

The Carlyle Group

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Alex Blostein: Good morning. Thank you, everyone, for joining our next session. It's my pleasure to introduce John Redett, CFO and Head of Corporate Strategy at Carlyle, on his way to becoming Global Head of Private Equity for the firm, so this is the last time we'll get to talk to John in his CFO capacity. But clearly, that's not the last time you'll get to hear from him.

John Redett: So I expect it generally to be softball because this is my last event as CFO?

Alex Blostein: Probably not, probably not, and especially now that as the CFO, you'll just naturally get a lot more financially related questions, which makes it fun for us, maybe less fun for everybody else. So we'll see. But thank you so much for doing this.

Carlyle's obviously coming off of a really strong year--record FRE over the last 12 months, I think about \$60 billion of inflows over the last 6 months as well, with increasingly a more diverse set of products when we think about secondaries in credit and other things you guys are doing in the wealth channel. So on a clearly strong path. And the stock has not gone unnoticed, one of the best, if not the best performers in the space this year as well. So all good things.

Why don't we start with a bit of a macro question first. Just given the breadth you guys have, especially across the private equity business across the globe, talk to us a little bit about what you're seeing on the ground in terms of corporate health. What are some of the bright spots, and what are some of the fundamental risks you guys are seeing across your portfolio of companies?

John Redett: Well, thanks for having me here today, Alex. It's good to be with you. We own companies all over the globe, every geography, every industry. We have 700,000 employees in our portfolio of companies, so I think we'd be a top 10 Fortune 500 company based on employees. So we have tremendous data.

I would say generally speaking, it looks pretty good. And as we look at 2026, I'd say the growth we're projecting looks pretty attractive across the globe. I think there's certain parts of Asia where it might not be as strong as we're seeing in the US, but it's generally

pretty positive. So I think the Fed's going to continue to try to push down rates. I think a big question is what happens to the long end of the curve versus the short end of the curve.

But we think 2026 is going to be a very healthy deal environment. Rates are getting more attractive, getting lower. The financing markets are wide open, very healthy. Alex's partners in investment banking at Goldman are telling me the IPO markets are open, and I think they are getting open. You might have seen some news last night with us on Medline. I think confidence levels remain elevated, M&A is accelerating, and I think we have a more favorable regulatory environment.

So we think 2026 could be a very busy year in terms of new investments as well as a continued healthy pace of monetization. So I'd say we're generally pretty optimistic. I think the caveat is geopolitically, the world's a little more complicated today than it was 5 years ago, so that could obviously throw a wrench in everything.

Alex Blostein:

Great. Well, it's a good way to set the stage for the conversation over the next 30 minutes. So let's break this down into some of the individual businesses, really starting with private equity. Now you're stepping into the Global Head of Private Equity role, which is a large business for Carlyle. It's not, of course, the only business, but it's an important one. And frankly, it's still probably the biggest source of debate among investors as far as just the trajectory for that business goes for you guys. So as you enter that role, first and foremost, what are the key priorities for you and what's on your to-do list for '26 as Global Head of Private Equity?

John Redett:

So I'm very excited for the new role. I'm going back to a business that I was part of for 17 years, so it's a business that I know extremely well. It's where I started my career at Carlyle. And Alex is right. Private equities are our biggest business. It's our origins. It's where Carlyle got started. So it's a very, very important business to us. We haven't seen the growth out of that side of the business relative to credit or AlpInvest the last few years, but it's still a very high-profile business. It's very profitable, so we love the business.

So initially my focus will be, and you've seen this focus from the management team in the last couple of years, we are very focused on performance. We're an investment management firm. First and foremost, we're focused on performance. And you've seen some significant changes we've made on the investment side of the business, and you've seen a corresponding quick improvement in performance. So we're very focused on performance.

I will be very focused on fundraising. We have CP IX coming to market in the near term, so that will consume some of my time. And then like there's some businesses that have scale, and there's other businesses that I think I wish they had more scale, so I'll spend a little bit of time focused on that. And also, are there things that we do really well as a firm that we can better leverage to drive more fundraising?

So one of the things that pops into mind is we are a leader in aerospace and defense. It's the origins. We've been doing aerospace and defense for nearly 40 years. We're one of the few firms that actually has a dedicated aerospace and defense business. You can't pick up

a newspaper--or I guess you don't pick up newspapers anymore. You can open your iPad and read an article about hearing about elevated defense spending over the next 5 to 10 years. So I think there's things we can do there to better drive fundraising.

