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EPISODE 14:

Early-Stage Opportunities with Chris Winiarz

of Stable

Robert Morier: I am your host Robert, Morier.

The goal of this podcast is to help you better know the people behind investment decisions. We introduce you to Chief investment officers, manager research professionals, sales leaders, and other important players in the industry, who will help you sell in between the lines and better understand the investment sales ecosystem. If you're not familiar with Dakota and their Dakota Live! content, please check out the dakota.com to learn more about their services.

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Chris Winiarz: Rob, Thanks for having me.

Robert Morier: Well, I'm glad you're healthy. If you've got two little ones at home, usually, it's a 50/50 shot. I have a three-year-old and a six-year-old, so most of my years spelt the same unwell. So I'm glad you're here healthy.

Chris Winiarz: Thank you. Thank you.

Robert Morier: Well, we have a lot of questions to ask Chris. But before we do, I want to quickly share your background with the audience. Chris joined Stable in

August of 2021 and is the firm's Chief Investment Officer. As a member of the leadership team and reporting to the firm's CEO, Chris contributes to business strategy, deal sourcing, underwriting and research and negotiating. He is also working in structuring investments across all asset classes on the Stable platform. Stable Asset Management is an investment firm focused on building strategic partnerships with top performing investment managers. Stable backs top performing investment talent to build next generation asset management firms. Stable oversees over $3 billion in assets under management, with over 12 billion of aggregate AUM across stable partnerships. Stable is among the most experienced and largest strategic partners in the asset management space, with offices in New York and London. Since its inception, stable has built 27 strategic partnerships across the liquidity spectrum. Stable provides asset management firms with initial investment capital, as well as hands on operational and distribution support to ensure business institutionalization and growth. In return, Stable investors receive minority ownership economics in each firm they back. Stable investors also receive several strategic benefits, including discounted fee structures, capacity reservations, and first look co-investment rights. Stable investors include Sovereign Wealth Funds, US Endowments, global asset managers, pension funds, family offices, private banks, and wealth managers. Prior to joining stable, Chris was the chief investment officer for Lakeview Capital Management, a single family office in Chicago. He focused on emerging managers and seeded alternative asset managers in both public and private markets. He previously served as an investment officer, focused on opportunistic equity for the University of California's pension and endowment assets and has extensive experience in manager research, asset allocation, and security selection. Chris has led research across all asset classes, including traditional investments, alternatives, real assets and niche investments. Chris earned his BBA in Finance and Economics from Loyola University, Chicago, and an MBA from the Kellogg School of Management at Northwestern University. Chris also serves as the Chairman of the investment committee for the Roman Catholic Diocese of Oakland. He previously served as investment committee member for Holy Names University on the Alumni board for the John Phillips Rome center of Loyola University, Chicago and as an adjunct professor at the University of San Francisco. Chris now calls Florida home, where he lives with his wife and his family. Chris, thanks for joining us today.

Chris Winiarz: Thank you.

Robert Morier: Congratulations on all your success.

Chris Winiarz: Thank you. That's a mouthful. I didn't realize all that. I really just thought of myself as an investor. Just kind of left it at that.

Robert Morier: Yeah, believe it. Yeah, well, I think that's what make these podcasts so interesting, is that a lot of times, when sales professionals, most of Dakota's audience, calls on people like yourself, they call for the title, and not the person. So one of the goals of this podcast was to get the people who tune in to this show to better understand who you are, how you think, what your background and experience is. So it's a more fruitful discussion, a conversation, so there's more listening involved. It's something that we don't get enough of I think these days. So this long form content, almost this radio like forum has made a comeback, and I think it's for reasons like this.

Chris Winiarz: It has. I think there's a lot of very thoughtful people in this industry. And we don't always have exposure to them. So I appreciate you having me on.

Robert Morier: Yeah, well, thanks for being here. You're in Philadelphia in our Philadelphia studios. One of your colleagues is here with us as well. So we're very appreciative of you both being here.

Chris Winiarz: Of course. Yeah, we were in town for some research and appreciate the invite. So great to pop in.

Robert Morier: No, I like it. Well, when we first met, you were building the University of California's opportunistic equity strategy. And you-- I think it was about a decade ago. I admired the fact that you were effectively building this kind of small startup within a much larger organization. Take us back to how that mandate came to be and how you first thought about the University of California in regard to this new opportunistic allocation that the University was taking.

