# Why Infrastructure May Be the 'Perfect Institutional Asset Class' - With David Neal, CEO of IFM Investors

**Simon Brewer**

Here's a question for our audience. Can you name an asset management organisation managing $160 billion set up only 25 years ago, established to invest on behalf of more than 600 like-minded institutions worldwide, with the purpose to protect and grow the long-term retirement savings of working people? I can imagine there might be some head-scratching, and you might be surprised and feel as if you've been let into a well-kept secret when I say the answer is IFM Investors, born and created in Australia. And today, we welcome the Chief Executive of IFM, David Neal, who is here in London visiting our offices. David, a warm summer welcome to the Money Maze Podcast.

**David Neal**

Thanks very much. Great to be here.

**Simon Brewer**

Now, you're here in the UK for a few months, but before we learn why, you live in Australia, you've worked there for a long time, yet you earned your master's degree from Oxford University in Electronic and Structural Engineering. Tell us about where you grew up.

**David Neal**

I grew up in the middle of England, beautiful Warwickshire. I had probably a fairly standard, very enjoyable childhood. I was destined to go into engineering, I think. My dad was a building surveyor, my brother was a mining engineer, I grew up with my parents renovating a derelict farmhouse around me. Great fun. And so I was sure that I wanted to build things. So off I went to university and did an engineering degree. That's perhaps where it all started to go wrong and I ended up in finance. We could talk about more of that if you like.

**Simon Brewer**

We love to ask our guests; how did you earn your first pound or dollar?

**David Neal**

I'd have been washing up at the age of 15 or something in an Italian restaurant. Miserable job washing pan after pan I remember, but you certainly learned something about the value of money.

**Simon Brewer**

And humility, I'm sure. So when you graduate, you choose finance, not engineering. How did that decision get made?

**David Neal**

I then started thinking around what should I do. I was pretty good at maths and I was pretty good at passing exams. I had a friend who had a brother who was an actuary, and as I understood it, he got paid more for passing maths exams. And I thought that sounds like quite a good thing to do. So without much idea of what I was entering into, that was the path that I went down. So I joined what was at the time Watson & Sons Consulting Actuaries. I very quickly found my way into the investment consulting part of that business and haven't looked back since. I thoroughly enjoy the career I've been in.

**Simon Brewer**

So you parachuted into Australia, which of course has become your home, and again, how did that come about?

**David Neal**

At Watsons working with a great friend and mentor and boss for a large chunk of my life, Roger Urwin, he was intent on globalising the business. He's a big believer in that and I was fortunate enough to play quite an important role early on in globalising the management research at Watson. It became Watson Meyer then Willis Towers Watson. With that global outlook, when Roger was looking for someone to build the Australian business, consulting business in Australia was underweight what it should have been, he looked for someone with that global perspective, and at the age of 29, tapped me on the shoulder, 'How would you fancy going to Sydney for a few years?' That's a tough offer to refuse.

**Simon Brewer**

As we fast forward, you join the Australia Future Fund in '07 as the inaugural CIO before becoming CEO in 2014. We had your former colleague, Ben Samild, the current Deputy CIO on a fascinating interview with the Australia Future Fund as part of our Super Allocator series. But given your history and perspective, what makes an effective CIO?

**David Neal**

That's a great question, and there's probably multiple answers to that. I think firstly, it's the courage to understand your philosophy and then execute a process that is consistent with that investment philosophy. There's so much in the world of investing and institutional investing that is quite conservative, the governance quite rightly. The strong governance around institutional investment means that pursuing a path that is different to the norm is seen as a little risky. But there are many different ways of skinning this cat and I think the most important thing for a CIO is to be really strong in their own mind. What's their way of doing things and what's their edge? What edge do they believe they can build in the team around them and the process that they're pursuing? And then to stay true to that and to have the courage of that conviction and build the team around that. So I think that's really important. Then probably a very close second is understanding how to bring a team of specialist experts together to create a joined-up whole. Global investing across all asset classes, which is what asset owners have to do, is inherently a collection of deep specialisms that you have to bring together. But the challenge is to put all that together into one portfolio that is going to achieve the long-term objectives. That joined-up nature of a process and a team is quite elusive, quite hard to get, but I think that's the most important job of the CIO.

