

dakota

EPISODE 138:

CIO Insights with Caprock's Vivek Jindal: Building Portfolios Across Public & Private Markets



Robert Morier: Welcome to the Dakota Live! Podcast I'm your host, Robert Morier. The goal of this podcast is to help you better the people behind investment decisions. We introduce you to chief investment officers, manager research professionals, investment consultants, 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 our Dakota Live content, please check out dakota.com to learn more about our services. Before we get started, I need to read a brief disclosure. This content is provided for informational purposes and should not be relied upon as recommendations or advice about investing in securities. All investments involve risk and may lose money. Dakota does not guarantee the accuracy of any of the information provided by the speaker, who is not affiliated with Dakota. Not a solicitation, testimonial, or endorsement by Dakota or its affiliates-- nothing herein is intended to indicate approval, support, or recommendation of the investment advisor or its supervised persons by Dakota.

Today's episode is brought to you by Dakota Marketplace. Are you tired of constantly jumping between multiple databases and channels to find the right investment opportunities? Introducing Dakota Marketplace, the comprehensive institutional and intermediary database built by fundraisers for fundraisers. With Dakota Marketplace, you'll have access to all channels and asset classes in one place, saving you time and streamlining your fundraising process. Say goodbye to the frustration of searching through multiple databases and say hello to a seamless and efficient fundraising experience. Sign up now and see the difference Dakota Marketplace can make for you. Visit dakotamarketplace.com today.

Well, I am thrilled to welcome to the Dakota Live! Podcast Vivek Jindal, chief investment officer at the Caprock Group. Vivek, welcome to the show.

Vivek Jindal: Thank you for having me. And thank you for having me in Philly.

Robert Morier: Yeah, thank you for being here. It's always a pleasure when people come to the studio, they get to experience the space. And as you know better than anybody, being face to face always is much better than being over the phone or via video. So, thanks for being here.

Vivek Jindal: Absolutely.

Robert Morier: And we also have another guest on the desk, Nick Butts making his inaugural visit to the podcast desk. You've done others before. But I think this is your first Dakota Live Podcast?

Nick Butts: It is pleased to be here.

Robert Morier: OK. You're up from Richmond. Is that right?

Nick Butts: I am, drove up this morning.

Robert Morier: And you've got a baby on the way.

Nick Butts: We do, less than a month out.

Robert Morier: Less than a month out. All right. Well--

Vivek Jindal: Congratulations

Nick Butts: Thank you. Thank you.

Robert Morier: So, this is probably a vacation now.

Nick Butts: Yeah, this might be it. This might be my last travel. Yeah. Something tells me.

Robert Morier: Well, we're thrilled you're here, Vivek. We are thrilled you're here as well. Thank you for taking your time out of your schedule. We know you're very busy right now. So, thanks for being here.

Nick Butts: Absolutely.

Robert Morier: Well, before we get started, I'm going to read your biography for the audience. In his role as chief investment officer at the Caprock Group, Vivek leads the firm's investment platform, overseeing portfolio construction, manager selection, and investment strategy across public and private markets. He is a member of the firm's investment committee and plays a key role in sourcing and underwriting opportunities across private equity, venture capital, private credit, and real assets.

Before joining Caprock, Vivek served as chief investment officer at Core Private Wealth and was previously associate partner and head of growth and private markets at Corient. From 2018 to 2021, he was a principal in investments at the Charles and Lynn Schusterman Family Philanthropies and Schusterman Family Interests, where he focused on private market allocations with a philanthropic lens. Earlier in his career, he held investment roles at Blackstone Alternative Asset Management and Corbin Capital Partners, and he began his career in the transaction advisory services group at Ernst Young. Vivek earned a Bachelor of Science in finance from the NYU Stern School of Business. He is the co-author of a published research paper titled The Topography of Hedge Fund Returns, which analyzed return dispersion and concentration across hedge fund strategies using HFR data. Outside of work, Vivek is passionate about using capital to drive social impact. He previously managed the rainy-day fund for the Robin Hood Foundation and remains active in philanthropic and community initiatives. He currently resides

with his family in the New York area. Vivek, thank you for joining us today. Congratulations on all your success.

Vivek Jindal: Thank you so much.

Robert Morier: Congratulations on the new role.

Vivek Jindal: Thank you.

Robert Morier: How are you feeling?

Vivek Jindal: Good. Pretty good, I'd say. It's fast paced. It's whirlwind. But it's awesome. The people are awesome. The platform is awesome. What I do, I love to do every single day. And honestly, I couldn't ask for more.