But it's a business that Harvey and I have been very focused on in the last couple of years. I don't think you're going to see a radical shift in strategy. I think we're doing a lot of the things we've been doing the last couple of years, and I'll continue to do it for the next few years. But I'm very excited. It's a fantastic business, very successful long-term track record, and just got a great brand.

Alex Blostein: Let's spend a couple more minutes here, and I really was hoping to address both performance and then some of the fundraising dynamics. Let's start with performance first. So CP VII, CP III, so net IRRs for both funds are in the 8% to 9% range. The market is probably sort of nervous, though, about what the ultimate outcome is going to be for really both of those. I see CP VIII stacks up a little better than CP VII. But when you look at the underlying portfolio company performance, how is that tracking relative to your expectations, the original budget that you put together? And what do you ultimately see as performance for these vintages shaking out to be?

John Redett: Let's start with CP VII. And we've talked a lot about CP VII on the earnings calls. And we've been doing this for 40 years. You're going to have a fund that is not your best vintage, or as someone internally calls, it's not our best work of art, and that's CP VII. Our investors are not going to lose money, but it's not going to be acceptable to them, and quite frankly, it's not acceptable to us. We have done, I think, a very good job improving the performance of CP VII. I would say that performance is tracking ahead of what we thought LPs would be doing. I also think we've done a very good job monetizing assets for CP VII, so I think that's a real plus for our LP base. And most of our large LPs are in multiple funds and they've been with us for a long time. So I think they're going to be okay with CP VII, and they know it's not going to be something we're proud of.

But when I look at CP VIII, that's where I get really positive on the fundraising environment for CP IX. The gross IRR is 19%. It's first quartile on some metrics. It's second quartile on other metrics. It's 72% invested. Typically when you're in a PE fund that deep into it, it's 70-plus percent invested, you have a problem child. We don't see that in CP VIII. So I think CP VIII is going to be a great fund. We've already monetized a good portion of one of our earlier investments, and that was monetized at a 50-plus percent IRR.

So I think we're setting the stage where CP VII, okay, it's not our best fund, it's delivering returns ahead of what we told people. We're returning money, and CP VIII is a great fund. I feel actually very good about coming into the CP IX fundraising environment. And I spend a lot of time talking to LPs, and a lot of it is, too, if you were a large LP in CP VII and you've got a lot of co-investment, your returns are probably a lot higher than that 8% or 9% net. So I think we're in good shape. I feel good.

Alex Blostein: Let's spend a couple of minutes on CP IX and really just the way you view the corporate private equity business over time, where I think in the past you and Harvey talked about CP IX being similarly sized to--

- John Redett: No, it's Harvey.
- Alex Blostein: Of course. Let me check and then double-check this. But is that still the expectation? Is it about the same size as what you're hoping for? Is that the feedback you're getting from some of those?
- John Redett: We would not sell. We would not sell.
- Alex Blostein: And when you think about--that's helpful. And when you think about just broadening out the growth profile of corporate private equity in general, I know you mentioned maybe leaning into some of the things that are subscale. You've had problems in Europe, obviously, so that's been a smaller fund. How do you think about franchise growth outside of the flagship fund that could eventually maybe reinvigorate growth in the entire franchise a bit?
- John Redett: Of our three businesses, it's the most mature business, and it will be a slower growth than our Carlyle AlpInvest business and our credit business, for sure. It's a more mature business, and it's already achieved scale generally in its flagship fund. But you look at some of the other businesses, our European technology business, performance is fantastic. They will be back in the market at some point. I would expect that fund will be bigger. We just raised a bigger Japan fund, so I think that's a positive. And when you look at some of our real asset strategies like our real estate business, we've had really good growth in our real estate business. So I think we can get the business to grow. I think wealth, we just launched a private equity wealth product we call CPEP. We launched that in October. I think over time that will help drive the business. But Harvey and I both know that the business can grow. I know it's been challenged the last couple of years and we have had our issues in Europe. Part of Europe's doing fantastic. Technology's doing fantastic. Our buyout business is still a little bit of a turnaround, but we've been very public on our earnings calls acknowledging that, and it's still a work in progress. But we do think the business can grow over time.
- Alex Blostein: Great. Okay, let's pivot. I would love to spend a minute on monetizations, that scenario where you highlighted as well that you're starting to see some really good momentum. Obviously, there's an IPO out there that's proceeding. Looking out at the 2026, what are the general expectations for realization activity, and more importantly, for the net PRE knowing that there are some timing dynamics in the waterfall things you have to work through to actually convert some of the sales into PRE.
- John Redett: I think monetization for us, it's a positive story. We've had \$32 billion across the firm through the third quarter. I think that's up 30% to 35%. We've had a really good year within corporate private equity. As Global Private Equity, we're running at roughly 150% of where the industry is. So I think the teams have been very, very focused on monetizations. I think they got the memo.
- During the third quarter we had a light quarter in terms of net realized performance revenues, but we talked about it on the earnings call. We had quite a significant backlog of deals that were announced, signed but hadn't closed. I think it was roughly \$5 billion-ish. We've closed the vast majority of those deals, so I think from a net realized