Chris Winiarz: Sure, sure. Yeah, I mean, I give a lot of credit to the prior leadership. At the time, there was a CIO and a head of public markets, Marie and Bill, who I think knew that they needed to do something different. Didn't know quite what different meant. But at an institution with 60 investment professionals, 100 plus billion across all asset classes, you roll all that up and you basically look like the index. So how do you be different? And so it was a little bit of their brainchild to create Opportunistic Equity. I joined to launch that effort, and really, it was a clean sheet of paper. So they said write your own investment policy statement. We did that. But to be fair, I didn't really know much about the endowment world. I had not spent time in that institutional landscape before. And so like any novice, I went out and called a bunch of buddies and did a bunch of cold calls and tried to learn what does it mean to be an endowment investor. And I think time and time again, everyone pointed to the "Yale model, the Swanson model," and they said go read his book. And they'd give me these quotes of like, oh, we espouse the principles of Charlie Munger and in invest in the endowment model. And I think through that experience, what I realized is David Swanson actually wrote two books. Everyone only references one. And many people quoted someone who quoted someone who maybe read a Bloomberg article on it, but very few actually read them cover to cover. And so the endowment model actually meant very different things to different people. My takeaway from that though, was a real focus on inefficient markets. If you're going to put a dollar of risk capital to work, focus on the pockets where there's a greater probability of success. So that was kind of one of the hallmarks within the opportunistic equity program. And so we looked for inefficient markets, globally. I think that maybe led to our initial discussion back in the day, looking at some stuff in Asia together.

Robert Morier: It did, exactly.

Chris Winiarz: But there were a couple other learnings from that. I think the second one was really playing to what is our strategic advantage. When I met with these top 20 endowments and the University of California also runs some pension money as well, you're not bumping up against sovereign wealth funds and Aussie supers is an Asian sovereigns and the Canadian model. And everyone's flushed with capital, right? How are you going to be different? What is your strategic advantage? And for us at the time, it was leveraging the UC brand but playing into scale. Because on one hand that can be a challenge. On the other hand, it could be an advantage. So we used that a lot and ultimately got to what we believe was the best version of someone's product. So a lot of structuring work, a lot of crafting different strategies, a lot of separate accounts. That sort of thing to use our leverage as a-- leverage is probably the wrong choice of words, but our scale and advantage to building something more sustainable and a better investment product.

Robert Morier: It's so interesting because if you think about that Yale model that was applied to so many endowments over the years. How many of those endowments are now outsourced CIO? So you've seen this huge transition in the endowment world and foundations towards Outsourced CIO, trying to replicate something that was exactly as you said, not an apples to apples fit.

Chris Winiarz: Yeah, I mean, they all have different models too, right? So some of the Yale Cubs focus a lot on the partnership. Some like the do-max of the world focus on really early stage emerging stuff, focus on separate account work. There's the UC model, which really focuses now on partnership, with the new leadership, with Jagdeep. University of Toronto, I think, has an interesting model. They've codified that they can't have more than X number of line items in their portfolio. So forcing people to think about things differently and leveraging your scale and what is your strategic advantage, it's just different for everyone.

Robert Morier: Well, you had a clean sheet of paper. It sounds like you were writing a syllabus. And you have some experience in teaching. You taught for a little while at the University of San Francisco as an adjunct. What was that experience like, and what did you learn from it as a--

Chris Winiarz: Wow--

Robert Morier: --as an investor?

Chris Winiarz: That was humbling, I will say, probably one of the more difficult things I've done in my career. I absolutely loved it. So I taught the graduate students portfolio management in University of San Francisco. And I will say I don't give enough credit, or I have not given enough credit to my prior professors, undergrad in school. What they do is amazing, so I think that they deserve so much more credit than I can imagine. But it was fun. I really enjoy mentoring students, teammates. And I think that plays a lot into what we do here at Stable as well. So just from a team perspective, a lot of mentorship has kind of been my focus as CIO. And then just our business model itself, where we're mentoring and helping others, more of a teach a man or woman to fish approach. So I'd actually be curious on your experience. Because I know you have some-- you do some work at Drexel and the venture program there, what's it been like working with the students from your perspective?