**Simon Brewer**

When you established the Future Fund's investment team, you built and designed their investment model. And I guess as I was thinking about this, what did you put at the top of your to-do list?

**David Neal**

Focus on the end objective. We were given CPI plus 4.5 to 5.5. What a typical institutional investor does with that is they turn that into a strategic asset allocation that is largely set and forget, and then the entire organisation is deployed in a way to try and beat that strategic asset allocation. The problem with that is you've immediately translated your definition of risk from achieving the objective to out or underperformance of a notional portfolio. That's a different set of risks that you're now managing and it leads to a different set of decisions, different time horizon, and ultimately, I think a different portfolio. So my primary focus right at the start was, how do we keep focused on that long-term objective? What do we need to do to not lose sight of that?

**Simon Brewer**

That's very helpful. A lot of investors who are listening will be thinking about that, particularly as asset management firms try to do so many things often and that inevitably leads to underperforming in all sorts of areas. So IFM, let's just start with you explaining how and why this immense and very successful firm was born.

**David Neal**

It goes back over 30 years ago now. So 1990, a group of Australian founders came together in quite a visionary way to develop what was then called Development Australia Fund, the idea of investing in infrastructure and other growing companies in Australia. And really, the notion was let's pool our resources to make long-term investments. The wonderful way I've heard it described is to give the members, the nurses, the teachers, the construction workers, hospitality workers of these industry superannuation funds, to give those members essentially the opportunity to invest as though they are millionaires or billionaires so they can get stakes in complex businesses. Sydney Airport, as an example, we've just acquired that, but complex businesses that they would otherwise not be able to get stakes in those and have them managed in their interests for the long term. So that was the notion that was created back then. And obviously, the business has grown since, but it is still wholly owned by Australian industry superannuation funds, 17 of them now. About 15 years or so ago, it was opened up to take on to invite other funds from around the world to join that group, not to own the business but to invest alongside the owners. And as you said at the start, we now have 650 like-minded long-term institutional investors having joined our collective and investing alongside our owners.

**Simon Brewer**

And it was spread in terms of how many offices? I say that because when I interviewed the Australia Future Fund, it was remarkable to me how local they were and they hadn't gone the global route. How have you approached this?

**David Neal**

We have gone the global route. When you're investing in complex assets and when you're owning those complex assets for the long term, local presence I think is incredibly important. So we have 10 offices around the world, major hubs in London and New York. We've also got offices in the major Asian cities and in Amsterdam. So we have gone that local route. The intensity of our management effort working with the management teams with our assets is such that we think that's important, but it's also important from originating new investments as well.

**Simon Brewer**

So as I read your materials, it was clear that your purpose is to protect and grow the long-term retirement savings of working people, pensions, superannuation funds, sovereign wealth funds, universities, endowments, foundations. How are you judged?

**David Neal**

Very simply, its long-term returns. Again, that goes back to the ownership and the rationale for the business is that if you invest, every commercial business has that tension at its heart between the interests of shareholders and being judged on the success of what earnings you generate and the interests of your clients as an investment business, what performance you generate. Our owners are very, very clear. Two-thirds of our funds under management are sourced from our owners. It's very clear to them that returns is first, second and third priority, and a flow of dividends is pretty modest in the context of the returns that we generate for them on their assets. So it's absolutely about investment performance. Probably the one sub-note to that is that it's not just about the return that we generate, it's also about how we generate it. Very important to our owners that we are community-minded, so we care about people and planet. Our owners represent the community. They are millions of working people. They're incredibly member-centric organisations in their own right. That means that our organisation is incredibly member-centric. Everything we have to do has to look at the world through their eyes and their perspective. So returns are obviously incredibly important, but it has to be done in a responsible way. We have to be responsible stewards of those assets.

