that you can stay calm when the storm hits. And I think what Dubai has demonstrated really over the past year, or this year I should say, is really an incredible preparedness and levels of investment that have gone into the defense system, the banking system, supply chain, the energy infrastructure, that's really allowed us to continue to work, and continue to be stable through these times.

Sri Jegarajah 04:07

But nevertheless, hospitality and the tourism industry has been hit. How bad was the hit, and where is Dubai in terms of recovery?

His Excellency Hadi Badri 04:19

I mean, we have seen really very strong domestic consumption come in and actually fill some of the gap of some of the tourists, or the loss of tourist consumption. Ours is a community in Dubai that has really come together. It's become stronger. You know, they do say that diamonds are formed from pressure, and we really believe that we have seen a lot of that play out in Dubai. And so, you know, the hospitality community has really come together to say, "This is temporary. There's one thing for certain, which is all of this will be behind us at some point in time. Let's just get through it together." And so yes, there has been some cost management. But at the same time, the government stepped in. We provided support very quickly. Within the first month of the conflict, we actually came in and offered business support packages to the hospitality sector. Within two months of that, we increased the size of the package. And we spoke to the central bank on day one. We said, "We need to make sure that the central bank is providing the right support through the banks so that liquidity is not an issue also for businesses, whether they're in the hospitality sector or linked to supply chain." So, at the end of the day, you know, when a shock hits, investors ask three things: Can I move my money freely? Can I get my people and my goods in and out without friction? And will the government act quickly? And on all three counts, Dubai answered the question yes.

Sri Jegarajah 05:51

What does the next 10 years hold? Because a lot of this comes down to having a vision and executing on that vision and riding out the cycles as Dubai has done.

His Excellency Hadi Badri 06:05

Yeah. So, in January 2023, our leadership announced the 10-year plan for Dubai called D33, the D stands for Dubai, with a North Star KPI that we would double the size of our GDP, and we'd become a top three global city. Those North Star KPIs are not changed. We planned them on a 10-year period, recognizing that there's going to be ups and downs, there's going to be some changes. How we get there is obviously something that we need to keep adapting. So, we have a very clear list of hundreds of projects that we're executing. We have to re-look at prioritizing some over another. But our focus on strengthening our position in logistics, strengthening our global position in financial services, continuing to build on the momentum that we have in tourism, building new capabilities in advanced manufacturing, obviously real estate throughout all of those sectors. And fundamentally, just making sure that Dubai has a very good quality of life. We continue to maintain our safety and security, which I think we've demonstrated very well over the past few months. These are really the core essence of our 10-year plan, and those things will continue to be a focus area for us going forward. So, at the end of the day, the exam question of how do we grow twice as quickly as we have in the past, it's still the exam question that we're answering day in, day out.

Sri Jegarajah 07:26

Thank you for that, Hadi. And just before I bring in Dan and Kevin to talk about the asset management side and private equity, Hadi, I just want to give you just a final word in a way, and ask you, what is Dubai doing to build an AI economy, and what's that going to look like in the next five to 10 years?

His Excellency Hadi Badri 07:52

Yeah. We're really focused on talent and on AI adoption. So, on talent today, this is an area where you look at the UAE, and we are really up there in terms of talent density. We are on par with the UK today. Our trajectory continues to go up. And we've been attracting AI talent because Dubai is a happy place. It's an optimistic place. It's where jobs are being created. It's where the government is leading by example on AI adoption. We have a minister of AI that was installed in 2017. We have 22 chief AI officers in the Dubai government across different departments, where their KPI is to make sure that AI is adopted, that people are trained, upskilled to be able to use it. And that's where AI talent wants to be. We also have big national champions who are adopting AI and who are recognizing that actually the best way to do this is to bring the people who are in that science to come and plug into their assets. So, it's a really important focus area for us, and we're seeing some emerging signs of improved revenue for businesses, lowering costs for businesses, improving customer advocacy for governments.

Sri Jegarajah 09:09

And just very briefly, Hadi, within that 10-year plan, what's the aspirational goal? What percentage of the overall economy will AI and high-tech manufacturing or that ecosystem represent?