Robert Morier: The same, humbling, hardest thing I've ever done. I didn't think it would be. And for exactly the same reasons as you said. I just-- I did not appreciate how difficult it was building a curriculum and a syllabus. I'm building one now for the next term. You know, I think, more than anything, I teach within the School of entrepreneurship. And there are a lot of these schools that are popping up because they want to keep students who want to start their own businesses, so the founder, they want to keep them on campus. So keeping the founder in-- I guess you could call it almost a safe and a stable ecosystem. So they get the mentorship. They get the guidance. They get the expert network.
And you help them along so they don't give up, or they don't move too quickly. You build in patience as part of the expectation. I think there are a lot of questions about whether entrepreneurship can be taught. Is it something that's innate in people, or is it something that you can build out over time? I tend to be of the philosophy that it can be built out over time. It just needs to be surfaced. Sometimes it's just below. So you need to just maybe heat it up, get people excited, a little bit of mentoring, a little bit of an example, maybe another founder, who went through the same hardships. But it's-- I think for these students, and I'm sure it is for your asset management partners as well, it's a very lonely business being an entrepreneur. And sometimes you feel like you're the only one there, and you know, you've got to recognize that you're not alone. So I think a lot of what I teach is community. That we're kind of all in this together. If you're in the School of Entrepreneurship, you're building a business as your peers are building a business. So kind of building that type of -- it's almost like an accelerator in a sense. We're going to talk more about this, and I'm really excited. Because I think the last time we spoke at length, we were talking about that venture model, advising, mentoring founders as they're trying to build up

their businesses, because it's incredibly stressful. So it's trying to get them ready for it.

Chris Winiarz: Yeah, absolutely. And I think at a personal level, I-- someone gave me feedback a while ago. They said I was an intraprenuer. And it was really this concept of thinking creatively, thinking different, but doing it within my organization. And then it wasn't really actually till I joined Stable and partnered with Eric, our CEO. He's a great entrepreneur. And I think I've definitely learned a ton from him, and we bounce ideas off of each other. And just the recognition that building companies is not easy, right? It's a lot of sweat equity. It's a rocky ride, but we're in the boat together. And so it's been a ton of fun. But I will admit, I definitely lean on Eric a ton for that entrepreneurial spirit. He keeps me in line and shows me the path.

Robert Morier: Well, we're going to get to what the next stage of growth looks like for Stable because obviously, you're part of that, having joined about two years ago or so, a year and a half ago. So I'm excited to learn more about that. But just getting back to your progression in terms of your career, you went from the endowment to the family office model, which again, equally can be incredibly different, office to office, family to family, depending on whose name is on the door. Or it could be a multi-family office model. Can you talk about the dynamics of working within a family office relative to the endowment model, and what you take away from that experience?

Chris Winiarz: Yeah, so I think it all does come down to governance, really. Whether it's a big asset owner or a small family office, governance really drives the results. And I think in my instance at Lakeview Capital Management, I served the Eldon family. Patriarch and wealth creator was a gentleman named Dick Eldon, who founded Grosvenor Capital Management in '71. But it was really an opportunity to work with a great family and a great board, who understood this industry. So it wasn't just Dick, who subsequently passed away, but his son, Tom, has built a multibillion dollar secondaries business and a super sharp investor, very opportunistic in his own right. The board with Frank. He'd built a, I don't know, $12 billion asset manager, sold it to the main group. He's probably better well known for ceding Citadel and taking the GP stake. And Tim, who built the McKinsey investment office, and my old partners. And so collectively, it's a great family. It was a great board, and so I had good governance. And that was really the opportunity for me to go work for people who could push me to be a great investor someday. They've probably forgotten more than I know. And I'd still like to call them friends and mentors today.

So it was a great experience, but it really does come down to governance, whether you're a big asset owner or a small one.

Robert Morier: I think that's great. Governance drives results. I couldn't agree more. I think particularly, as you're structuring these types of businesses, whether it's a family office, an endowment, even within public pension plans, we've interviewed a few CIOs of public plans as well, and it's amazing how often it comes down to the G.

Chris Winiarz: Oh, for sure. For sure. And I think at Lakeview, it was even more interesting because it was a collection of leaders who know our industry as well as anyone. They've built asset managers. They've picked asset managers. They were asset managers themselves. And so all that kind of knowledge and experience led to becoming ultimately, their strategic advantage, right? They didn't make their money in widgets or SAS technology or Med device company. It was knowing the space. And so the ability to leverage their insights was great experience, for sure.