performance revenue perspective, looking at fourth quarter versus third quarter, fourth quarter will be up multiples of what the third quarter was. So we feel good about that.

And as I look into the market, look at 2026, if the markets stay where they are or improve, I think that number likely accelerates. We have some very good companies that we're ready to monetize. We still own some public securities in some very good companies like a StandardAero, like a Hexaware. So I'm very optimistic that that number has some upside over the next 12 months.

Alex Blostein: Great. We talked about dynamics in private equity in terms of growth and fundraising. But maybe we zoom out over a bit broader and talk about the franchise as a whole. So when I look at the inflows you guys have seen so far this year, about \$45 billion raised year to date. You're on track to do \$50 billion, plus or minus, something like that, in that range. And to 2026, how are you thinking about fundraising across the franchise and what are your expectations?

John Redett: I think fundraising to me, and I came from the investment side of the business, not the fundraising side of the business, has been one of the more positive surprises. You'll recall when we initially put 2025 guidance out, we were targeting \$40 billion, which was equivalent to what we did the previous year. We revised that guidance to \$50 billion, and through third quarter, we're tracking at \$45 billion. But we're very comfortable that we're going to hit the \$50 billion. So I think we have a ton of momentum in fundraising.

But I get even more excited when I look forward at our fundraising. If you think about what we're going to have in market in the next 18 months, it's actually quite staggering. So we'll have our flagship US buyout franchise, CP IX, in the market. We'll have a new vintage for our opportunistic credit business, which we call CCOF. That will be in the market. Infrastructure's in the market today.

Our secondaries, our co-investment business, and our portfolio business are all 60-plus percent committed, so they will likely all be in the market some time very soon. And our CLO business, and we're the world's largest CLO manager, we are in a couple-year period of outflows, and that has transitioned into inflows.

So when I look at the fundraising map for us over the next couple of years, we're going to have almost every large flagship product in the market. So I'm very optimistic. I'm very optimistic.

Alex Blostein: And as a follow-up to that, maybe translating some of this fundraising dynamic into actual top line growth and management fee growth, it's interesting because 2025 was a really good year for you guys. Within that, there's a bunch of catch-up fees, which makes '26 a bit of a, like old comp, just math, frankly. But the reality is a lot of this is timing because the fundraising dynamics that you've outlined really won't accrue probably until 2027, just the way the management fee growth works out. So how do you think about the management fee growth for the firm in '26? And if that's not really the right way to measure performance, maybe on a multiyear basis, what do you think Carlyle is capable delivering from a management fee growth perspective?

John Redett: So we did have a lot of catch-up fees this year, and they were largely isolated to AlpInvest. We had a little bit in credit, but it was largely AlpInvest. Catch-up fees are a byproduct of being successful in fundraising. I know people like Alex don't like catch-up fees, but I don't actually mind them as much. And you should expect to see catch-up fees in the next couple of years with such big fundraising opportunities in the market.

But we have a lot of big products coming to market. Some of those, Alex, will turn fees on in 2026. Others will turn fees on in 2027. So when I look at the management fee growth opportunities in the next couple of years, I think it is going to have meaningful growth. We are very optimistic that over the next couple of years, you will see a significant step up in our management fees. And that's just a byproduct of having such large funds in the market the next 18 to 24 months.

Alex Blostein: All right, fair enough. Why don't we talk a little bit about the wealth channel. Clearly very important for you guys, very important for the industry as a whole, and Carlyle's been making really good progress building out your wealth footprint, led by CAPM, but also you have credit dedicated product CTAC, and you recently launched secondaries, only version CAPS, I guess. And then you also have CPEP, the private equity product. So you're really rounding out the offering there.

