

**HSBC Think Wealth** Visionaries

**Barry O'Byrne**, CEO, International Wealth and Premier Banking, HSBC and **Stephen A. Schwarzman**, Chairman, CEO and Co-Founder of Blackstone

When the world becomes a little unsettled, that's a great time for us to be buying. We developed a whole system involving how we run investment committees, how we do analysis of potential transactions or investments.

Welcome to the Think Wealth series and thank you for joining us. I'm Barry O'Byrne. Today I'm joined by Stephen Schwarzman, Chairman, CEO and co-founder of Blackstone, a leading global alternative investment firm. Steve, thanks for being here today. I'm really looking forward to our conversation.

Steve, when you think about the principles that've shaped your approach to risk, patience and durability when it comes to investing, what comes to mind?

First of all, we have a basic concept of never losing money.

We developed a whole system involving how we run investment committees, how we do analysis of potential transactions or investments. Everybody comes with questions and concerns about what the assumptions are that drive our investment decisions.

By the time we finish, we really know whether an investment we're about to make has any real downside. And if it does, we won't do it. We love upsides too. We do those. Or else you couldn't be the biggest in the world the way we've evolved. So there have to be upsides. But the downside is what we really worry about.

What advice would you give to potential clients as they think about the volatility that we see increasingly?

We look at basic valuations and we say, "What areas are going to be great". When the world becomes a little unsettled, that's a great time for us to be buying. We buy for the long term; we buy around themes.

Access to private markets is increasing. Why does that matter from a wealth perspective and as investors think about creating their portfolios? About 90% of companies are private. What we're good at is finding that 90% of the rest of the world what to buy.

How can we make those companies better so that when we sell them or take them public, our investors can make returns that are above what you can typically do in the public markets.

There's a huge array of areas where we've pioneered, where we can give the public access to something they simply couldn't get.

You've been involved in AI for a long period of time. How does it shape your thought on investing and also on the way you run your operations?

We've been involved in AI since around 2015. So, when it really broke with ChatGPT, and other types of developments, we became the largest in the world building data centers. Then we learned that the world's going to need more electricity to run AI. So, we became huge investors, in the whole electric complex.

We now also spend a lot of time thinking about which industries are going to get hurt, where you have to adapt. This makes you think differently. AI is going to make an impact on everything.

Pharmaceutical drug development ought to triple. Education will be able to educate almost anyone anywhere in the world who has a smartphone should be able to get exceptionally high, individually engineered education that can change the output of whole continents.

How do you think about running the company for impact versus long-term returns?

The way we run the business is what's the right decision in every case to build value for our investors, our customers, and we do it without reference to the amount of time it takes, but just the amount of value that we can add so that we can have really terrific returns.

Steve, thank you so much for sharing such incredible insights.