Robert Morier: OK. Well, congratulations. I'm not going to ask you to dissect the last three months. But we'll get into the top-down views that you're thinking about. But we always try to start with the beginning-- I can't help myself. I'm a professor at Drexel. I just came out of a Camp Business. Kids apparently go to camp now during the summer to learn business. When you think about your days at NYU, what were you thinking about, in terms of career? Did you have a sense of your path?

Vivek Jindal: None, honestly. And I applied to NYU when I was in high school, and I applied early decision. And I did not if I was going to get in, but then I got in early. And senior year of high school was a little bit of a blur afterwards, because you don't have to worry about college admissions. When I was thinking about colleges, I did not think about NYU. I did not think of the city. I was a small-town Jersey Shore kid. We visited it once as a family. And I said, I could probably go here, just understanding that it was close to home, close enough to home that it was a good program, and that I want to do something tangentially within business-- no idea what that was. I had a dual major, finance and marketing. I thought I was going to go down the marketing path because it was super interesting to me, in terms of brand awareness and thinking about what people buy, and the tangential awareness of what brands mean and what you can hold in your hands and what you can buy. But I get to school. And NYU, for those that don't know, Stern at that time-- in the early 2000s, especially very heavy in pushing people towards investment banking. And that not a bad thing, not a good thing, just stated fact of what NYU was pushing within the city. A lot of people went in investment banking. I ended up not going that route. But that's really the beginning of when I thought, OK, let's narrow this down a little bit more and say, I like business. Maybe marketing is not for me fully because I'd went down that major path. Let's figure out what I want to do instead. And then it started to go towards the investment management side, the banking side, et cetera. I really had no-- I mean, I probably

had no idea what I wanted to do in my 20s either. But I had no idea what I wanted to even go after from a professional career until my junior or senior year. And that's when it really started to click a little bit of, OK, let's start to work towards a mindset of doing something within maybe the investment management space, maybe the banking space, maybe the sales and trading space, and take it from there.

Robert Morier: What's the advice you would have given yourself back then, now that you're sitting in this seat today?

Vivek Jindal: Same thing I would tell interns, honestly, now-- is talk to as many people as possible. I went to a Happy Hour end of my junior year. I forget the name of the bar now, but somewhere on Union Square West. And I talked to someone from Goldman Sachs. And it was kind of eye opening because they asked me two questions-- what I really like to do. And they zeroed in on, oh, you just said you really like to talk to smart people and have a conversation and understand how things work, markets and banking, et cetera. So, they asked me that. They also asked me, which was really interesting, if you weren't going to go into finance, what would you be doing? And I had an answer for that in a second. I joke around about this because it has varied from history teacher to librarian. But I think at that point, it was librarian. Reading meant so much to me. And the love of reading that I had and being able to help younger people figure out what they want to read and how they want to get into reading, that really stood out to me, in terms of, well, if I wasn't going to be doing this, I'd be doing that.

Robert Morier: Yeah, that's wonderful. Thank you for sharing that. I appreciate it. You've had a very interesting career. You're at Caprock now. But when you think about Corbin-- you were there for nine years. What did you take away from that experience as it relates to manager research and portfolio construction, the skills that you were able to carry forward as you think about today?

Vivek Jindal: I came in on the risk team at Corbin. And I had a statistical background, obviously the undergrad side, but I think that I'm strong on the mathematics side as well. And that's what really put me into that position. Small team, fund to funds risk-- for those that don't know Corbin, it at the time was a hedge fund of funds. Now it's evolved into other things, including private credit and other aspects of alternatives, but at the time really focused in on hedge fund investing. That was their bread and butter. So, from a risk analytics standpoint, you're not getting real-time data on these underlying managers. So how are you painting this picture of specifically what can go wrong? Because we know what can go right, right? You're investing in a long-short equity manager. You're investing in a macro manager. Everyone has a good story. Everyone has a good investment process in their PPM or in the way that they discuss it with potential LPs. So, what are you focused on the risk side of what can go wrong? And what can you do with incomplete data? And so, we're looking

at returns data, which past performance is not indicative of future performance. But then you're also looking at incomplete, but at least some picture, of exposure data. And so, you put that together. And we had a proprietary risk system that we built in house at the time. Put that together, and you're trying to paint a picture of, OK, where does this manager lie on the risk spectrum and the risk curve? And then I migrated over from the risk team to the investment team a few years in. And for me, the aha moment was to be able to match together the quantitative as well as the qualitative. We're in the doors at XYZ well-known hedge fund or XYZ emerging manager hedge fund. And you're talking to them, and you're looking at the exposure data, the returns data. And you're matching that with the qualitative arguments that they're coming to you with. You're asking a ton of questions. You're walking through investment examples. And hopefully, you're getting a picture of how this person or how this fund or how this team is going to perform over-- not a small amount of time. It takes a long time to underwrite these positions. You don't want to whip this book around on a yearly basis. But what is the time frame that you're setting, 3, 5, 7, 10 years? How do you think this manager is going to perform over that time period? And it's absolute return. It's relative performance. Obviously, it's exposure-adjusted performance. And you hopefully can paint a good picture. And I think the risk background, which honestly, at the time when I first took it, the risk side-- and I really did want to be an investor. I thought, oh my god, what am I doing? I'm going to be trapped in this seat forever. The best move in my career, hands down, was doing risk first and foremost.