**Simon Brewer**

How have you thought about and how is the topic of the benchmark or the benchmarks addressed?

**David Neal**

Obviously, we've got the four different asset classes. So infrastructure is our largest, around half of our assets. We think about absolute returns. No doubt, our owners and our other investors will have their own concept of what the benchmark is that they're looking for, but we are targeting long-term absolute returns and trying to build diverse portfolios that minimise the risk of losing any money. And so that's the nature of the infrastructure asset class and the portfolio that we manage. Our listed equities is benchmarked against the equities index. Lots of that money is indexed equities managed on behalf of our owners. We have some products which would be more absolute return and some which would be managed against a benchmark. So the answer is it varies, so it's different. As an asset manager, you're given a task essentially, by the people who have given you the money, and that task varies between a benchmark-sensitive one or an absolute one.

**Simon Brewer**

Infrastructure is really interesting. We've not talked about in any detail on the 100 plus interviews on the Money Maze Podcast. You are one of the largest in the world, and I wonder whether we could just do a bit of a deep dive on infrastructure, which I think is managed, to put a number on it, $64 billion. But I think I read there's only 34 assets worldwide. I may not be right on that.

**David Neal**

Firstly, just to pick up on your number, so 34, it's just a little more than that in terms of line items in our portfolio, but it actually represents more like 190 underlying assets because many of those are platform companies, one business that might own multiple toll roads, for example.

**Simon Brewer**

But just starting at the high level, infrastructure as an asset class, who does it suit best and why?

**David Neal**

Well, I think infrastructure is- obviously talking my own book here, but it is, in many ways, it just feels like almost the perfect institutional asset class, or even in private wealth really, anybody who has a long-term desire to generate high risk adjusted returns. And the reason for that is that it has wonderful long-term characteristics. At its heart, nearly all the cash flows that underpin an infrastructure asset are inflation related in some way. So they may be contractually inflation related. Often, utilities have a CPI-linked cash flow form, or they're implicitly inflation related. So growth assets like airports or toll roads and things will often have some element of inflation linkage within them as well. So you can be confident that over a very long period of time, your purchasing power is maintained, which at the end of the day is the first and most important objective of long-term investing. There's no point investing for the long term and then finding that your purchasing power has declined. So that level of confidence that you have that you're going to get a strong real return, I think is absolutely critical over the long term. And these are long-term assets. We're buying concessions or leases over 50, 60 years or more. So again, you can have confidence that the money that you've invested is going to generate those returns over those periods and that's really critical. It also has obviously this wonderful characteristic of they are essential assets. So they're still going to be generating returns, still going to be generating cash flows, the customers still need to use these assets even in tough economic times. So they're very resilient to economic downturns. They're not infallible. People might choose to drive on the toll road less often when times are tough, when there's less disposable income around, but they're still likely to be driving on the toll road, certainly, trucks are still using the toll road to distribute goods and so on. So you're still getting a pretty strong level of resilience to the cash flows that are produced. So you've got this confidence in long-term real returns and a very high level of resilience through short-term cycles.

**Simon Brewer**

And high barriers to entry, I presume, because these are very large numbers.

**David Neal**

Absolutely. Well, the barriers to entry are almost the definition of infrastructure, the point of it being an essential asset is it's very unlikely that there'll be another one built alongside it because you only need one utility, one water utility for that area, one toll road that connects those two towns. So the nature of infrastructure is that there's an extremely high barriers to entry. There's also barriers to entry to investing within it as well, so it's not the easiest asset class for someone to just enter into. These are extremely complex businesses that require obviously the skills and resources to not only buy but manage well.

**Simon Brewer**

IFM has been investing in Australian infrastructure since 1995, I think, achieving fantastic results. Has there been a particular winner that stands out? Has it been, because of the nature of the beast, quite predictable? And where have you made a decision that with hindsight, you wouldn’t do again?