Robert Morier: Well, you've used one formerly, opportunistic, as part of your role with University of California. And then you use the word again with Lakeview. It seems like you've built a reputation as being someone who thinks about investments from an opportunistic perspective and quite innovative. So when I think about emerging managers who are out there looking to build a business, and when I get calls, it's amazing to me how often they've either called you already or they've been recommended to call you by another allocator. So you've built this reputation as being someone to call early on in this seed staging process, which arguably has become a sector within itself, emerging managers. How did that come to be for you?

Chris Winiarz: Yeah, a little bit is just passion. So I think first off, the experience that I've been lucky enough to have at University of California, where the mandate was go do something creative and unique and opportunistic equity, it didn't fit in a box. It was, go take the risk that no one else wanted to take. So it gave me the flexibility to go do something interesting. And then I think at Lakeview, they've literally invested in everything under the sun, literally starting the hedge fund business back in '71 before the term hedge fund even existed. And so if I didn't bring them something interesting, you know, it wasn't worth the time. And so it's always kind of forced me to look out on the curve and what's next, and what the next iteration is. So I think the first iteration back at University of California was this ability to structure. Today, everyone carves off a long only from a long short vehicle. But 10 years ago, that was different or unique. You're creating drawdown structures, fully invested dissecting returns to long only return on invested capital, short return on invested capital, the net exposure management, the gross exposure management. And then taking those four levers and creating a custom vehicle to pick and choose which levers you want. I think today that's par for the course. Everyone's doing that. They're doing it through separate account platforms, and you've seen the rise in that. But 10 years ago, that was different. And so I have skill to do it, so let's go for it. And then taking that thread through, again, at Lakeview, they gave me the opportunity to go do something different. And so the next iteration was, let's think about alignment and fees, and I didn't have the same scale to negotiate off rack rate. And so how did I-- you know, how was I going to be creative and leverage a strategic advantage? And it was, well, I've got a board who's done this 1,000 times. There's strategic advice there. It's a pretty well-known family office. It's good pedigree. We can be a real strategic partner to those businesses. And that's when we started to take a little bit more of stakes in these asset management firms. Really, to start was just kind of align my fee model. And I realized I really enjoy it. I'm passionate about it. I love it. And so now then joining the Stable team, well, this is all we do. It's been a good transition.

Robert Morier: Let's talk a little bit about that. So the Stable business. Emerging-- it wasn't even called the Emerging manager universe. I think when you started making those investments at the University of California, it's developed as I mentioned over time. It's almost become its own sector. So how do you see Stable playing a role in that world? What are the goals of the organization as it relates to building those partnerships?

Chris Winiarz: Sure. So I think a couple of things. We as a business, we manage about 3 billion in capital, 17 people, half New York, half London. And we are designed as a strategic partner to provide capital to new emerging managers, founders in the investment space, across all asset classes.
We roll out a bit of an old school operating partner model, similar to what you referenced in the VC space. We help on the ops and the distribution side to grow and scale them and ultimately share in the economics. And I think there's two ways to look at that. One is, owning asset management businesses is quite lucrative. If you look at the Forbes 400 list, a solid third of them are investment asset management professionals. So it's a great business model, sticky client base, great margins, scalable, asset light, all the things that you would look for in buying and owning long term businesses. But the other framework is they're providing investment flow, and there's capacity around that that could be utilized. And so more than half of our client base, the vast majority actually are these very large institutions that are looking for capacity in high quality institutions. But for a variety of reasons, typically, governance, budget, resources, they don't have the time to go build these companies themselves. And that's where we come in. So helping these founders day one. And whether it's day zero, one, or two, zero, think incubation warehousing. Day one, literally, first dollar capital, where we're helping to stand up the business. Or day two, a little bit more acceleration in the first year or two. We're pretty hands on in helping to grow those companies. And that part is fun, right? It's not just picking managers. It's building companies.

Robert Morier: Yeah, building for success.

Chris Winiarz: For sure.

Robert Morier: Interesting. Well, take us through what that process looks like. So how do you source these managers? And then taking that through the underwriting process, how does someone get in touch with you? And once you have established a rapport with a manager, what does the process look like?

Chris Winiarz: Sure. So how do they get in touch with us?

Robert Morier: Other than your email address, which I promise, I will not show.