His Excellency Hadi Badri 09:26

Yeah. We think productivity is going to be a really important driver of our incremental GDP that we create. Anywhere between 50 percent and 60 percent of that incremental GDP will come from productivity. Obviously, the drivers for that incremental productivity will be technology and will be talent, and really the intersection between the two. So, we think it's going to be quite substantial. We have targets around increasing digital contribution to GDP. We're talking about 100 billion dirhams, or \$30 billion, that will really come from technology, which is going to be predominantly AI adoption.

Sri Jegarajah 10:06

Hadi, thank you for that. And Dan, let's pivot to you. When we talk about leadership, when we talk about public and private markets, the leadership is overwhelmingly in AI and AI-adjacent trades and that entire ecosystem. You've noted that modern diversification needs to be far more purposeful and that the competitive opportunities of innovation extend well beyond the immediate hype of AI. Can you spell that out for us and what does it mean in terms of allocation for longer-term investors as we head into 2027?

Daniel Gamba 10:46

Of course, and thank you, first of all, for the panel. Excellent remarks, Hadi. I want to start by, just for context, my remarks are from a \$1.8 trillion asset manager that manages public and private markets, so that for context, it's global asset manager scale. When we look at the market, of course, AI is a big factor. But we also look at geopolitics, as you are describing, of course, the impact of the two wars that we have, and also the leadership between the new post-COVID, if you want, alignment of geopolitics. And we also look at the new policy that governments have. So, with a new Fed chair and also where we are with the inflationary pressures, that's another factor that we look at that. So, we look at those three risks, not only AI. Clearly, AI has been a big leading force of markets over the past 18 months. So, this complexity, if you want, or fragmentation, requires a new way of diversification that you need to look beyond just equities and fixed income and multi-assets, which is a traditional model. You need to look across geographies. So, geography is a big driver here. Clearly, US has been big, and I think we continue to be positive on the US market, but we are much more diversified beyond just the Mag 7 and

the largest hyperscalers. We are clearly—and we've been talking about that. We've been investing much broader into mid-cap companies, small-cap companies. Then you go beyond that. Clearly, Asia is where growth is. We were in the breakfast this morning, and massive growth from Asia. And AI is part of the story, but also AI application is another part of the story. So, when we look at Asia, we're looking at countries like Japan from the AI application perspective. Of course, we look at the infrastructural part, which is semiconductors, Taiwan. We look at Singapore, big driver of growth as well. So, India is another big part. And of course, China continues to be a big part. So, when we look at Asia, it's a big part. So, geographic diversification, important. Sector diversification, very important. And we look beyond technology, because AI, people say, well, it's all about technology. We look at infrastructure, like semiconductors. We look at energy, we look at manufacturing, and how AI is going to implement the different changes. And last but not least, which is relevant too, is public and private markets. So, a lot of investment, a lot of the growth is come basically from private markets, also private credit, but also private equity. So, we look very holistically at a new way of diversifying across all these factors.

Sri Jegarajah 14:05

Daniel, thank you very much indeed for that. And you touched on China, and Dr. Lu, let me bring you now to the conversation. It feels like the center of gravity seems to be shifting away, perhaps, from China. Yes, it has a very strong AI economy and export boom to show for it, but not so strong when you consider the domestic economy and the property overhang still. How should public and private capital approach the China markets?

Kevin Lu 14:41

Yes, thank you for the great question. Look, I would only agree with your statement that China is no longer the center of gravity in a very narrow dimension. If you look at the US investors' interest in China today, I think it's definitely lower. So, on that dimension, I would agree with you. I would actually disagree with you on many other dimensions. I'll maybe talk about one or two. If you look at China's domestic economic situation, there are obviously challenges and strengths. The challenge side is very clear. The whole sort of conversion to a domestic consumption-driven economy has been there for the last 20 years. If you read the five-year plan, it's in the last four five-year plans. And the other problems, such as real estate market, has been there for a number of years as well. So, the problem side, they're all known. So, it's not about they don't know their problem. If you go to Beijing to talk to policymakers, the issue is what are the trade-offs they plan to make? Are they going to do a fiscal stimulus? Are they going to rejig the economy in a more abrupt way? What are the trade-offs between solving some of the problems versus creating problems elsewhere? And what about the trade-off between growth and stability, social stability, which is very important in China, right? So, domestically, challenges are there, but they are completely known. It's all about trade-off.