**David Neal**

The dispersion is low. Again, it comes back to the nature of these asset classes. All of the assets are generally pretty resilient. The huge test for that we've just been through where the dispersion for a while there did get much larger was of course the pandemic. And in a way, it was a phenomenal test for true diversification in a portfolio, and I believe a really good example of why long-term investing through large diversified open-ended funds is a really attractive way to approach this asset class. Because who could have predicted that the revenues for one of your sub-sectors would drop to zero in what is supposed to be a highly resilient asset class? But of course, in a pandemic, airports became parking lots of planes, and there was no revenue, literally no revenue. Nobody was parking in the car parks, nobody was in the shops, nobody was taking off on airplanes. So these spaces just went to zero and it's very hard for any risk model to predict that. So you'd think that that would be a disaster for infrastructure portfolio, that environment. But of course, what we did as a population, as humans, was because we couldn't move ourselves, we just ended up moving stuff instead. So goods started being sent around. Every day, our doorbell went and there was another package outside for something that we'd ordered. So there was a shift in our habits, and it just meant that instead, the infrastructure that allows goods to move did very well, whilst the infrastructure that moves people did not do well. And when you put the two of those things together, the overall effect on a portfolio that was properly diversified was that it actually sailed through remarkably unscathed. You asked what would we not have done, there's always lessons here and there that you learn. This is not a job that you can never be perfect in. But I think as ever, the most important lesson that is emphasised time and again is diversification. I do believe in not being overly scientific about diversification sometimes because you can't predict things like pandemics and their potential effect. So just being broadly spread across sectors, broadly spread across types of cash flows is always the lesson from these sorts of events.

**Simon Brewer**

I'd like to get your views on net zero and, particularly for infrastructure, does that have different characteristics beyond the carbon footprint?

**David Neal**

If you think about one of the most important secular trends in the world at the moment, the most important things that we're all focused on is this energy transition we have to execute on, and there's two ways that that can be tackled. One of them is we take the old assets and we transition them. We look for every single way that we can to take emissions out of those assets, and that is certainly something that we're highly, highly focused on and believe in. But the other thing that we need to do alongside that is build the new infrastructure. So we need to transition the existing infrastructure, but we also need to build all of the new infrastructure that is required in a net zero world. So that's obviously the renewables generation itself, we need to think about how the grid needs to be upgraded to deal with the electrification of everything. Literally, everything is electrifying now, isn't it? We've obviously got to think about the infrastructure that supports the new fuels, hydrogen and the like, and biofuels. We've got to think about the infrastructure that's required for carbon and capture. Really, we're just wanting to ensure that the capital for our investors is able to find a home to generate great returns, that's always the priority of course, but in a way that supports both sides of that incredibly important transition that as humankind we just have to make and we have to make quickly.

**Simon Brewer**

Before we leave infrastructure, it intrigues me that Australia has been at the forefront of investing in infrastructure and having quite large allocations, which is not mirrored in so many other parts of the world. Why?

**David Neal**

It started a long time ago, as I said, and in a way, it's before my time. But I think really, as ever with these things, it comes down to visionary people at the time trying something and it worked. The results for Australian superannuation funds have been extraordinary. It's improved the quality of their total portfolios substantially over long periods of time. And so as you build that conviction and you build the skills alongside it, and in their case, they built a business alongside it, it's increased their confidence in having more allocated to this asset class and now the average industry fund in Australia has 10% or so invested in infrastructure. Other parts of the world have obviously followed that journey to a degree, the Canadians in particular and some of the European funds. It's still establishing itself in many parts of the world as an asset class, but it is growing quickly, which is a good thing given the $2.8 trillion a year that we need to deploy. We need institutional investors to understand this asset class and get on board because that's where the capital, the bulk of this capital has to come from to make this transition.

