Carlyle

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Alex Blostein: Great. Good morning, and thanks, everybody, for joining us. We're going to get started. It is my pleasure to welcome Harvey Schwartz, CEO of Carlyle. With almost $450 billion in assets under management, Carlyle is one of the largest global alternative asset managers across private equity, real assets, and private credit. Over the course of 2024, the firm has seen an accelerating level of activity, raising $27 billion of capital, deploying $13 billion into investments, and returning $19 billion to LPs, so all generating strong returns and the firm seems like it's picking up some momentum here. Thank you for being here. Really looking forward to chatting with you about the environment, Carlyle, what's in store for '25, and all that good stuff.

Harvey Schwartz: Great. Good to see everybody again. Thanks for being here.

Alex Blostein: Great. Why don't we get started, Harvey, with a little bit of an outlook at a very sort of top of the house level? You're coming up on your 2 years as CEO of Carlyle. And over this period, you've made a number of strategic changes including realigning the firm's compensation structure, appointing new leadership, pivoting capital management to be more focused on share repurchases, and a number of others. As you look out into 2025, talk to us a little bit about what your priorities are. And what would make that a successful year for Carlyle?

Harvey Schwartz: Sure. Thanks, Alex. I think the way I would summarize the first 2 years is really systematically repositioning the firm for growth. And so that was a process, a little bit textbook. Come in, make an assessment, establish strategic priorities, targets, do a full assessment of literally every aspect of the firm, From costs, expenses, capital deployment, resources, performance, where the real levers of growth were. Obviously, understand the dynamics of the industry, which are pretty extraordinary as we all know in terms of what's happening in private capital, and then setting up a leadership team in a way that empowered them and allowed the firm for them to really mobilize against those targets.

And as you said, at just about $450 billion of assets, at the 2-year point, I'm super proud and appreciative of all the hard work that the team has done. Because we've now achieved record FRE, targeted $1.1 billion, which we'll hit this year. That's up 33% year over year. We have record AUM at $450 billion. Margins have gone up 1,100 basis points. We targeted 40% to 50%, we came in at 47%. We'll hit that target ultimately at 50%, but we're not in a rush to do that. I think you see it in the numbers.

And obviously, we've also had record fundraising. We had a target we put out of $40 billion to give all of you some clarity on the fundraising, and we'll be on either side of that. The momentum across the platform is quite significant at this point, and so I think we're really well positioned to continue to grow the platform. And you see it again in the environment in terms of monetization of capital deployed, and you even saw it in the third quarter with the growth in accrued carry, which was very significant.

Alex Blostein: Yeah, that was a big step up. Let's spend a couple of minutes on the environment.

Following the U.S. election, there's been clearly a lot of enthusiasm about the outlook for capital market activity, and you alluded to some of that on your last call. You were I think the only vol to speak after the election, so you kind of provided some perspective on that. I guess are you seeing some of this excitement around the markets translate into actually better yield pipeline? I guess said another way, have you noticed any change in your own activity levels post the November election? And what does that ultimately mean for 2025 deployment and monetization activity?

Harvey Schwartz: Coming into the election, we -- so we get a lot of pretty extraordinary information from the portfolio. We have across the portfolio of companies in excess of 1 million employees. And we systematically rolled up that proprietary data, and we could see across 2024, 7%, 8%, 9%, 10% EBITDA growth in those portfolio of companies. And you could also see some sectors starting to sell a little extreme, but certainly not anything that was inconsistent with the public numbers you would ultimately see in terms of GDP growth.

I think what the Fed was doing was quite smart. The environment was already quite good. In 2024, you saw us have a record year in terms of our CLO business, which is the largest in the world. Spreads were tight. I think the big element that was missing as you came into the end of 2024 was the uncertainty around the election. A lot of us were, and I don't think it was just that the expectation around the election was that it was a coin toss coming into the end, but it was more this notion that you might not even have a government. And the second you saw that uncertainty removed, obviously the markets moved quite significantly. And that only adds momentum to what we were already seeing.

