

**Wilson Asset Management**  
**Conversations with Future Generation Podcast**  
**Episode 8 – Mark Nelson**

LOUISE WALSH: Welcome to Conversations with Future Generation. I'm Louise Walsh, CEO of the Impact Investing Companies Future Generation Australia and Future Generation Global. In this series we explore the worlds of investing, philanthropy, mental health and supporting children and youth at risk with amazing Australians who are leading the way. Joining us today is Mark Nelson. Mark is the Chairman and Co-Founder at Caledonia, one of Future Generation Global's pro-bono fund managers. He's also a Director of the Caledonia Foundation, he's a Trustee of the Sydney Swans Foundation, and a Governor of the Florey Neuroscience Institutes, and his passion for art is reflected in his position as Director of Art Exhibitions Australia and also a Director of Kaldor Public Art Projects. Prior to entering the financial sector, Mark studied Neuropharmacology at the University of Melbourne. Mark, it's an absolute delight to have you here with me this morning.

MARK NELSON: Happy to be here Louise.

LOUISE WALSH: Well just to kick things off. Firstly, it's fascinating that you studied neuropharmacology, receiving your PhD in 1986, I mean what is that exactly? And by the way should I be calling you Doctor?

MARK NELSON: Yeah [laugh]. That's right it's a very very good question. Neuropharmacology I suppose really deals with the drugs or the substances and the pathways of the brain. In my case it was more to do with high blood pressure, hypertension, that's what I studied. But really I was interested in science generally. And it goes back a fair way. My father actually was a historian and so at home he taught me history and literature and things like that but he didn't know anything about maths and sciences and so he sort of suggested

that I study those to be, as he said, a well-rounded man you know. So I thought oh yeah why not. So I did. So I studied those and found I quite liked them having already done the other stuff. And that was where it really got to. And you can call me Dr Nelson if you like. People funnily enough when you are in the investment world and you're called Doctor something, everyone thinks you must be an economist. So it's great they ask me things about what I think about interest rates and I've got no idea but I pretend. It's all good.

LOUISE WALSH: So obviously your father was a big influence there by the sound of that. I mean he's, I'm assuming, an incredible man that's inspired you quite a bit?

MARK NELSON: Yeah he taught me a lot. He taught me a lot as I said particularly in the areas that he knew which was to do with history, literature, geography, etcetera. That was his sort of speciality really which was great. And the science was just something I sort of liked as well.

LOUISE WALSH: And why then did you pivot your career into finance? I mean what fascinated you about that to make the change?

MARK NELSON: Yeah well ultimately it became a bit of an accident but it wasn't initially. It was sort of quite deliberate because what I thought at that stage, we're talking about the mid-80's after I finished my PhD, and really the role for scientists then was very much one of the public service. There wasn't much sort of commercial outlet for science in Australia really. You didn't have this sort of plethora of start-ups. And certainly from my studies the pharmaceutical industry sort of interested me. So I had this idea, because you're bulletproof at that age if you like, and I thought I wouldn't mind having my own pharmaceutical business. That'd be great. But to do that you needed some understanding of business and capital as well you know all that sort of experience. And I thought well I don't want to do an MBA, I've just done nine years at university, it's the last thing I need. So I thought I would get some

practical experience. And the stock market had always fascinated me anyway. So I thought as you do at that age, as I said you're bulletproof, I said well I'll go and work for a large American investment bank that'll work, they need me. This is how you're thinking of course. In hindsight it's ridiculous. But the only one in Australia at that time that really was doing everything, and I'm talking about equities, investment banking, fixed interest bonds, the lot, was Pru Bache, Prudential Bache. Other firms didn't have that. I was in Melbourne and they were in Melbourne. So I went and saw the Chairman who was a great man called John Calvert-Jones. And John's terrific and he very bravely took me on. I sort of convinced him I was really cheap and worth hiring, and he did. I mean these days you just wouldn't get away with that. You would need a myriad of psych tests and qualifications. I had zero qualifications in the financial world, just an interest. But I was numerate and I convinced him that he needed to hire me to look at biotech stocks, to look at healthcare stocks, which he did. So anyway I started that and I'm forever grateful to John for having done that. It really got me on the road. So as it turns out I kept my head down for awhile and learnt everything I could and luckily found I wasn't bad at the analysis and it went from there. So I did it for five years on the so-called sell side with them before I felt brave enough, well I'd always wanted actually to do the other side which was in the investment side rather than actually just do the analysis and flog the investment. I wanted to actually make the investment. And fortunately I was working, one of my fellow analysts was Ian Darling who was down there at Melbourne with me, and Ian and I sort of hatched a plan that we'd like to do our own fund. And that's where it sort of started.