So talk to us a little bit about how you're looking to scale these products over the next 12 to 18 months. And then particularly related to the private equity fund, CPEP, how are you differentiating this one versus some of the other private equity strategies in the wealth channel that have already been out there raising capital?

John Redett: We're very happy with where we are in wealth, and I realize our wealth numbers aren't as large as some of our peers. But I think you need to level set. Three years ago, we were nowhere in wealth. So we really restarted this effort. This year we've doubled the amount of inflows into our wealth channel. Our wealth AUM's double what it was the previous year. So we're really making a lot of progress. And given our size, it's starting to be impactful, and it will continue to be more and more impactful to both our top line and our bottom line.

We have three businesses--AlpInvest, Carlyle Credit, and Private Equity. We now have basically three products that mirror that, so we have CTAC, which is our oldest wealth product. That's a credit product. That is scaling nicely. A couple of years ago we launched an AlpInvest product. CAPM, we call it. That has scaled really quickly. Within 2 years we're at \$5 billion, and I think that's got quite a bit of runway ahead of it. We just launched a JV with UBS, which is just a secondaries product, and that is scaling really quickly, so we're very pleased with that. And then in October we launched CPEP. And that's our private equity product for the wealth channel, probably the more--of the three products, quite the more complicated of the three, just given the episodic nature of content creations, deal environments. It's lumpy, so you've got to think through some things. That will be the best of what Carlyle has to offer across the globe in private equity, so it will encompass Japan private equity, Asia private equity, US private equity, Europe private equity and tech. So it will be the best of the best. And I think we're a little bit unique in the sense to help us better manage that episodic nature of the content creation, up to 20% of that will come from our secondaries business.

So we just launched in October. We launched the exact same way we did our CAPM product, where we launched with a couple of smaller platforms just to make sure we were ready to go. And you will start to see CPEP accelerate pretty meaningfully in 2026 and 2027 as we get on the larger platforms. Initially you'll see that in the US. You'll see that start to build out in Asia and Europe as well in 2026. But I think the next 2 years from a CPEP perspective, you'll see a meaningful pickup in what we raise.

Alex Blostein:

Great. What about other product development? So I know you have products in a number of asset classes today. What else is interesting on the horizon? What do you envision the wealth product solution ultimately looking like? And then we've obviously seen a number of your peers partner with traditional managers on hybrid products, GPs in a way. We haven't really seen you guys do that, so maybe if you think you could talk to us a little bit about the pros and cons of something like that.

John Redett:

I'd say in the near term, Alex, we're really focused on the three products we have--the credit, the CAPM/CAPS and CPEP. We want to make sure that those products are scaling appropriately and their performance is meeting our expectations and, quite frankly, our investors' expectations. So that's very important to us.

I think there is a real need for an asset-backed finance product. You should expect something like that coming from us in the near term. And I think longer term, we have such a fantastic real estate business. Our performance is meaningfully ahead of the index. The fellow who manages that business is one of our better investors. We have an institutional evergreen real estate product, but I think we should think about down the road having an evergreen wealth real estate product, so I could see us doing something there. I think infrastructure is a perfectly good asset class for the wealth channel. So I think over time you'll see the product suite get built out.

In terms of the announcements we've seen with privates partnering with traditional managers, I think it's a little bit of a mix. A lot of it seems to be more press release focused versus actual solving a problem or a need. We're having a lot of conversations with some of the more logical traditional asset managers, and we're taking more of a partnership approach. And we're looking for more of a solution to a challenge when we're having some conversations.

I do think over time, and you'll see this probably in credit first, you'll see more of a hybrid product between more private credit and public credit. I think it's a little more further down the road. I think you'll probably see secondaries follow credit. But we're having a lot of conversations.

Alex Blostein:

Great. The growth in the wealth channel has obviously been really, really critical, but it's also creating some nuance relative to the way private markets have existed, which has been entirely institutional. And as part of that, institutional investors have been used to getting quite a bit of a fee-free co-invest. That's been an obvious source of fundraising for you guys as well. This creates a bit of an in-stream wrinkle to that because now you have vehicles that are paying you 125 basis points that are going after team investment opportunities. So as a large manager globally, how do you balance these two potential conflicts, and does that perhaps create maybe some helpful friction, where some of the pricing could actually get better?