But I think the foundation was extraordinarily good. We already, in the third quarter, we've already had a record capital markets year. It's not a record activity year. And so, you're already seeing the operating leverage and everything coming through. I think that with President Trump coming in, the first thing we did is we took the uncertainty off the table around what does the election outcome mean. Now we know, because the administration has been very specific in terms of how they're going to approach business drivers. Tax, corporate tax, regulatory environment. And all these things create a dialogue, and we're seeing it with our CEOs in their boardrooms, around a sense of certainty. Now, we'll have to see how a lot of the geopolitical stuff plays out. There's an element of uncertainty in the world there which I'm not trying to dismiss, but if you just narrowly define it in terms of the business environment, I think this is one of the best business environments we've seen in a long time for any of us who have been doing this for many decades. It's super favorable.

Alex Blostein: Great. Well, it's good to hear. Let's focus on fundraising for a couple of minutes. You mentioned that in the earlier point. You guys are going to be in and around kind of $40 billion for this year. As you look out into 2025, maybe spend a couple of minutes on what your expectations are for '25 fundraising and what are some of the key building blocks you expect to contribute to that growth?

Harvey Schwartz: I think all of you know the firm, but just again to break it down across the $450 billion, we have a segment we call private equity, which is corporate private equity and it's really -- I think when everybody thinks about Carlyle, they think about that as sort of the soul of the firm with its 40-year history. But it's much more than. It's a real estate business which is growing. I think we will be one of the few real estate businesses in the world that will actually grow this year. The performance is, I've been quite careful here because they're still actively fundraising. That includes our infrastructure platform, our energy business, so that's all in the bundle when we think about the private equity segment.

And then we have our credit business, which has been growing plus 30% CAGR for 5 years, that's $200 billion. And then there's our solutions business which you should think of as our secondaries business. And what you're seeing is dramatic growth in the secondaries business which is really the counterbalance to what was happening, and I think is now shifting, in the private equity segment where corporate private equity is a little bit slower in terms of fundraising. That's really an industry dynamic as we've all seen in terms of monetization, but that's all picking up as you pointed out. But we've seen growth in credit, we've seen growth in the solutions business, and we've seen growth in significant parts of the private equity platform.

We put out the number of $40 billion for everyone because the firm historically hasn't put out these targets. And I really felt coming into my second year that we had to give all of you some sense of perspective on what we were driving at. A year ago February, we announced the compensation changes which really were all about alignment. And giving the investors more carry, giving our shareholders a greater portion of the FRE and the fee pool, and I've got to give John and the whole team an incredible amount of credit for implementing that in a very short period of time. Not an easy thing to do. John became CFO and 3 months later we got that in place. It created basically the base upon which we felt comfortable giving all of you those numbers. I think one of the things is, in retrospect, when we said $40 billion, we shouldn't have said divided by 4. That's just not how the business works. It just doesn't come in in $10 billion segments.

Alex Blostein: It makes the model easy though.

Harvey Schwartz: What was that?

Alex Blostein: I said it makes the model easier.

Harvey Schwartz: Yeah, we could have helped you with that. But yeah, it does make modeling easier. But no, I think that was a mistake in terms of what we communicated. But I think the momentum is good. We'll be likely in the market at the end of next year with our large U.S. buyout fund. My expectation is that will be larger than its predecessor fund. We'll start that fundraising coming into 2026. And we haven't talked about wealth, which has been up dramatically and has huge momentum.

Alex Blostein: Let's unpack a couple of these things, starting with private equity you mentioned earlier, and the corporate private equity piece. We've seen a really nice acceleration in performance recently. You mentioned accrued carry was up obviously nicely last quarter. Carlyle generally has a history of marking their investments fairly conservatively, and as you kind of get closer to monetization activity, those returns tend to kind of pick up. I guess given the more constructive monetization backdrop, how do you think this is likely to impact IRRs and just the exit activity in both CPVII and VIII? And obviously, you mentioned that you guys sound pretty optimistic about the timing and size for CPIX, but how are the 2 predecessor funds likely to shake out given the industry environment that we're in?

Harvey Schwartz: Yeah, a couple of things. Back to the environment just for a second, you all would have seen we had two significant IPOs in the last couple of months. Standard Arrow, which was I think at the time the third largest IPO of the year globally. Rigaku, which is we have an extraordinary Japanese franchise, been there for over 25 years, that's the largest ever sponsor IPO in the history of Japan. They went public. You talked about the capital we deployed. And you saw the big pickup in fund performance, adding almost 1/3 to the carry in the quarter.