Sri Jegarajah 16:04

What is your best bet, Kevin, as to what the policy response is going to be, whether it's on the monetary, fiscal side, or otherwise?

Kevin Lu 16:12

Yeah, the only thing I can bet is that it's a Confucius value, so that would be very gradual. I don't see shock therapy. I don't see abrupt manners because, again, they attach a lot of value to economic stability as well as social stability. But then on the strength side, there are many, many growth drivers that are still in China, right? The China that people outside of China know about is Beijing and Shanghai, skyscrapers. A very big part of China is still underdeveloped. For example, urbanization. And China has been going through that for many decades now. Today,

there are only about 67 percent of people living in the urban area, and the projection is that in the next 10 years, it could take to 75 percent, 76 percent. That's 100 million people moving to the cities, creating demand for apartments, for all the other things. Even just one dimension like urbanization. And then if you go to China, I was in Chongqing a couple weeks ago. I spent a week there. You can just go to one of the, let's say, Huawei store, right? On one side, you see five or six different foldable phones, which Apple just managed to launch one. And on the other side of the store are those other EVs. Huawei is now producing EVs as well, which is unimaginable two years ago. So, the growth driver, these technologies such as Huawei, is demonstrating, and many other champions are actually probably out there milking even, as well as the old-fashioned urbanization, consumption. I think there are a lot of growth drivers, actually, in addition to the challenges which are known.

Sri Jegarajah 17:49

Dan, come in here.

Daniel Gamba 17:49

Yeah, I will add that I fully agree with Kevin in the sense that China, it's a big market. We've been there actually with a JV for over 20 years. And the only area I would add to the sectors he mentioned is pharmaceuticals is actually a big area. I think with the change of policy that we faced, you have—thousands of researchers are actually going and doing a lot of pharmaceutical research in China, and that's going to drive a lot of also growth. So, again it's to the theme of diversification. It's not one or the other. You have to be on both, and you have to know how do you create strategies that actually combine both. We just launched some strategies that create both in technology and in pharmaceutical, basically, returns combining companies from both the US and China. So, clearly that will continue to be a driver because there are strengths and weaknesses in both and both need to coexist, and that's basically where we are now.

Sri Jegarajah 18:59

And this is arguably where the rubber hits the road in terms of leadership and in terms of longer-term policy. And Hadi, you talked about building an AI economy, and human capital is so integral and central to that. Is it a concern then, and Kevin, I value your opinion on this, that we are seeing, at a structural level, rising unemployment amongst young graduates? It's a similar story in India too, because of the AI disruption. And what's the workaround, and how do policymakers thread that needle?

Kevin Lu 19:37

Yeah, I think youth unemployment is definitely a big challenge for China, for India, and for many other countries. How much of that is necessarily attributed to AI, I'm not entirely sure. I also hear many economists saying that AI will create jobs down the road., right? I also hear them talk about if people go down to three or four days of working, maybe the other three or four days a week, it will be more tourism, there'll be more entertainment. I think you can argue either way. But I think the key point is something that Hadi also mentioned about geopolitics, is that when you look at topics like youth unemployment or many other challenges, these are, in my word, collective problems, so it calls for collective solutions. Right? So there are times you need individuals to respond to things. There are times that you need collective responses, which points to a slightly bigger role of the government. Right? So, the government needs to do a little bit more because they are the collective part of society. And then if you look at the international arena, that means geopolitics a little bit more important because the relationships between countries are a little bit more important. We are private equity investor. So, years ago, we didn't have to think too much about that. It's about running the models, developing the business model, finding value creation,

finding equity. I think everything we do, we do have to think about both in terms of domestic policymakers as well as the geopolitical, the sort of dynamics between governments. So, I think that is a big point for investors these days. You have to think about what governments will do, and you have to think about governments deal with each other.