John Redett: Actually, and I spend a lot of time with our large LPs, and I've had many conversations on this topic. I actually think it is exactly what you said. I think it's healthy tension. We generate a tremendous amount of co-investment every year, billions of dollars. There are often cases where we have such a need for co-investment, we're actually going outside that fund to non-fund LPs to generate, to fill the co-investment needs. We're not getting paid for it. So I think we're now creating a solution via these wealth products, particularly on the private equity side where it's more applicable, to where we're going to continue to generate billions and billions of co-investment, but now we're going to have a vehicle that can take some of that co-investment, which today we're not getting paid for because it's being taken up by non-fund LPs, and going forward, we'll be getting paid for it because it's going to come out of the evergreen products. So I think it's net-net a positive for us.

I also think it's a real positive for our businesses because it's going to open up the opportunity sets. They're going to be able to look at opportunities that are bigger because they're in access to a bigger pot of capital. So I think if managed appropriately, I think it's healthy tension and I think it's a positive for our business.

Alex Blostein: Yes, that's great. Let's talk about the AlpInvest business for you guys, really enormous success here over the last couple of years across several verticals within that. But the secondaries business and the co-invest, obviously the two largest there. As you think about the current supply-demand dynamics in the market, and you mentioned those funds are actually pretty far along in their investment cycle already, and as you gear up for the next vintages, how are you thinking about timing and sizing, so that's Part A. And Part B, given all the interest in the space around secondaries in particular, what are some of the adjacencies that you see AlpInvest building out into over time that might not be really needle-moving today but could be bigger 3 years from now?

John Redett: Yes, this was the softball question I was hoping for a little earlier. This has just been an unbelievable growth story for Carlyle. The growth numbers coming out for AlpInvest are staggering. When I became CFO 2.5 years ago, the FRE in AlpInvest was 10. Two and a half years later, third quarter, it's close to 90, and that growth is 100% organic. We didn't buy it. It was 100% organic, which to me is much higher quality growth.

This is a business that is getting tremendous positive focus from our LP base. It is an industry that has real long-term tailwinds, and I think there's a misperception out there that this tailwind is being completely driven by the lack of monetization activity in private equity. And I would tell you that is absolutely a tailwind, but it is not the tailwind. There are multiple tailwinds in this business. I think it has a very long runway of incredible growth.

We're in an industry where supply exceeds capital formation, and there are only a handful of scale players in this space, and we're one of them. And I think it's going to be very difficult to replicate what we have organically. If you think about what is AlpInvest, and it's much more than a secondaries business. I think we all too often characterize it as a secondaries business. We have secondaries, we have primary, we have co-investment, we have portfolio finance. Secondaries is the largest component, so I think it often just gets discussed in the context of secondaries.

But what this business really is, is a data business. We have data on tens of thousands of companies that we've invested in over the last 25 years. I think it's going to be very hard to replicate what some of the scale players like AlpInvest have. I think we've done a really good job with AlpInvest. It was largely unintegrated into the Carlyle platform 3 years ago. We pivoted, started to integrate it, which has been a huge positive. I'm very happy with where the business is. I think this business can continue to grow with its existing products. I think portfolio finance is going to be a business that scales quickly over the next 3 to 5 years. We started that business 2 or 3 years ago. We're starting to do credit secondaries. I think that could be another big driver. This infrastructure makes sense. And wealth. I personally think this has a long runway as well in the wealth channel. It's a business that we couldn't be happier with.

Alex Blostein: Yes, great. Another business that you guys sound pretty optimistic about is asset-backed finance. It sits within your credit franchise. I believe you guys have six origination partnerships across the business. Maybe you could spend a couple of minutes on how these partnerships contribute to capital formation across the Carlyle credit complex as a whole and opportunities you see to further scale the asset-backed finance business, given all the enthusiasm there is out there from the market.

John Redett: So I would say we are in, to use a baseball analogy, we're not even in the first inning for ABF. This is a multi-trillion-dollar market. I've seen stats that would say it's 5 times, 10 times, 20 times direct lending. You probably have the right stat, but--

Alex Blostein: Once you get into multiple trillions, it doesn't even matter.

John Redett: This strategy, it's now \$10 billion, and that's gone from zero to \$10 billion in a couple of years. It's one of the areas of Carlyle that we're really investing money in terms of giving them capital, adding headcount. We've added some senior people recently. As I mentioned, I think you could see a wealth product coming out pretty soon. But I think, I personally, when I look at our credit business, I think this should be the fastest-growing part of our credit business. I think there's only going to be a handful of real players in this space and I think we have a right to win. We've been doing it for a while.