**Simon Brewer**

It's very helpful to discuss infrastructure in some detail because I don't see it appearing in lots of portfolios and around asset allocation committees that I either know or whose work I sort of read. Let's switch to PE. It's a much smaller part of your business at the moment. When we had our initial conversation, you said that you thought it was an over-serviced assets class. Why don't you just explain that?

**David Neal**

I think it's just the observation that there are thousands of private equity firms. And when you look at their activity, you noted that I was at the Future Fund for many years prior to IFM. We had a very large private equity portfolio and it did very well for us. But one of the observations that I and my peer CIOs around the world used to make frequently was that the sense of frustration that the closed-end nature of these funds meant that one of our private equity funds would sell an asset and another one would buy it off them. You're a long-term investor, you're investing in a good company, and this is passing through the hands of multiple private equity players, all of whom are taking a cut through that journey, this highly fragmented industry where they're all selling the assets to each other. Is that really set up in the best way for the end investors? It seems to do a very good job for the GPs. And the returns, if you select the right managers, you can get great returns from the private equity industry. So I am a supporter of it, but I'm just not sure that the nature of the way that it's set up is necessarily optimal for funds and the end beneficiaries, for those nurses and teachers that I talked about. Is it really servicing their needs as well as it could be?

**Simon Brewer**

So how do you approach the segment?

**David Neal**

I'd like to think that we could bring out the very long-term nature of the way we think about our firm and the way we think about infrastructure and the way we think about all of our asset classes, that we can bring that to the private equity world. I'd like to think that there is a way of buying great companies, owning them well for the long term, and not feeling the need to turn. There's great opportunity still in smaller companies to fund them, get them growing, and then release them into a different form of ownership with a different return profile. Clearly, it doesn't mean that you have to own every company forever. But I think there's got to be a chunk of the private equity industry that could have much longer-term, more stable ownership in private hands, and I think we'd like to try and find a way to facilitate that. We've launched a long-term private capital portfolio in Australia that's doing that and I think that's something that I'd like to see the industry do globally.

**Simon Brewer**

Turning to fixed income, this is another big silo, $44 billion I believe, and your team writes, 'Our raison d'etre is to create products that make sense and are good value,' which good value aren't necessarily words we hear every day with the investment management industry. Tell me a little bit about how you are approaching fixed income, and particularly, we've got this backup in yields which we lived without. It could be a potential trap as well if we had to replay the 1970s. How are you approaching and thinking about it?

**David Neal**

Firstly, on your comment around good value, this isn't just about debt, this is about our firm. Most things about our firm come back to our ownership and our purpose. If we're really focused on the interests of those nurses, teachers, construction workers, the member-centric nature of our firm and our culture and our environment, it means that we should be always looking to try and put downward pressure on fees, which is an odd thing for an investment manager in the market to say, but we believe that that's what we should be doing. The benefits should be shared with our investors of our scale as we grow. So our intention is to find good value. And there are some activities that the investment management industry performs which I think are not always good value. They're good value for the GP perhaps, but not always good value for the owner. The level of additional return that you can add as a proportion of the fee that you're charging is a bit low. So that would seem to me to be a product that you perhaps shouldn't be engaged in. So that's just a philosophy of the firm, that we want to make sure that we are providing good value, because it comes from that ownership. In terms of debt, we would think of ourselves more as a credit manager than a fixed income manager, if you like. So the nature of our strategies is much more around how can we add value from intense detailed assessment of underlying credits, private credits. So we do that. We've got a very broad credit portfolio in Australia. Around the globe, we've globalised an infrastructure debt capability. Obviously, domain experts in infrastructure give us particular insights there. It certainly is an interesting, quite an attractive environment for credit. You've noted that there are risks, so yields go up for a reason often. I think we're going to see there's obviously an awful lot of debt out there and a lot of that is going to need to be refinanced, it's going to need to be refinanced on very different yields to the ones that they went in on. Lots of that will create risks, but it also creates opportunities where you do have that detailed credit work. So we think it's a really interesting environment. You're managing to get returns that are equivalent often to the equity returns on a lot of investments now from the credit side. So if you've got a much stronger position obviously on the balance sheet in the capital stack, then that seems to make a lot of sense to us. So I think private credit is a really interesting area, and it's an area that's under-invested by institutional investors globally, although it has been picking up in its allocations over the last few years.