LOUISE WALSH: Oh fascinating. Because you know it's interesting I'm a big fan of John Calvert-Jones and I've sort of got to know him through Future Generation Global. And what he's done in the sailing world is quite incredible. But of course there's a link there with Geoff Wilson as well because I think John employed Geoff as well.

MARK NELSON: He did. Geoff and I overlapped by about a year at Pru Bache. I was in Melbourne though. Geoff was up in the Sydney office up here. But we overlapped about

nearly one to two years. That's right exactly. And then I left that side to set up the fund before Geoff. Geoff did his a couple of years afterwards which was great. Ian's been an unbelievable influence and friend and colleague for me. And I suppose we can all reflect on this sort of stuff, it's good to be good, it's great to be lucky, and I've been very lucky in terms of being in the right place right time. So the fact that John Calvert-Jones took a chance on me, and then the fact that Ian Darling was there as an analyst at the same time as me, and then we both managed to convince Ian's cousin Michael Darling who sort of was half a generation older than us but we were enormously in awe of Michael, and convinced him that needed to support us or at least back us to start this venture which we did. And then he said well yeah I think I will do that but you probably need to move to Sydney to be near me. So we did. So we moved up here. We were young and had sort of very little, well quite mobile. So not that many commitments. So we set the business up here in Sydney. And there were really only ten people whose interest was served by the company if you like. Nine of whom were Darlings and me. Just ten of us. And the Darling contribution was a bit bigger than the Nelson contribution I can tell you that. But anyway still that was where it was. And so for five years that's really the only people who were served by this company were us, we did it for ourselves, before we felt brave enough after five years until they offered the services to outside people you know take outside money. And at that stage that coincided with Will Vickers joining us. Will joined us after five years to help the whole move. But really it was pretty exciting times. And again being quite lucky if I might say, at the time we did it, we started in 1992, and the markets had been pretty crappy for a few years before that but they were just coming out of it at that stage. And so where you're sort of catching the, there's that old sort of cliché which is that a rising tide lifts all yachts, and that was pretty clear in our case. I mean I think looking back at some of the first investments I made and gee they were pretty shabby. But we got away with them. You know the market sort of helped us. Then over the next five years we sort of, I suppose refined our process and our style a bit and that really helped to do it. So timing was excellent really when we did it.

LOUISE WALSH: And what was the moment when Caledonia became known globally as a true leader investor? I mean bearing in mind that you started I gather as domestic Aussie equities in 1992. When did you really hit the bigger time?

MARK NELSON: Yeah well that's a very good point. I mean and one of the things you want to do as any investor, and everyone should think about this too, is you really want to have as wide as possible mandate or as wider possible group of stocks or investments opportunities to select from, don't limit yourself too much. So because we were quite small at the time we started, we had a limited amount of capital, we were able to invest in, you know, just the Australian market if you like was big enough for us. There were enough things to invest in just in Australia to make it worthwhile. But as we got a bit bigger and our horizon expanded we needed to actually also expand a bit as well. So we decided to do it sort of step by step. But we, how do I describe this, we really thought rather than sort of drawing a pie chart up and saying that we now must have some investments in Asia or America or wherever it might be we thought about what we knew very well here in Australia. And I can get onto that in a second about the sort of concentration. But we worked out what we knew very well and what we sort of really understood well and then looked around to see if there were parallels or similar companies elsewhere in the world and just did a bit of like a step out into those sort of things. And one of the areas that really we got sort of religion on pretty early was on demutualisations and privatisations. Because a lot of those happened in the early-90's you might remember in Australia. A lot of it was for sort of balance sheet repair for states or for the country or just mutuals becoming corporates. And really in every case, or every case, the exception of maybe, well AMP's a funny one because the IPO was a bit strange there. And maybe the second tranche of Telstra didn't work too well either. But apart from that, every other privatisation and demutualisation you made a lot of money on. Mainly because you were going from a not for profit mentality to a for profit mentality and some other issues that happened as well. Anyway, the ones that we really liked we got involved with the stock exchanges. The ASX and SFE, the Sydney Futures Exchange, they were the first exchanges