This is all reflective of 2 things. One, market environment. But two, years of really working this portfolio and making leadership changes. We eliminated a segment we didn't feel was our power zone. We have returned to the power alleys of the things that make the firm really extraordinary in its performance. And we made some other leadership changes and where we had people that weren't performing up to standard, they're no longer with the firm. You're now seeing all of that translate through. Again, if you take the business environment I described, you should see this momentum carry into '25. You should see monetization continue to pick up and performance continue to pick up.

As I said, you saw growth. The 2 U.S. Bio Funds last quarter, I think they were up 7%, 8%. The 2 Asia Bio Funds were up 8%, 9%, the 2 largest funds, and so there's a lot of momentum in corporate private equity. And then at the end of next year, you'll see us launch our wealth product in private equity and I think there will be a huge demand for that.

Alex Blostein: Great. All right. We'll touch on that in a minute as well, but I wanted to touch on private credit before we get into wealth. It's been the faster growth area within alternative asset managers over the last couple of years. Asset-backed finance in private investment grade has really kind of emerged as the next leg of growth for this market, aside from just direct lending, which I think is what most people are used to thinking about when they hear private credit. Now Carlyle has some unique capabilities within here, really with respect to originating partnerships with other financial institutions. You have your aircraft financing business. Talk to us a little bit about the vision for private credit over the next couple of years. How much investment do you still need to make to help you achieve these goals?

Harvey Schwartz: Again, the largest portion of the platform is what we call credit insurance. We have an affiliate relationship with Fortitude, a reinsurer which was formed in 2018. That's grown to over $100 million of assets since then. And I think when we start thinking about private credit, and I think you said it perfectly, Alex, direct lending has gotten a disproportionate amount of headline attention because of the fact that private credit has grown. And I think the story sometimes doesn't get told accurately because there's this almost a sense of, well, private credit just arrived on the scene.

That's really not the case. If you go back 15, 20 years, you can see the emergence of private credit, and all that's happened is natural forces for people seeking capital and best providers of that capital have been private credit providers. And so now we're seeing this next evolution in credit which I really think we just need to start thinking about in terms of private investment grade. And I do think these lines are blurring now, where instead of thinking private credit or private investment grade, we should really just be talking about provision of capital.

And whereas institutions like Carlyle with great liability structures, how we can provide that capital. And that now has -- and these sort of natural evolutions in how capital formation works in the ecosystem of finance, you're just seeing this extension now where you have people that need capital. In this case it's asset-based finance, one of the largest markets, and cap -- traditional capital providers not able to provide that capital. And so, you saw that we did one of the largest transactions of the year, the Discover Card transaction. And why is that Carlyle, where historically maybe 8-10 years ago, that wouldn't be the case? It's because we have the right resources. The right people, the right understanding of that risk. We have a relationship with Monogram which provides services to student loan companies. And that gives us all the pieces in the toolkit to

deliver this transaction. And it's a $10 billion transaction. Of course, it does all the other things. It creates this flywheel effect around capital market fees, but most importantly, our investors wanted access to that return. This is the key.

If the key is, on one side you have people in need of capital, and on the other side you have clients -- by the way, this ranges from wealth all the way through to institutions globally around the world, who want to be providers of that capital. And of course, this also ties in with insurance, and so you have this convergence of events, which is naturally creating this flywheel effect for the whole industry. And I don't -- I think, look, the world can change. We could be sitting here a year or 2 from now and things could look dramatically different, but these seem quite fundamental in terms of the evolution of how capital can be provided to these sectors. And we're super well positioned. We've been adding resources during the course of the year, but I feel really good about the resource commitment.

If you actually look back, I think you would say to us in direct lending we're smaller than some of the peer groups. There's a lot of reasons for that, but the performance is quite good, and so that business will continue to grow. It's a bit more commoditized now, that segment of the marketplace, but it's a very important part of the whole solution set that one needs to be if you're going to be a scale provider in credit.

Alex Blostein: And in terms of I guess incremental investments that you still need to make in that business, especially when it comes to things origination and getting proprietary deal flow, how are you positioned on that? Are you fully built out or do you still need to continue to add resources there?