**Simon Brewer**

As I read your materials, one thing struck me and probably I'm guilty of showing my age right now, but that's you've created your own internal credit rating system as I understand it. I can go all the way back to Olympia and York, which were in Canary Wharf, which went bust and had a double A rating all the way through the subprime where the rating agencies were quite frankly, they just got it wrong. Was that the motivation to do it yourself because generally you weren't enamoured with what you saw or because your projects were so specific?

**David Neal**

I think it's both of those. Any active credit manager has to have their own view of the credit worthiness. That's the point. Essentially, you're looking for where perhaps the credit rating agency has not got it right. So that is certainly a really important part of the job is you must have your own view of the credit worthiness. But you're right, there is also in the infrastructure space, a lot of it is project-type finance. These are really complex investments that require very bespoke analysis, often require a pool of investors to come together, like-minded investors. So a relatively small number come together in a consortium to lend to these projects. It's not something that necessarily the credit rating agencies would be applying the same level of resource to. So I think it's just a fundamental part of being a really great credit manager.

**Simon Brewer**

So let's just bring this in together in the whole portfolio. I quoted you in the Australia Future Fund interview because you have said that too many institutional investors arbitrarily fill predetermined asset class buckets with too many average quality assets in the name of diversification, risk management at its worst. How should allocators avoid that?

**David Neal**

Understanding what's in their portfolio and why, and I think the why is it in the portfolio is really important. So there are parts of the portfolio which are clearly designed for where you've decided there's an outsized opportunity to have a view, take risk, and generate value and alpha value, in which case, you need a relatively small number of those. But you need to have very high conviction you've got the right idea. If you're building a portfolio whose role is to fill a strategic role in a portfolio, and I think that's generally where infrastructure lies, I talked about those long-term inflation-related characteristics, then I think you're looking for something that will reliably deliver on that. So you're looking for a more diversified portfolio that is spread across all the different sub-sectors and all the different geographies. So I think the answer is how concentrated should a portfolio be goes to what is the purpose of the portfolio in your total mix.

**Simon Brewer**

When we think about building and maintaining and growing organisations, culture is so important. You're managing lots of people in lots of different places. What are your priorities in trying to achieve a really good productive culture?

**David Neal**

For us, I feel like a broken record, it does come back to this point around purpose again. So my priority is for everybody to understand whose money it is that we manage, to really drive home that member-centric culture. I want people to come in every morning and remember that it's nurses' money, it's teachers' money, it's construction workers' money, its hospitality workers’, but it's not our money. I think the finance industry has been very good at considering itself masters of the universe, a little bit entitled, and feeling like it's their own money, and it really isn't. It's very powerful to have people walk down the street on their way into an IFM office and to be able to think these people that are walking past me, it's their money that I'm managing. Because what that does is that it instils clearly a sense of excellence. You want to be doing the best job. The assets that we manage can make a tangible difference if we do it well, a tangible difference to their retirement. It also instils a sense of responsibility that this is the community that we're investing for. And so if we damage the community, if we damage the environment, if we do something which impairs the system such that the returns for a future generation are lower, and if you're a long-term investor, you have to worry about what's the environment in 10 years' time that you've created because those returns matter just as much as the returns today. It gives you this sense of responsibility for the community around you. I think it also spins off into this, because you're community-minded, because you're thinking about people, these aren't just numbers on spreadsheets, you naturally have a sense of wellbeing that becomes important, and that matters internally. I want a culture where people care for each other. I came to IFM at the start of the pandemic. One of the things that was just extraordinary and I was so pleased, it was so obvious that I found the right home for me, was the way that everybody really looked after each other, they pulled for each other. There was a deep sense of caring across IFM community. And I think that comes from that purpose. But you can extend that into inclusive culture, power of diversity, and the importance of inclusion in creating that. And again, diversity is not something that the investment industry and perhaps particularly the private markets part of the investment industry has been particularly good at. We don't have a wonderful track record as an industry in that. We're trying to pull hard on that inclusive culture part of it as well. So those are I think some of the characteristics of the environment at IFM that we're creating.