in the world to demutualise and go public on their own exchange. And we became the largest shareholder of the SFE the Futures Exchange. And did very well out of it. But we really loved that whole sector. And so we looked around the world and sure enough, Australia had been leading this, but all these other exchanges around the world thinking about doing the same thing. So we, with our knowledge of how they worked, we were able to very fast become shareholders in some of these. So at various stages we owned big stakes in a bunch of these exchanges around the world as they demutualised. And whilst other people in those markets were sort of agonising over whether these things were good deals or not we sort of had a very high conviction that they were. So in the case of the one that really kicked us off which is the Chicago Board of Trade, CBOT, we went in there and actually bought up all the seats just prior to it demutualising. Well not all the seats I mean it was quite a big whack of the seats though. And then when it demutualised we became the largest shareholder of the Board of Trade. And we made a very good return out of this for us and our clients. And it got a lot of attention around the world; who are these Aussie guys who have suddenly come into our markets over here and made money out of it. And that really I suppose got people wondering who we were. And that was probably the start of it. We've since done that in various other step outs if you like as well. You know the classified ad companies here in Australia such as realestate.com in particular we parlayed that into looking around the world. We were a very large shareholder of that company here and we parlayed that into other positions in UK and France. And then of course quite well known now we are the largest shareholder of a company called Zillow in America which is the equivalent. And that all came about because of our experience back here many years ago. So that was where we probably got the attention.

LOUISE WALSH: Tell us a little bit about Caledonia's investment philosophy. Where did you actually get the confidence to take that approach?

MARK NELSON: Yeah well I think it gets refined over time there's no doubt about it. But right at the very start when Ian and I actually started the company and then Will came in later

but really the reason we actually even set up Caledonia itself and convinced Michael Darling and his family to come in and back us too was that we thought there was a real need for a style of investing which was more relevant to individuals who were really trying to I suppose not just create wealth but actually hang on to their wealth for families for generations etcetera. And it was very much an absolute return by the way as opposed to a relative model. And it was also a case of just recognising that you didn't have to invest in anything. So basically what it meant was we had a lump of money and that we would go looking for what we thought were incredibly attractive equity investments. And the reason I say equity because of the growth profile of equities was what we like. And if we could find one we do it. If we could find one we loved we do a lot of it. And if you can find nothing we'd do nothing. You know we wouldn't be forced to go into something, which is unlike dare I say it a lot of the restrictions that a lot of institutional investors have is that they have to be fully invested at various times and they have to sort of follow or not stray too far from the benchmark. We had no interest in that. It's an absolute truism for any individual as you know that there's no comfort in relative investment. If someone says to you "oh we've done really well, we're only down fifteen and the market's down eighteen", you don't go, "that's great, you know I'm down fifteen". You know it's not great. And so we acted on that right at the start to really seek out very interesting, not just interesting, very attractive investments on a risk return basis and then if we really liked them to go very heavily into them. So that morphed over time into, this is what we're I suppose well known for now, which is a very high conviction investment style which then lends itself to a very high concentration portfolio. And we don't resile or get away from that at all I mean that's what we do. It means we're going to be quite volatile because as you know while whole markets a big move on a whole market might be a couple of percent in a day an individual stock can have a move of twenty percent as you know or more. And so when you've got big positions like that our portfolio can swing all over the place but we believe that over the long term with the research we've done and our conviction on those investments is enough to make us keep holding on. And if they actually go down for no particularly obvious reason we can buy some more if we can. So that's what it is. That's the sort of I suppose what we're sort of

well known for. I suppose that's the philosophy but it hasn't really changed. The execution is the issue too I suppose in that respect which we've got better at. And now we actually also do short stocks as well so there's some balance in there if we need to. And we're I think far more resilient as a result of that. But in terms of like a personal philosophy which I suppose certainly informed right at the start very much how we do it and that's come over many years of sort of thinking I suppose and being in the markets and seeing what worked and what didn't work but a little light bulb goes on after many years and I've sort of really distilled all the things down to about three things. I mean if I talk to young investors who are just starting out and things I try and tell them what I think I've learnt and it doesn't mean they'll follow or do anything like that but the three things that I would say that I've really come to understand or to really think are important in equity investment. The first one if you can do it is to only or only restrict yourself if you like or only concern yourself with investments of absolutely high quality. And that has many facets to that. And the quality of the investment is not just the quality of the business, it's the quality of the business you're investing in, and it's also the price you're getting in at which actually limits your risk obviously in terms of what you can do and hopefully it maybe maximises your return. So if you can really wait for those high quality ones. If something's a bit iffy, if you sort of go oh not quite sure, don't do it. Wait for the ones that you actually think it's a no brainer. You know you're buying a dollar for fifty cents or something and it's got growth. They're the ones you're looking for. So if you can have the discipline to only deal in those ones and wipe the others out of your mind not even bother with them that's a great start. Then the second point is to understand those particular investments that I described they're really rare. They don't just fall off the trees. They're really really rare. You don't just find lots of them. And it maybe you mightn't find one for a year or six months or more. But that's okay, just have the patience. Again recognise they're rare. So it's not your fault if they're not turning up. There could be all sorts of other issues with overvalued markets or whatever it is. So when you recognise they're rare, that's good. And the third point which follows on from that again I suppose is understanding also you don't need many. If you had two cracker jack no brainer investment ideas in a year, and that goes with the two you had