Sri Jegarajah 21:12

And let's bring it back to where the money is heading and the capital and fund flows within this part of the world. Where are the most compelling opportunities and thematics and geographies in this region?

Daniel Gamba 21:27

So, I did mention, clearly, the drivers of AI infrastructure have been in Korea, in Taiwan, and we look at AI with three different layers, right? First is the infrastructure part. So, that's where Korea, Taiwan have benefited. Then you have the model part, which basically China is being—it's China and US basically the big beneficiaries of that. And then you have the application. I would argue that on the application of AI, that everything needs to be played. As much as people go, and sometimes they go to panelists, and they give you anecdotal examples, very few companies have really refined their business models to really see any of the benefits that AI is going to bring. A lot of the benefit on productivity, even in the US, are not coming from AI. They're really coming from the cloud. They're coming—still, there's a lag effect. So, I think this is a time for looking at which companies are going to be winners and losers. And I will say Japan has benefited. Japan and India, two markets where they're still trying to figure out how can they be scalable players to reapply AI in different companies.

Sri Jegarajah 22:45

Kevin

Kevin Lu 22:45

Yeah. Maybe I will comment on the private capital side. So, the Partners Group, the only thing we do is private. We manage about \$200 billion in the private markets, headquartered in Switzerland. But we do everything in private markets, so to speak. We play the full piano, so to speak. So, from a private capital perspective, some of the countries that Dan mentioned is definitely on our radar screen. Japan is very happening, so to speak. But you also see a very crowded GP space now. But the reason Japan is interesting compared to Korea is also it is a very different institutional context. So, for Japan, say, the cultural, for example, acceptance now for investor, the corporate governance reforms, etc., and [Inaudible]. I would say Japan, Korea. India, definitely, we are very active. Partners Group have been there for over 20 years. Actually, we just launched our first country fund in India. We are always global, but India has made that exception internally. That means we like it. We continue to think China is interesting, but you need to do it in a slightly different way. You have to think about onshore, offshore, given the capital control, right? The other point I want to add in 30 seconds is that I think for Asia, it's not only about your questions, it's where the capital goes to. It's also where the capital comes from. I think Asia is distinctly different from the US and Europe. I think it's a little bit similar to Middle East, actually, in the sense that they are very large institutional investors that could move the needle, and they have the strategic visions. And so for us as managers, that's a very important part of our calculation, right? Let's say if we invest for a particular sovereign wealth fund, right, where are they looking? Right? Are they looking within Asia? Are they looking Middle East? Are they looking at Europe? So, this, for us, is almost as important as which destinations our capital should go. So, where the capital come from is equally important.

Sri Jegarajah 24:40

Hadi, if you could chime in here, and from Dubai's perspective, and you're here in Asia, you're here in Singapore, who are the most trusted partners in terms of consolidating, building existing relationships, and who else are you looking to add to the portfolio, if it were?

His Excellency Hadi Badri 25:01

Yeah. Well, Dubai's a global city. We have 200 nationalities living there. And by definition, we have the world investing in the city, and diversification is a really important focus area for us. At the end of the day, it's a global financial center that is arguably the fastest-growing in terms of population. We grew our population 7.5 percent last year, 7 percent the year before. And I give you that context because at the end of the day, it's a market that is growing so quickly that it has attracted capital from all around the world. We are creating projects across different sectors. And it's a market that's hungry for private capital. Our model is that the government will put in 10 percent to develop a sector, and 90 percent will come in from other parts of the world and invest. So, it's very difficult to single out one partner over another. We are an "and economy". We want to work with country A and country B, and that's the philosophy of our leadership for decades and will continue to be the case. We're always looking for inspiration, and when we come to markets like Singapore, markets like China, the US, we take inspiration to be able to say, what can we do to get better, to be even more competitive, and to attract capital from those markets? And we're seeing good inflows of capital still until today. We have manufacturers who have signed up to set up new factories in Dubai, *[Inaudible]* in June, July, August. Despite what we have as a challenge situation today, the reality is people are looking at Dubai, the UAE, and the Middle East for the long term, and they're saying, "This will be behind, and let's put money in now when we still have opportunities to be able to put money in and take a long-term view on a return," which will pay back very well for them.