Chris Winiarz: I'm sure you can find the website out there. If not, there's a lot of industry participants who can put us in touch. But I think to start, how does our research work? At the core of it, we're really looking for two things. I think it's that combination of investor, on one hand, and entrepreneur. And when those two circles start to overlap, we get really excited. And that's tough to find. That's a real unicorn. So most of the time, we're trying to complement in some way to help bring those circles closer together, whether that's a team, an infrastructure, whatever the requirement might be. And so starting with that lens of finding that great entrepreneur and investor all in one, it then kind of runs through a little bit of a lens for us as we think about cognitive diversity. So I know a lot of people talk about diversity. We have a slightly different framework. So I think in building these companies, at the core of it, we're really looking for two things. It's that mix of investor, on one hand, and entrepreneur on the other. And those two things are really-- it's a unicorn to find both. And so most of the time, we're helping to augment one and bring those two concentric circles more overlapping. And the next layer down though, is trying to identify what characteristics actually drive successful investors and successful entrepreneurs. And so we actually use a lens called cognitive diversity, a little bit different than your traditional diversity metrics on gender, race. And we think about it more broadly, whether it's sexual orientation, socioeconomic background, losing a parent early, all things that lead to two characteristics that are highly correlated to successful investors and successful entrepreneurs. One is the ability to think differently. So as an investor, you typically need some sort of contrarian view. Otherwise, it's priced into the market. And so the ability to think differently and also be comfortable thinking differently really leads to great investors. That happens to be a characteristic that we find through cognitive diversity. The second is really overcoming adversity. So being an entrepreneur is the ability to run through walls. And when you're told no, ask time and time again. And that's a characteristic trait that we find through this cognitive diversity lens. And so that's kind of the first layer for us. The next layer down is really just a more standard underwriting process, where we have three legs of the stool, investment management, due diligence, operational due diligence, but also, commercial due diligence. Because at the end of the day, we are building companies. So I think in my prior-- in my former life when I was an asset owner, asset allocator, you pick a manager, you can date them for a year, decide whether you like it or not. Here, we're condensing that research process really into two months, weeks sometimes. And so that investment process is really focused on what's the key differentiation. Let's prove it. Let's test it out. Let's reference check this a ton, and let's move forward. And then you have the operational due diligence, the commercial due diligence. And so that's a little bit of our framework. And that can take anywhere from a month to 12 months. Typically, sweet spot's around four to six months.

Robert Morier: That's interesting. I think we could do a whole episode on how you approach cognitive diversity. It sounds very interesting. Is it a questionnaire? Or is it just as part of the podcast, is it just part of the conversation process?

Chris Winiarz: All of the above. So we do have formal questionnaires that we walk through. We've got certain kind of tests that we walk through. There's a lot of research that is out there that you can use to measure these sorts of things, but there's also a lot of unstructured social time, meeting with their spouses and their significant others, their family members. I mean, I think of a founder we are working with right now, we know what his wife is doing and why she's traveling to Europe and what her business does—

Robert Morier: It's kind of like this all in mentality, where you are all in with your investment. Because entrepreneurship is an all in mentality.

Chris Winiarz: Sure.

Robert Morier: You know, I can't even tell you how many of the faculty members want to talk about the home life versus the business life and what that's like as well, teaching our young entrepreneurs what it's like to speak to family, friends about what they have to give up or feel like they're giving up, relative to the work life balance. So it's good getting to know everybody that's part of that equation.

Chris Winiarz: Yeah.

Robert Morier: I think it's very thoughtful.

Chris Winiarz: So how do we measure that cognitive diversity? You know, it is social unstructured time. It's formal questionnaires. There's a lot of research and tests that are available out there to help measure this sort of thing. But in that social unstructured time, it's understanding what their spouses and significant others are doing, understanding what's driving their motivations. And I think of one of our partners right now, we know why his wife is traveling to Europe for her business. We know that he drives an old beat up pickup truck and doesn't lock the doors, which his wife hates, but he's a different thinker. But all that sort of unstructured social time helps us get very comfortable with who we're backing as an entrepreneur and as an investor.