last year which have compounded, and the two from the year before that which have compounded twice, then you start building up a portfolio that's got incredible momentum and because you haven't been selling all the time you haven't been paying taxes. Warren Buffett always had a great line which gets trotted out all the time many years later, which was that the start of an investing career every investor should have he called it a punch card, and by that he sort of means like a bus ticket with only twenty slots on it, and every time you make an investment it gets punched. You know the punch card gets punched. And you've only got twenty and once you've got twenty done you're done, that's it. And his view was that if you had that card right at the start and knew you only had twenty goes at it you'd be very careful. You'd be very cautious about it this is a punch card investment. And that people go ooh that's not many. But you think about that, if you had twenty brilliant investment ideas in your investing lifetime, you'd be above Jeff Bezos you know it'd be stupid. I mean the person who invented the Post-It Note didn't rush out and invent Liquid Paper the next day. You know they had one great idea. But the way the investment markets are often, with all the information that's out there and the fact that a lot of brokers particularly in the past have had a model based on turnover, you're hit with twenty-five potentially great ideas a day. Well it's just not realistic. It's not going to happen. So understanding it is a big thing if you can do that. So I've always try to do it that way.

LOUISE WALSH: What's interesting when you talk through all that it's all about patience as well isn't it.

MARK NELSON: Absolutely. Absolutely and we're very lucky that we have the patience, well when I say lucky to have the patience, we have the structure with sort of committed capital if you like and our own capital that we can actually make that decision. Some people or some funds aren't lucky enough to have that position where they might have inflows and outflows and it gets very hard to do that. But to have the patience or be allowed to be able go through

those ups and downs which will inevitably happen is a great thing and then not have to panic and say I must buy something. You've got to sit on your hands.

LOUISE WALSH: Yeah exactly.

MARK NELSON: You've got to be prepared to wait. If you go to a restaurant and look at the menu and you go through it and you go "oh there's nothing I like", and "oh that one I'm allergic to that and that one makes me sick and I just don't like the taste of that", you don't go I'll have the one that makes me less vomitous or something. You actually go "I'm fine thanks, I won't eat it", or "I'll got to the other restaurant" or something, you don't do it.

LOUISE WALSH: Exactly.

MARK NELSON: But if you're served up half a dozen investment opportunities and you don't like any of them, don't do them. Don't say I'll take the one that will lose me the least. That's just sort of a dumb way to do it.

LOUISE WALSH: You've had phenomenal returns over the last what twenty years.

MARK NELSON: Twenty-nine. We've been going since 19- no we haven't had phenomenal returns for twenty-nine years but no we've been going a long time.

LOUISE WALSH: Yeah. At Future Generation Global we're absolutely delighted to have Caledonia as part of our very generous suite of fund managers. I know in the last twelve months in the fund we're in I mean you've truly shot the light out. I think the return is about 117 percent. It's eye-watering. And huge congrats. How do you manage the emotional highs and also obviously the lows with that investment philosophy because obviously there's highs and lows and we've seen that ourselves here.

MARK NELSON: Oh yeah and I mean it can be very hard. I mean volatility you know it takes a strong stomach to have that sort of level of volatility. At times you sort of really wonder around thinking what have I done. But you've got to have I suppose the conviction obviously. And keep analysing the things that you're already in and say have we missed something? Is it just the market that's not getting it here or are we wrong and whatever and keep analysing it. And our analysts and Chief Investment Officers, Will Vickers and Mike Messara, they literally are twenty-four-seven checking on this stuff trying to work out. And you check it even more so, well both ways, when markets go up you check, when markets go down you check. When I say markets I mean markets in most stocks. You're always looking at what you've missed and what you haven't done. But all of us have the majority of our own money in the fund, which while that's a bit scary, it's also quite reassuring and comforting too in a funny sort of way. Not just for our investors but also for us because it means that we've got confidence or our conviction that we're going to do this anyway. It's not like an option. And so we really will work hard at it. But yeah there's no way about it when you have terribly tough conditions and market volatility there you do get a bit of a hollow pit in the stomach. But the last eight years or so when we started being allowed to or changed our model to be allowed to short as well that's given us a bit of flexibility on those bad markets too. So it does reduce our volatility quite a bit.