Harvey Schwartz: No. You know, we announced a number of partnerships in the past 6 months. We will be selective. What we want to make sure we're doing is that we're not -- you don't want to be too isolated to one sector of the market. What do I mean by that? You don't want -- you have to have expertise obviously in your underwriting capability, but you don't want to be overly dependent on a particular sector. You have to have enough diversification to ensure that you have the proper portfolio construction for your investors. And you have to be really relevant as a capital provider. But no, I think we can continue to grow that. We will grow that selectively. There are no shortages of people that want to partner with us, so the Carlyle brand carries a lot of weight there. And the team is excellent. I don't feel like this is a question of investment.

Where we think about this on the go-forward is, how do we strategically partner with people to accelerate capital formation that these transactions get larger and larger? It's a really unique opportunity for us because we're a balance sheet lite firm. Some of the peer group are much balance sheet heavier in terms of big general accounts. And so how we strategically partner with people to deploy capital gives us an opportunity to build those relationships also. That's sort of, again, that's on the capital providing side versus the sourcing side.

Alex Blostein: You mentioned retail and wealth. Let's spend a couple of minutes on that. Clearly, a very important topic for the space. It's a really important topic for Carlyle as well. You're seeing pretty nice momentum there with your secondaries products, CAPM. You mentioned earlier you're on track to launch private equity wealth product in 2025. Can you help us frame I guess the opportunity you see for both of these products? And more importantly, how are you differentiating Carlyle in the space given the fact it's become a little more crowded? The TAM is large, but we've clearly seen a lot of players come into the space over the last few years.

Harvey Schwartz: If we take a step back and you just think about strategically first principles and just an opportunity set. And the way I think about it is, on the one hand you have what is your solution set that you can provide, whether it's private credit, private equity, secondaries. What is the suite of solutions that your investors want? And on the other spectrum, you would think about who are the providers of those capital and how can you best solve their solution set? And I personally think, again, the world could change, but over the next 10 years, the wealth channel doesn't feel crowded to me. I think this is a trajectory for the industry which could go on for well over a decade plus.

We have partnerships around the world. We were the first to announce a partnership in Korea for distributing credit to wealthy individuals in Korea. And the opportunities I think to some degree are endless. It's not so much about the size of the TAM, it's really about ensuring that you create durable solutions that are high performing. And to the extent to which you can, you really want this to be, in my opinion, a zero defect space. You know, you're dealing with a completely different client constituency, and you really have to make sure that you build systematically, you design your solutions in a way that makes the most sense for the individual clients. Because sovereign wealth funds are sovereign wealth funds, and institutions, to some degree, all bring a certain level of sophistication.

And in this particular case, when you start dealing with wealth and lower entry retail, I think the level of care one has to apply is not different, but it's understanding your constituency and their needs, which are uniquely different. And so, this is an area where we will continue to invest aggressively and where we need to keep investing. But we'll do it in pace with our derivative, as you said, with our product development. As you said, I think our Evergreen funds are up 70% year over year. We had close to $2 billion in the third quarter alone and so there's great momentum. But the most important thing here is harnessing the brand.

Alex Blostein: Right.

Harvey Schwartz: And you haven't done your own study as far as I checked on brand aware, but UBS and BofA did, and I think Carlyle is --

Alex Blostein: Be prepared to have a slightly larger retail platform.

Harvey Schwartz: For Carlyle. No, that wasn't a knock. As of this second, you are my favorite analyst.

Alex Blostein: For a few minutes on the clock, everybody.

Harvey Schwartz: Yeah. With a buy rating a little low on the price target. But anyway, that's just my personal opinion. You can take that for what you want. I think that it's always Blackstone and Carlyle, one and two. And the firm, strategically a number of years ago, this wasn't a priority. But this is a very, very significant priority. At one point during the past year, I would estimate I spent 25%, 30% of my own personal time in the space. I went out and met with, and maybe this is not interesting to all of you, but just as an anecdote, I've gone out and met with any number of regional advisory offices, hosted dinners. David Rubenstein and I, when we launched CAPM, that's our secondaries general fund, he and I did a whole tour up and down the West Coast at Morgan Stanley and BofA offices. And so, this is something that is top of the mindshare at the firm for everyone. But excellence first.

Alex Blostein: Correct. If you think about the point you made, sort of the suitability and the market need, you guys obviously have a lot of capabilities outside of private equity, right?

Should we think about the next steps in this kind of wealth evolution just launching other products within other sleeves of Carlyle? Or you really need to see these 2 sort of succeed and get scale before you get out with something else?