Robert Morier: That's fascinating. Very interesting. I think it's interesting too the condensed underwriting cycle. And it is a little bit shorter. I think that probably poses its own challenges. I guess, I just think about it from, as we're thinking about this kind of obsession, at least in private markets now, for shorter term gains, relative to what was traditionally the longer-term expectation of the five to seven years, lock in the income, it seems like that there's more pressure these days of the reward expectations versus the risk that's being taken. So how do you balance that with-- the underwriting cycle is relatively short, but I'm assuming-- I shouldn't assume. I'll ask if there are different expectations about what your expectations are of these managers.

Chris Winiarz: Sure. So I think on the underwriting side, it might sound short, but it's no different than a lot of other asset owners that are underwriting. We're just crossing off all the wasted resources. So I think a lot of my brethren, institutional asset owners, it may take a year because they've got a quarterly board cycle that they need to prep things for. They need a certain amount of data before they can make a decision. There's not enough time on the calendar, so the CIO can't get to it this quarter. So if you give them a year, they'll stretch the research out to a year. In our instance, there's not a ton more information you're going to get, particularly prelaunch, right? So coming to that conclusion, we can do that fairly quickly and condense the underwriting cycle and just carve off all the fat in the process and really just stick to the facts and the research and the attribution work. So I don't think we're condensing it down and losing anything. I think we're just getting rid of all the fat and the process around making decisions. And the other piece to the process is we only have to make five to 10 investments a year. So it's not as if we have to cover every single asset class and monitor 30 portfolio managers just to be on top of the industry.
We're making five to 10 bets. We're going to focus in on those.

Robert Morier: That's great. That makes a lot or-- actually, that was leading me to my next question. I didn't hear you talk about asset class. I didn't hear you talk about sector, but that makes a lot of sense now based on the way you described it. Well, you must see a lot of trends, though, because if you're getting calls from emerging managers, startups, you asked me about what it's like to be a professor in the School of entrepreneurship. I see-- that I have had the opportunity, I should say, to see the trends of different businesses over the last, let's just say one to seven years. At first, it was all about social media. You know, and then it's all about something else. Now, it's all about chat GPT and open AI. So what are some of the trends that you're seeing with the managers that are calling on you now?

Chris Winiarz: Sure. I think we probably see two themes more broadly. And themes maybe more from an investment perspective. One is the rise of the multi strats, right? They're eating the lunch of the OCIO businesses. It's a great mousetrap. I don't think it's unique or novel. Everyone wants to do it. But those businesses are well resourced. You need the governance model. You need the resources, the time and skill set. And most of the time, that's pretty costly to build the right research-- excuse me, the right risk engine behind it. Because the core to these multi strats is have an amazing risk system that you can add some leverage on top of, and make sure you're funneling great talent through the platform. But at the core of it, you need a risk system. Those are pricey. Those take time and attention to manage. And so if you're an asset owner, that's a big ask to go to your CIO and say, hey, I need a budget for this. I want to build out a team of five and all these systems. So it's just easier to outsource it to these multi strats, and it's a more effective mousetrap. So I think the first trend we see is definitely the rise in multi strats. And that's also a little polarizing because most of them have a pass through model. And we hear a lot that asset owners are sensitive to fees. Like, that's not a surprise. But how is that dollar being spent, and does it make sense, is really the question. I think the second trend we see, which is a little bit more of a theme this year for us, is being a liquidity solutions provider. So being a little bit more patient with our capital, saying, where can we step in and provide liquidity when others really need it the most? And I don't know if that's being a value investor or being a patient investor, some version thereof. We just think it's smart investing. And so that funnels through to a bunch of different research projects, could be GP or LP led secondaries, late stage venture financing, finding financing founders shares, certain pockets of royalties. So there's just a lot of opportunity there, being a patient liquidity provider. And particularly, in this market with rates where they are, that's going to funnel through to a lot of people's balance sheets when they're not used to paying 4% to 8% on their debt.

Robert Morier: I mean, it's smart. It sounds like you've solved for the long-term structural decline of fees, is that you can get clever with your management partners in terms of some of the ways that you've described.

Chris Winiarz: Yeah, the alignment piece is really the focus for us. I mean, that's the core to our business model and really why most of our clients come to us, is to help realign the fee model within our industry. I don't think it's a surprise to anyone to know that the GP return is always better than the LP return, right?
Sometimes that spread is wider, depending on the asset class. But as asset owners have gotten smarter about this and more and there's more transparent fee disclosure, they're realizing they'd rather be aligned with the GP. And that's really what our model is designed to do, is align it from a fee perspective. Hopefully, at some point, turn that reduced fee drag to more of an accretive value add, which is ultimately how our clients are incentivized with us or how we are incentivized with our clients. So it's really a focus on alignment. That's the core to our business.