LOUISE WALSH: On another note I understand you're reasonably close to the likes of Charlie Munger and Warren Buffett and of course these guys are the true legends in the world of investing. Can you tell us a bit about your relationship with say Charlie and I believe succession planning is an interesting topic here.

MARK NELSON: Yeah well I think it is. That's another whole new thing the succession for virtue. But certainly yeah with Munger and Buffett they were very great influences on both Ian and I right at the very start. We'd read a bit of stuff about them many many years before we even started Caledonia back in Pru Bache days. But then during our early days at Caledonia

one of my great friends, because I was at university at Cambridge with him and he was an investor and a fund manager with Buffett, and he said to Ian and I look you really should come to this strange meeting in Omaha. This is the AGM. This is back in about 1995. And he said because these guys are old, it won't last long, you should come. So this is 1995 right. So we went over there. We started going to this meeting in 1995. And it was a revelation. It was extraordinary. It was like you were drinking the Kool aid, it was an absolute cult this whole thing. And we sort of bought into it pretty quickly. It was actually fascinating as well. And we picked up so much in terms of what did inform our style, if want to call it that, of investing. And then just through a couple of other people we knew we ended up getting very close to a great friend an older gentleman called Otis Booth and it turned out he was Charlie Munger's best friend. And so he then sort of introduced us into that circle as well and so before we knew it we were sort of inveigled into that area. And Charlie's been an incredibly great say connection if you like for me for all that time ever since. But just after '95 in the year 2000 Ian Darling my partner, he had always wanted to make films to be honest, and he said we should make a film. Well he said it in '99 he said we should make film about this meeting over here because it's such a whacky sort of a weekend if you like where all these sort of people following the cult. So I said okay let's do it. So the next year we went back in 2000 and made this film which we called "Woodstock for Capitalists". And funny enough just coincidentally last night or yesterday November the 10<sup>th</sup> was the twentieth anniversary of our first screening of that film.

LOUISE WALSH: ... Oh wow.

MARK NELSON: We watched it again last night Ian and I. And it hasn't aged all that well I have to say but anyway. But no it was still great and this film was really like a road film. It was really about the old Bing Crosby, Bob Hope you know the Road to Mandalay or something. This was like Ian and Mark on the road to Omaha to see Warren and Charlie. And it was a bit self-indulgent in some way but it was a lot of fun. And we made this film. And actually as an aside that's what really set Ian then on the path to what he is now which is one of Australia's

great documentary film makers and philanthropists as a result of that and we can talk about that later. But the film I suppose it really did get us to really think more about the whole style of investing of these people. And I've remained very close to Charlie. In fact I spoke to him last night. I speak to him every week, every Tuesday night a Zoom call with Charlie. And he's ninety-six which is phenomenal and still as sharp as tack which is great. So I had a good chat to him last night about various things, getting his take on the election and stuff like that. But they're terrific people. And yeah we're very lucky to have a relationship there.

LOUISE WALSH: We might change tack for a little bit now. Obviously we've been covering quite a bit on the investing side but I'd like to talk a bit about your passion for the art world in particular. I know you're a hardcore art collector. In fact I'd love to see the collection some time and I'm guessing ...

MARK NELSON: Any time.

LOUISE WALSH: ... I know you'd have one of the best privately owned art collections I've seen John Kaldor's and a few other big collectors. Who and what has inspired that and is there an absolute favourite piece in the collection?

MARK NELSON: Yeah that question you can never answer that. Any collector will always tell you probably the last thing they bought would be their most favourite. No it's often just how it is because you're sort of enamoured by it that's why you buy it. And you've also got stuff in storage which you need to pull out and remind yourself about. But no the art thing I suppose it probably happened when I was a kid. And as I said my Dad was a historian and also with literature and things. And art, the visual arts in particular but all sort of art really, sits at the intersection of a lot of those particular humanities whether it be literature, history, travel, all that sort of stuff. So I'd always had sort of read a lot about it and then I tried to do it you know when as you do art classes in school when you're fourteen or fifteen and I was absolute

crap. I was hopeless. And rather than turn me off it, it made me sort of more fascinated as to what this was all about. So I used to read even more. I was quite a curious child in many ways. And so I learnt a lot about it as I said. So even though I couldn't do it, it didn't put me off it, made me sort of appreciate I suppose and respect all those that could. And there's such a great line in art in terms of the historical line so any contemporary artist that you talk to and they'll say oh my great influences are and they'll go all the way back to well it can be to antiquities really all the way through. So it's not like everyone sits in a silo, or some people do, but most of it is really quite fluid. And so I was as fascinated by it all. And so I remember when I got my very first pay check thanks to John Calvert-Jones down at Pru Bache, at the age of twenty-seven I think I was by that stage, I went straight down to see Bill Nuttall at Niagara Galleries in Punt Road in Richmond and I bought a painting straightaway. And I've still got it which is good. And I've been collecting them ever since all that sort of time. And it's been fun. So then when you got to the situation where many years later I had the time and dare I say it the resources to do things in the public sector of the Arts I was able to do that. I was very happy to do that and go on a variety of boards and sort of committees if you like around the world involved there which has been great and it's been a fabulous interest to have.