Sri Jegarajah 26:54

We've got about two minutes, and I want to address something of an elephant in the room, and that is tech valuations: OpenAI, Anthropic, multi-trillion-dollar pre-IPO valuations. Dan, what is that telling us in an environment where we may yet see this entire super cycle imploding?

Daniel Gamba 27:23

I'll say valuations are not even close to the 2000 meltdown that we have in the markets. We still believe very strongly that we're in a very early stage of application of AI into the world. So, I think the word here is diversification, which is what we've been discussing, but we are clearly looking more now into application of AI into the different companies. Every single corporate company, frankly, they need to have an AI strategy because that's impacting how they hire, that's impacting how they build their different value, their processes. It impacts all what they do. So, I would say diversify your portfolios, keep close. You would also need to—as you invest, for instance, in data centers or some areas—you need to also know when do you disinvest and move. So, we've seen a lot of interest on secondaries private equity for that reason, because some of the cycles are staying invested for too long. So, then we have clients who are trying to also diversify and monetize some move. So, you need to actually have broad diversification and also be willing to move from one area to another area and be flexible.

Sri Jegarajah 28:44

Kevin

Kevin Lu 28:44

I would just add, I think Dan has mentioned diversification several times, which I completely agree. I think one additional dimension of diversification, especially for the private capital industry, is vintage year diversification. To me, for example, secondaries you mentioned. So, for private equity, secondary is a way you actually can diversify to last 10 to 12 years. I think it's very important for us, for our investors as well, to find alpha, which sometimes is a little bit more risky depending on what valuation, but it's also a way to build a portfolio that make it truly diversified, not only geography, sector, but also vintage years. So—

Sri Jegarajah 29:19

Let's just do a lightning round before we wrap up, and we're going a little bit over. But top risks to resiliency and the leadership model as you see it, Hadi, in 2027.

His Excellency Hadi Badri 29:31

Stagnation. And I say that because we are a market that likes to be on our front foot. We like to move quickly. We like to execute. Ideas matter, but execution matters a lot more. And so, I think the single biggest challenge that can happen globally, in what is becoming a very fragmented world, is we all stand still. I think the idea of working together, unifying, moving forward, and actually doing things, saying, "What's the plan for a brighter future?" Not just standing and sitting on our back foot. I think that's a risk.

Daniel Gamba 30:06

I think it's geopolitics. I think it's a realignment of basically the countries where you need to look at them as portfolios, and then keep investing in multiple areas. So you need to really look very closely at the geopolitical environment to see which countries are attractive, and then be willing to also move away from others and diversify into others. I think geopolitics is the most important long-term risk. Shorter term, of course, you have Fed policy that everybody's watching. But the long-term risk is really geopolitics.

Kevin Lu 30:43

Yeah, I agree. I'll be even more specific. I think the long term is geopolitics. I'll be more specific. It's the decoupling between US, China further because as a global investor, today, if we just invest in the data center in Malaysia, we have to answer the question: Are we doing this with Chinese customers or American customers? If these spill over to many other sectors, they make our job a lot easier. In the short term, it's great because any inefficiency create our value to intermediate the capital flows. But if it goes on for decades, I think everybody loses, including managers like us.

Sri Jegarajah 31:16

Thank you very much indeed, gentlemen. We just laid out the macro reality. Economic resilience requires constant adaptation and building for the long term through diversification and looking beyond and through the noise. Although, as Dan pointed out, it is an immediate risk in 2027. So, we're going to explore how this translates into deployment, into strategy, into actual dollars deployed. To answer that, we're going to be moving immediately from the macro framework to the investment thesis, and we'll be welcoming our next panel on stage soon. But in the meantime, I do want to thank our panelists once again for their contributions, getting the ball rolling on this opening forum. His Excellency Hadi Badri, CEO of the Dubai Economic Development Corporation. Daniel Gamba,

president of Franklin Templeton. And Dr. Kevin Lu, chairman and CEO of Partners Group Singapore. Gentlemen, thank you for a stimulating discussion.

[Applause]

Sri Jegarajah 32:22

Thank you.

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