Robert Morier: So when it's all said and done, emerging managers, historically, have had a challenging success rate. It's a tough business, as you mentioned, for a lot of the reasons that you underscored. So what, in your opinion, makes for a successful emerging manager? What are the core attributes, besides cognitive diversity, which I think is, as I said before, just really interesting and a unique way to think about it? But we have a lot of emerging managers that tune into this program. So as they're listening and really looking for some advice, the sage that you are, Chris--

Chris Winiarz: I don't know about that.

Robert Morier: Everyone's calling you.

Chris Winiarz: I'm just copying smarter people. I think from an investment perspective, we're always looking for passionate people. I think that really separates out the good from the great. The person who absolutely loves what they do and they're going to do this regardless of the economics, waking up one hour earlier to eke out one more basis point, get one more piece of news, whatever it might be. So I think passion for sure. If you're not passionate about this, the asset owner community is going to sniff through that pretty quickly. But I think more broadly, it's an understanding that this is now a business. And so if you think that you can be the chief investment officer and the chief marketing officer and the CFO and the head of product, all these sorts of things, no different than, you know-- we turn it back to them as an investor. Would you ever invest in a company where the CEO is also the CFO, who's also the chief marketing officer? Like just not going to happen. People are thinking about your business in the same way. So for us, we use kind of a three legged stool approach, investment management capabilities, operational infrastructure, and distribution. And you really need to be thinking about it as an equal legged stool. And so invest in those other pieces of the business just as much as you're investing on the investment side. And so fast forward to today, I mean, you're seeing that rise, where the big are getting bigger and the smaller getting smaller. It's because it's more costly to have the institutional operational infrastructure day one. Hopefully, our platform helps solve for that and helps institutionalize these firms early on in their life cycle. But it's an expensive endeavor. So I would really encourage the new emerging managers out there to think about their investment platform as a business, not just as a fund.

Robert Morier: It's interesting you talk about that. I think, at least in my experience, one thing I've seen, as emerging managers grow, the portfolio manager or the CIO as they grow, have to become people managers. And then all of a sudden, the job changes. You know, you've got analysts who are asking for their names in the book or a larger cut of the allocate, whatever it is. And I found, at least a couple of times in my career, that can get pretty challenging. So it goes back to what you had said originally. The investor and the entrepreneur, finding both can be very challenging. What the entrepreneur effectively is is a business manager, someone who can take it forward while growing.

Chris Winiarz: Absolutely, and at some point, it becomes a very team oriented approach. It's not just about a star PM. I'm actually reading this book right now called A trillion dollar coach, about Bill Campbell. I don't know if the name, but he's now subsequently passed away. But he's been basically an executive coach to some of the largest, most successful entrepreneurs in the Bay Area, from Google to Facebook to Steve Jobs, Bill Gurley, all the big venture capitalists. He's been a player coach, helping them as their executive coach, and it's really about servant leadership and a team oriented approach. So it's not just about coaching the individual, but coaching the team, how to really work together. And so what you're touching on is this. As that business grows, it's not just the star PM. It's how do you bring all these thoughtful, intellectual people together to really build an organization? It's a great book. I recommend it.

Robert Morier: Yeah, I'll check it out. Yeah, it's so interesting. I think, again, going back to venture, some of the things that you're pulling from that venture model, we offer executive coaching to our students and their student founders because it's good to get some help. And a lot of times, the coaching side of it is very important. Chris, thank you so much. It was wonderful to have you here in Philadelphia. It was wonderful to have your colleague as well, Morris sat quietly and patiently in the background. So thank you so much for being here as well. We really appreciate it. It was a pleasure to speak with you. We wish you nothing but success on this continued journey of yours. If you want to learn more about Chris and Stable Asset Management, please visit their website at www.stableam.com. You can find this episode and past episodes on Spotify, Apple, Google or your favorite podcast platform. We are also available on YouTube if you prefer to watch while you listen. Finally, if you would like to catch up on past episodes, take a look at our website at Dakota.com. And again, thank you for joining us.

Chris Winiarz: Thank you, Rob. This was awesome. Appreciate it.

Robert Morier: It's awesome for you to be here. We'll see you next week.