Harvey Schwartz: No, I think it's -- there's a lot in that question. But first of all, there's a flywheel effect. I think you can approach this a number of different ways. You can try and be all things to all people. That is not our current approach. Our approach right now is to be targeted with partners that we work very, very closely with in solution design. And then -- so if I go to a Morgan Stanley office or a BofA office and I'm meeting with the advisor, I want them to be in a position, because they've told me this, that when their people are on the phone with their clients, that they're having Carlyle offering which resonates and can resonate again. If we come out with CAPM, they can say, oh yeah, I just talked to you about CTAC a few months ago, now I want to talk to you about CAPM, which in its first year had a 17% return. And so we want to have and leverage the name familiarity of Carlyle.

Now Carlyle is so global, in theory we could be in all places. That's a very expensive proposition. This is about how do you scale over an extended period of time in a very targeted way? Now the building blocks for this, that's why I said there's lot in this question, the building blocks in this are first of all, what is the solution set that the clients want? Most importantly, I do think there's a tendency in our industry to say, we do this well, we'll give this to the institutional client or we'll give this to the wealth client. That's not really I don't think the right way to approach this. The right way to approach this I think in all cases is to put the client in the center.

For example, we don't have an annuity platform, you know that obviously. We're not a balance sheet heavy firm. But you could see us easily partner with one or more partners because the annuity is a wrapper. That's a delivery vehicle. But we have all the building blocks, and so I think over some period of time, which I'm not going to specify, you'll see us do all these things. Because it's important to the end client. And then you get the flywheel effect of the name recognition and the performance. And I think over several years, this will prove to be -- as a client constituency, I think given the Carlyle brand, one of our most important initiatives for certain.

Alex Blostein: Great. Well, you mentioned annuity, so I did want to talk about insurance for a couple of minutes. Again, another important lane of growth for Carlyle and the rest of the space. Can you speak to both growth opportunities you see with Fortitude where it sounds like they're seeing a pretty robust pipeline per kind of your last couple of comments. And also, when you think about other partnerships that you might seek outside of the Fortitude partnerships, a caveat to that I guess, those can come in many forms. Curious how you're thinking about the capital intensity of those partnerships as well. Capital lite has been kind of the motto and it sounds like you still like the capital lite approach, but is there something that at the right price at the right time could change that?

Harvey Schwartz: Okay, this is a big question. Let's just start with insurance. Insurance is really at the center of Venn diagram of a lot of what's happening in the industry. And I don't mean the portion about the balance sheet or the annuity business. What I mean is the development of the regulatory framework globally for insurance clients, the competition that's occurring in insurance, the growth in the annuity platforms globally with the rise of interest rates. And all of this has resulted in virtually all insurance companies, certainly everyone that I speak with, and all the CEOs of insurance companies, evaluating how they think about their asset management process.

Because if you can provide incremental return of 25 basis points on an 8x to 10x levered balance sheet at very minimal risk, it really begins to question the foundation of the 60/40

portfolio construction and how much of the fixed income component should be in something let's just call it private credit. But I mean private investment grade predominantly. That's a very fundamental driver.

There are also capital needs, which Fortitude is a solution provider for, in terms of how to help people optimize their capital. That's the regulatory and growth dynamic in insurance. For us at Carlyle, it really is at the cross section of everything we do with credit. Because the insurance clients are growing in significance and importance their desire for asset management capability. And we have all the resources because of our multiyear relationship with Fortitude to do the analytics. We can partner, we can do all those things.

Now, in terms of the second half of your question, we can be a capital provider to insurance companies. They can be wrappers for us. We can simply provide the asset management relationship. So again, I think this is a fascinatingly interesting space. And again, I think it'll be quite dynamic over the next couple of years.

The capital lite versus capital heavy, you know obviously I ran trading at Goldman Sachs, I was the CFO of Goldman Sachs, I know what it's like to have a $1 trillion plus balance sheet. There's huge advantages and then periodically some challenges with that. I think that you should look for us to think about the question not, Alex, as capital lite or capital heavy. But when I think about this question, I think about what's the diversified nature of funding sources? All of this is about creating a platform where we can deliver excellence to our clients in a diversified, systematic way. Insurance clients are important. Wealth clients are important. Institutional clients are important. I have no favorite kids when it comes to my clients. I just like to understand which of my kids have various issues.