LOUISE WALSH: And very recently Mark, you've done an extraordinary job and I know that word can be overused but it's not in this case because you've been Chairman of the Capital Committee for the Modern project at the Art Gallery of New South Wales and you've been Vice-President of the Board of Trustees of the Art Gallery and a Trustee of the Art Gallery of New South Wales Foundation both for nine years. So it's a very significant term. You spearheaded that campaign that raised over I think it's a \$115 million for Modern. Now that's as we know an eagerly awaited and much needed extension to the Art Gallery of New South Wales. And I know with my background in the Arts how awesome that result is. I mean it's actually by far the most successful campaign in the Arts in Australia. And for that matter across any sectors. I mean I think probably if you look at the university sector with Sydney and Melbourne Uni they've raised more, but there wouldn't be too many other parts of the non-

profit sector that have gone close to that. How did you manage to actually lead that campaign and juggle your day job of being in the business of creating wealth versus giving back to the community? And I gather you hadn't probably done anything quite like that before. Any reflections on having done the role? And there's not too many people I know in Australia who could have pulled off that feat.

MARK NELSON: Yeah it really helps having a great project dare I say it because you can actually speak to it quite convincingly. It doesn't take much to convince people, particularly if they already love the Arts and love the idea of the art. And the Art Gallery of New South Wales is a loveable place dare I say it. Whenever you go in there people actually feel good. You know it's not an austere place at all. It's very friendly and very welcoming and people do like going there. So straightaway you're not asking people to commit to something that they don't already believe is a good thing that helps a lot, that really does. And then really when it's all said and done, I mean I'm a figurehead in this position, the real work, the nuts and bolts is done by the great sort of team you've got around you who are the development team at the Art Gallery of New South Wales. And they're a fabulous group you know, really good. But look there's time honoured sort of methods when you're raising money like that. It's like a pyramid structure. You know you start with the amount you're working to try to get to and you try and get maybe twenty-five percent of that total amount in one gift and then you look at the next level on the pyramid and you try and get you know three gifts of that amount again or four and then after that you narrow it down all the way up the ladder. And you just target it properly and you convince, you try and match up what you're offering whether it be the naming rights to a particular area that has resonance to the people you're going for. There's all those sort of things which in the handbook of philanthropy are pretty sort of well or fundraising are well sort of covered. But in this situation as I said I think it was really just because we had such a great offering if you like or something that everyone didn't need too much convincing and they were very keen to see it occur. Because this town is an art loving town there's no doubt. It maybe doesn't have the history in that area as Melbourne but it's certainly rapidly getting there.

As it is in philanthropy generally. Again Melbourne has probably led that way or certainly led that way for a lot longer given their economic history over the last century particularly. But no Sydney's been terrific now and there is a lot more philanthropic people with sort of ideas, very innovative ideas that are emanating out of here. And I should give a great shout out there to Ian Darling again who as I said is one of the country's great philanthropists. And he was very much responsible back with our Caledonia hat on many years ago in saying that we needed to set up our own foundation internally which we rather imaginatively called the Caledonia Foundation don't know why. And that was Ian and I and Will and our wives Min, Jane and Louise. And we set up the Caledonia Foundation. We were one of the very first PAFs to come into existence and worked on that. And that's been a great success in many ways. Not just for us personally I'm saying in terms of what it's supported and thinking of new ideas and ways to express that philanthropy. So you would know well I think Lou about Ian's efforts or his leadership role in the area of film or documentary. Because documentaries have or can have an enormous effect, documentaries with a social message can have an enormous effect on what they do. And everyone always remembers the Al Gore "Inconvenient Truth" which was certainly like it or hate it it doesn't matter, it did an enormous amount of good in terms of highlighting climate change and there's so many other things that have done a lot of great work. Ian's last film which of course the Caledonia Foundation backed which was "The Final Quarter" which was about Adam Goodes and racism which has had an enormous, again it doesn't matter if people like it or hate it, but it really gets people talking. And that's been incredibly good. As has as the Good Pitch initiative which we did at the Opera House for three years in a row and helped to fund an enormous amount of films there. But the Arts, Ian also as I said has been heavily involved in the Arts, he's more on the performing arts, I've been on the visual arts, but it's nice to be in a position to be able to help when you can.