We have six partnerships in terms of origination channels, and I think we're doing it perhaps differently than our peers. We don't own the origination platforms outright. As a long-time financial services investor, I like to have alignment with people who originate credit and assets. So I think having the originators have continued skin in the game, I think that's the right type of alignment. We have six partnerships today. I would suspect that number will continue to grow. We're picking partnerships purely based on where we see interest from an asset perspective and then figuring out what originator that we want to partner with. But it's a part of our credit business side that will be significantly bigger.

Alex Blostein: Yes. Having you in the CFO role for a couple more weeks, I figured we'll throw a couple of P&L questions your way as well. Let's talk about the FRE margins. Obviously, Carlyle's been investing into a number of key initiatives that are starting to scale nicely, whether it's retail, secondaries, obviously asset-backed finance we just talked about. How should we be thinking about the more normal pace of annual FRE margin expansion for the business, and how would you frame incremental margin uplift from stronger PRE or stronger capital markets revenues? Because there is a lever there with more--PRE, there's

actually room for FRE margin to expand as well. So how should we think about both of those?

John Redett: I'll say when I became CFO 2.5 years ago, I couldn't figure out why our margin was so low, and we trailed the industry meaningfully. And in 2023 when we did a little bit of a reset on our comp, we put out some forecast. We put out a 40% to 50% FRE margin target. And this year we're running around 48%, so at the upper end of that range. And I've been very clear. We know we can operate the business meaningfully higher than that. It's pretty straightforward. But we're going to get there via growth in scale, and I'm going to continue to invest in businesses for long-term growth. And I'm willing to impact the margin in the near term, recognizing that as these businesses grow in scale, I think our FRE margin will expand significantly. So I know we can operate the business well north of that range I provided a couple of years ago.

I would say in terms of FRE for the year, we originally said we were going to go after 6%, acknowledging that we're investing a lot of money in the franchise, which is impacting the margin. And then we raised it to 10%, I think, on the second quarter earnings call, so it went from 6% to 10%. I think for the year we'll finish somewhere around 10% to 11% on FRE growth. But again, I feel very good looking forward over the next couple of years in terms of really starting to see meaningful growth on the top line, and that's something that you and I have spent a lot of time talking about. So I feel very good looking forward.

Alex Blostein: Great. All right, my last question for you to just wrap it up, let's talk about the share repurchases. That was always part of the--you had a framework that was introduced when new management, you and Harvey, came on to pivot away from the prior strategy. So Carlyle repurchased, I believe, about \$500 million of shares year to date. And that's obviously an important and sizable part of the capital allocation process. The total share count hasn't really moved much. So as you think about the forward capital allocation strategy, also taking into account that hopefully we'll see a lot more PRE coming in and the capital come in on the back of that, how should we think about maybe a more aggressive capital return plan and making a larger dent in the overall share count?

John Redett: Since we went public, our share count up until 2023 had been increasing every year. I'm not really sure what dilution policy that was. But anyhow, when Harvey came onboard and I became CFO, 2023 was the first year we shrank share count. We did the same thing last year. You should assume we're focused on doing that again looking forward.

We announced the \$1.4 billion share repurchase in the fourth quarter of 2023. We did \$500 million last year. We've done \$500 million this year to date, so we're getting pretty close to blowing through that authorization. I still think the stock's cheap, so I'm happy to buy back stock. I think the return's pretty good.

But it's just more broadly how do Harvey and I think about allocated capital to the business. Share repurchases made a lot of sense given how cheap the stock was. We were not in a position until maybe the last 8 months to be forward-looking externally at M&A. We're now in a position to where we're operating from a position of strength, so we could do M&A.

But the other area where we're just really investing capital is just growth, investing in our businesses for organic growth. So for the last 2.5 years, it's been a combination of investing in businesses and share repurchase. I think going forward in terms of capital allocation, you should, A, assume we're going to be incredibly disciplined. If we were ever to do anything on the M&A front, the bar is incredibly high financially as well as culturally. But I think about capital allocation as M&A, investing in businesses for growth, and share repurchase.

Alex Blostein: Great, perfect. All right, we'll leave it there. John, thank you so much. Great to see you.

John Redett: Good seeing you. Thank you.