**Simon Brewer**

We've got lots of allocators and people in the asset management business of course who are our core listeners. Who listening would you want to sit down with to explain your mission?

**David Neal**

That's a very good question. There are obviously important stakeholders in what we do, so large investors, clearly. We tend to think of ourselves as building a collective of like-minded long-term fans. We think there's power in that. The more that we can collaborate in collective eyes as an industry to invest in large, complex, but crucial assets such as infrastructure, we can help the energy transition, I think that's important. So the more we can bring large allocators together into that collective, I think the more powerful it is for all of the investors in it. But it's also really important that we can explain our mission to people and governments because governments are wrestling with a really difficult challenge. Obviously, they're fiscally impaired, most of them, many of them around the world. But they have these huge requirements ahead of them not just to renew existing infrastructure, but this energy transition, various estimates, agency has it at 2.8 trillion a year for decades. How do you wrap your mind around that? It's just extraordinary. So there's need for capital. And we think our mission aligns beautifully with their mission to deliver on that. We're long-term investors, we are aligned to the outcomes of the community, and we think that the nature of pension fund capital in particular is extremely powerful and perfect partner for governments in executing on that. We'd love to bring our mission together with their mission in a really effective way. I'm very acutely understanding of the challenge that governments have. This is just the most difficult master planning exercise ever to try and as rapidly as we need to create this new energy environment. I think that a collective approach to that, people bringing the views and perspectives of multiple investors together at the same time, to have that conversation with government I think can be really powerful in cutting through on that master planning exercise. And so I think governments.

**Simon Brewer**

I'm going to ask some closing questions. Which sporting event globally would you most want to attend and who would you invite from the world of business or investment?

**David Neal**

Gosh, that's a difficult question, isn't it? I feel like I should have had some notice. It has to be the World Cup final, the one where England are playing in and they win, so it could be a while. But there is no event bigger on the planet in my view than the World Cup football final. Who would I invite? I would invite my owners because I think that the foresight that they had to create IFM and the drive they have, I know that they still have every day to look after their members is extraordinary and I think they would deserve to go to the World Cup final.

**Simon Brewer**

Final question. As you look back on your journey to date and with lots of young people, but not just young people listening to this, after that great book, if you could tell us just one thing as a piece of advice, what might it be?

**David Neal**

I think it has to be don't discount the future. We tend to discount the future too much. But the future will be present one day and so the challenge of dealing with long time horizons is always with us, in all parts in our life, the way that we choose careers, the way that we're impatient for promotions, the way that we think about investments and how we should try and create value on portfolios. It's very difficult to think about the long term. So I think doing whatever we can to stop ourselves from discounting the future too much.

**Simon Brewer**

Great, although we've had a really interesting conversation different from lots of the interviews that have preceded this, and ones that will follow it, I write down as we go along things that have particularly struck me and two are going to stay with me and I think will resonate with the audience. One is we haven't had this detailed conversation on infrastructure before, and why it is such a valuable asset in so many types of portfolios and shouldn't be only the preserve of the super allocators and the very large allocators, number one. And for all of us who are small to big managing pools of capital, that question of what is in your portfolio and why is I think something that many of us could just focus on a little bit more, I speak for myself, than we do. Thank you very much for being here today on the Money Maze Podcast.

**David Neal**

It was a great pleasure. Thank you.