LOUISE WALSH: Now listen I know you're also passionate about sport. I mean I too have that double passion of Arts and sport. And with you I gather it's particularly cricket and AFL. And I also know that you're the number one ticket holder.



MARK NELSON: And golf.

LOUISE WALSH: Golf as well. That doesn't surprise me actually. But certainly the number one ticket holder of Richmond Football Club in Melbourne and of course you must be over the moon after the latest premiership in what you'd call a crazy year for all sport including AFL. But is there a best sports moment and why? I know that's a hard question but there's got to be one that stands out.

MARK NELSON: Yeah. I mean I think for a prolonged period, which wasn't really a long period of great memories I suppose, but I think the 2000 Olympics was unbelievable here just in terms of being part of it in a very peripheral sense as a spectator, but the environment was fabulous and I went to as many sports as I could in that whole period that was superb. But you're right from an individual basis or at least a personal level the recent premiership with Richmond has been terrific. Last year I was lucky enough to be out on the field with the players with them celebrating as they were getting their medals and all that sort of stuff and a hundred thousand MCG crowd that was a lot of fun. You can imagine that being out in the middle. I did enjoy that. This year was obviously a bit more problematic not being able to go to Brisbane, strange as that might seem, but anyway. Although the week before we played the preliminary final at Adelaide so I was able to go to that which was great. But no it's been enormous fun. And the AFL it's a very well run organisation. Most of the clubs, not all of them, most of them are run very well. Richmond fortunately is run extremely well. There's been millions of books written about sort of the metaphors and the connections between sport and life and sport and business and all this sort of stuff. But a lot of them are pretty true in terms of having the team work and the happiness that it generates and all that sort of stuff, and that's the good side. The bad side's the same where you get fraud and corruption and cheating and all that sort of thing as well. So no I do think it's fabulous. And I love the fact that, well like yourself, that you can actually spread your interests across a variety of areas and not being too pigeonholed in one area.

LOUISE WALSH: Well life's never dull if you can do that and you're lucky enough to do it so I'm sure you are there. But I imagine you've got an incredible memory too for stats and numbers. Now obviously in business but I reckon in sport as well just while we're on that topic, Is there a particular stat worth sharing that blows you away?

MARK NELSON: Well there's a couple. And you know one which I always think is fascinating and his name just came up the other day when I was talking about it but think about the great Herb Elliot you know who as everyone probably remembers won the 1,500 metres gold medal at the Olympics in 1960 in Rome and retired not that long after having never been beaten in competition over 1,500 metres or a mile. And incredibly that time he ran in the 1960 Olympics would have won all but I think three Olympic gold medals since which is extraordinary at the time to think how far ahead he was. But when it comes to stats and sort of out ridiculous performances there's one that just stands so far ahead of everyone else probably globally, although other people outside Australia or outside of the cricket world probably don't really know much about it, but that's Bradman.

LOUISE WALSH: Yeah.

MARK NELSON: Bradman's average over eighty test innings were averaged just under a hundred. There's just nothing like that. And I think, I don't know what you think, but I think batting, especially in test cricket, but batting is the hardest thing in sport. You get one chance at it.

LOUISE WALSH: Yeah.

MARK NELSON: And you don't get a second chance. And it mightn't even be your fault. You might get run out or you might get a dodgy LB or something and you're gone. Even in

baseball you get three strikes at it. Even the bowler in cricket bowls a bad ball I'll have another go. I mean everyone else gets a second go. But being a batsman in cricket is so hard. And this guy averaged just under a hundred over eighty innings. It's just, you can't even think about it, so that's so far ahead of the world.

LOUISE WALSH: Yeah no off the charts. Totally off the charts. Well look lastly, I can't finish without getting your views on of course two all consuming topics this year. Firstly the US election result and what that means for Australia and the world. I know that's a big question. And then secondly COVID and its impact. Especially with your medical background. Over to you for some final thoughts on these two top of mind topics?