And so when I think about partnerships with insurance entities versus partnerships with sovereign wealth funds or pension funds, in terms of that, I think what's the nature of building out a diversified liability structure and what is the most efficient way to do that? There's lots of ways to solve for balance sheet and stay predominantly balance sheet lite, and I think you should expect us to pursue that degree of travel for a while.

Alex Blostein: Great. All right, let's talk about a couple of other aspects of the business. I want to zoom in on management fees. One of the key debates for the stock today is probably just the magnitude of Carlyle's management fee growth over time. And understanding that every given quarter there could be some volatility and things will kind of bounce around, but how would you frame the forms of management fee growth algo over the next couple of years?

Harvey Schwartz: I feel quite good about it for all the things we discussed. I think that the question mark, let's just cut to the chase, I think the question mark around the fees management growth is you see really strong management fee growth in the solutions business. You see really strong management fee growth in the credit business. Where you saw a pause in management fee growth was really in the private equity business. A lot of that really was one portion of the business in Europe where we have changed the leadership and I feel really good about the trajectory going forward there.

I think, again, we'll come into the market in the end of '25, '26 with our large U.S. buyout fund. My expectation is that will be larger than its predecessor fund, And so I think, again, you're going to continue to see this growth in management fees because as I said, the firm is really well positioned for growth now in terms of the leadership team and everything we're building. Again, in a quiet year, there's 2 forms of capital market fees, right? There's the capital market fees that are created transactionally through the operating activities of the firm, and then there's where you commit your own capital. We

don't commit capital, so we're not looking to compete with Goldman Sachs or JP Morgan in that business. I know how excellent you are at that. There's a lot of growth just in those fees alone. And as I said, on a pretty quiet year, we've, with the new systems we put in place and the focus of the team, in the third quarter we've already passed our best year ever. I think there's a lot of fee generation capability assuming the environment stays as is.

Alex Blostein: Let's talk about the margins a little bit. You guys made a couple of really important changes as we talked about in the beginning of this conversation with respect to compensation structure and what that's done to the to the FRE margins and the profile of the company. FRE margins I think are tracking somewhere in the 47% year to date, so above the midpoint of the range that you talked about. And that's without monetization environment kind of firing on all cylinders. Presumably, there's upside to that as you get further into the monetization cycle. But how do you think about FRE margins, again, over time as you think about this range that you've provided and what the ultimate destination could be?

Harvey Schwartz: We're not going to modify that. We're ahead of the plan, as you pointed out. I think that something that maybe has been a little bit lost in the discussion around this, which I just want to point out because I think an extraordinary work has gone on by John and his team and Lindsey, our COO, collectively across the firm. It's not just a change to the compensation structure story. It was a complete review of all expense line items, making adjustments to that, making adjustments to headcount. And they did that in an incredibly thoughtful and efficient way. That is a big component also of the performance that you're seeing.

But obviously a big driver is the FRE margin, which is up 1,100 basis points in a year, which is pretty remarkable. I think there's still upside there. This is not -- at this stage, this is not an efficiency story. It's a growth story. That's where we're really putting all of our energy. But we also announced, again, this is all part of the disciplined rethinking of the financial footings of the firm. We also announced the share repurchase a year ago, which we still have $900 million left on, and in the firm's history prior to my arrival, the share count had only gone up and now it's gone down for 2 years, and we see a lot of value in the stock at these levels. And so you should expect us to keep buying.

Alex Blostein: Yeah. I guess on that point, just to wrap up the conversation, that is, again, a new leg of the stool so to speak for Carlyle. To your point, the share count has just gone up for years and years and now it's on track to be stable to down slightly. How are you thinking about making this a more meaningful dent in the share count over the next couple of years? Is the goal to I guess more meaningfully reduce this or largely to kind of offset dilution as you progress over the next few years?

Harvey Schwartz: I think it is more modestly shrink the share count, certainly offset dilution. As I said, in the firm's history, there was only dilution, so we reversed that immediately, particularly at this value. Again, the currency just looks way too cheap to me. This is your story to tell really, but at this multiple, there's a lot of value in repurchasing the stock, and so that'll be our focus for the foreseeable future.

Alex Blostein: Great. Well, we're right about time, Harvey. Thank you very much, appreciate you joining us.

Harvey Schwartz: It's good to be here. Everyone, great to see you. Thank you very much. Happy Holidays to everybody.

Alex Blostein: Thank you.