MARK NELSON: I think the election it's sort of very hard obviously still to know exactly how that does play out. We know how it plays out obviously Biden has now got in. And I think it looks like with a bit of luck if Georgia does go to the Republicans on the Senate side, which again is up in the air, we won't know that for a while, a fair while yet, but if it does then I think that's probably the best possible outcome for all of us. You know we get rid of Trump but there's still a balanced house of review if you like being the Senate so it can't be sort of all one way. In terms of what it means for Australia well I mean I think our biggest global concern is still China in terms of our relation with China. And that was massively deteriorating obviously under Trump. So you'd like to think that Biden would be far more conciliatory in that area to China which hopefully will follow through to us so that we can do that as well so. That would be the biggest thing to watch there. In terms of the COVID thing I mean look I just like logic. I'm a reasonably logical person and it really annoys me when I see illogical decisions being made in things. And look it was very hard at the start back in February or March when you weren't really quite sure what you were dealing with so naturally a lot of different restrictions and other things were put in place. But it became pretty rapidly clear with all the numbers that were going on around there what worked and what didn't work and I think there's been a lot of dare I say illogical decisions made in Australia in the last few months and exemplified by

these border closures which have just been ridiculous. Well it is. And really what annoys me there, and certainly this is borne out, and I'm sure you've done it too, if you talk to a lot of professors as I do in the medical world and they shake their head and say about the medical outcomes that aren't being addressed in terms of looking at the outcomes in its entirety as opposed to just looking at that COVID situation. And it's very hard to get the exact figures but it looks pretty clear that the health outcomes of the community in total haven't been helped by a lot of these restrictions. So you'd like to see there be some changes there but people are very intransigent. And then people do things for political reasons and that's quite aggravating. And you're seeing that as I said with the different borders. But look it is what it is. I've got great faith and great hope in the vaccines. I think the vaccines, just to digress for a second. You do see after a crisis of any sort crises are usually always succeeded if you like by periods of great innovation. This happens throughout the world or has done for centuries. And often the innovation occurs in things that caused the crisis. So if you got back to the Second World War if you like or any of the world wars really but certainly the Second World War straight after that with the world in ruins the innovation was enormous that occurred. And to be fair as I said some of that innovation was in weapon research, how do we make a better bomb. That actually then led to really the aerospace industry. All our great efforts into space if you like all came about because of that level of innovation that occurred after that. If you think about the financial crisis the GFC the innovation that occurred straight away was, that was a financial crisis how do we address that, and so you had these advances in things like well blockchain and neo banks and a whole bunch of different ways, maybe even crypto dare I say it, to try and see that we won't have that same effect again. And this time this has been a health crisis. So the level of innovation that's occurred in health generally has been unparalleled. And certainly through the Operation Warp Speed as they're calling it which is the race to improve vaccines for this particular virus that's accelerated at a pace never been seen before. And not just because they took away or not took away but lowered the bars to make the time period a lot quicker to get these things to come to fruition but also encouraged different styles of vaccine technology. There was a much sort of theorised style called the mRNA technique which was

a messenger RNA method of producing a vaccine, which had been thought about for years but no-one had been brave enough to have a go at it given the cost and the time. But the FDA basically and the government basically said no no go ahead. And so one of the companies Moderna which is producing a vaccine which is done on that method and so even that turns out to be a bit of a me too it's also now created a whole platform for other vaccines that can be done using the mRNA method which is great. And all these vaccines, some of them are very different in terms of the vector or the carrier that they use to deliver the vaccine, but they all look like they're producing the level of antibody protection that you need which is great. And vaccines typically don't have a lot of side effects because they're very specific to a virus. And so yeah I'm very very hopeful and very confident that they'll all be ready to go pretty soon. And I think the Pfizer announcement a couple of days ago was a great start in that respect.

LOUISE WALSH: Yeah.

MARK NELSON: Although that particular one has a couple of, I won't say weaknesses, but a couple of issues which are specific which are tougher in the sense that it has to be stored at minus seventy degrees which makes it pretty tough to transport or sort of the point of production. And also it needs a booster, which is not a big deal. A lot of vaccines need a booster, a month later. But some of the other vaccines don't need that. The AstraZeneca vaccine, which is done with Oxford University, which Australia has bought or committed to buying a stock of and CSL will make it, it can be stored at I think it's minus four to plus seven or eight degrees so really in any sort of fridge at a GP's practice which is good. And it doesn't need a booster so it's a single shot. So it's probably more, as is the Johnson & Johnson I think it's a single shot too. So yeah no there's a lot of hope there in the vaccine area.

LOUISE WALSH: Well look Mark thanks a million for joining me today. It's been an absolute pleasure. And I know you don't do this sort of thing very often so I really appreciate you sharing the journey. And obviously the different avenues and interests and expertise you've

got has been fascinating. So I just can't thank you enough. I'm looking forward to the 9<sup>th</sup> episode of Conversations with Future Generation, our last episode for the year, which will be released in December. In fact I'm interviewing, you'll know him well, David Paradise ...

MARK NELSON: Oh good.

LOUISE WALSH: ... from Paradise Investment Management who has a very interesting journey as well. And thank you for listening, and thanks again Mark for joining me.

MARK NELSON: Pleasure.