Robert Morier: I could see that. More often than not, when students are asking about what they do, in terms of asset management and finance, risk management, operations, learning the language of the business so you can think more holistically once you drive into something specific, whether it's manager research, underwriting, managers it sounds like you're probably still carrying a lot of those lessons forward into to what you're doing today.

Vivek Jindal: And you asked about, what would you tell someone, I was 19 or 20 or 21, I can't remember at the time. And same thing I would say to interns or anyone that's young in their career the more varied experience that you can have within the investment management side, whether it's risk, whether it's operations, whether it's marketing, that's going to make you so much more valuable as an investor. I cannot stress that enough.

Robert Morier: I have a question for you. Regarding networking-- I hear this often from guests that come into the classroom, the importance of expanding your network, talking to people. What is it about what you've been able to succeed with, as it relates to building this network of investors, GPs, LPs, colleagues-- what's helped you, in terms of being able to build that skill set? It's so qualitative, but it's almost a question you ask a manager. Like, how did you do it? How do you source an idea?

Vivek Jindal: In the most concise way, don't be a jerk. Let's be honest. People want to spend time with good people, obviously. And they want to grab a coffee or grab a drink or have lunch or have dinner. Those are the soft skills that matter. But realistically, OK, so what are you doing it for? On the colleague standpoint, as an allocator, being able to talk with a lot of people in the space, whatever the asset class you cover, when you walk away from a meeting, or when you're trying to source a manager, or when you are going down the path of diligence, you can make a phone call. You can write an email. You can chat with someone. And you can get a better reference on a GP manager or a sector or a space in five minutes than you could if you put your head down at the desk and did all the quantitative stuff and the qualitative stuff that you can on your own. And so, the network effect really matters. And especially at my age, the people that you were, quote unquote "networking with"-- and networking in your 20s is fun, right? You're going out all the time. You're having fun. Those people grow up with you in the business. And those are now senior allocators, or senior IR professionals, or people that are running their own funds. And so that matters. On the other side-- again, I joked at the beginning of this answer of, don't be a jerk-- it's very true. There's a lot of people that control money on the street. There's a lot of people that allocate money. People are going to be nice to you if you're allocating money and you have a check to write. If you can be nice as a human being away from the check-writing side, away from the day job side, and actually have a conversation as a human being, it pays off miles more down the line. It pays off in terms of diligence. It pays off in terms of job search. I can't tell you the number of jobs that I've been in contention for because someone just puts my name in because, hey, you definitely want to work with this guy. He's smart. He's capable. There's a lot of smart and capable people on the street. But he's someone that you can work with. And from a good-person scenario-- hopefully, knock on wood, I'm not giving myself some evil eye here. But from a good person's standpoint, hey, he's a good guy. And I used to think about this. I used to get labeled a culture carrier at a lot of stops. And that killed me back in the day. Because do you think I'm not a professional? Do you think I'm not a practitioner? It's the practitioner and professional plus that, where this is a person that can go in between different groups. People like to hang out with you. People like to talk to you. People like to actually converse with you. You can get stuff done inside an organization and outside of an organization because people have a good perception of you.

Robert Morier: Was it the importance of culture and mission that took you to Schusterman, or was it something different?

Vivek Jindal: Combination of a lot of things. It's funny you say that. Because at the end of my tenure there, I actually wrote Stacy Schusterman, who is the person who runs the foundation. And obviously, she's the second generation of the family. I wrote her a nice note because I said I'd never really worked at a mission-driven

organization like this before. I had done things with Robin Hood. I had done things at Corbin. I'd done things at Blackstone for pensions or foundations, but never inside the walls specifically for a foundation. And it was an eye-opening experience. So going in, I did not have the same level of awareness as I did go out. But yeah, there is an aspect of it where you say, OK, what do I want to do? I was coming out of Blackstone. I really had not been on the family office side, so I really was going after that. And I was fortuitous in the way that I wound up working for Sender Cohen at the Schusterman family. And then as he's describing the initiative of the foundations, I'm learning about it. The combination of the family interest and the foundation side, it was a no-brainer on my side to take that job.

Robert Morier: What did you take from that job? When you think about the skills that you developed working in that type of nonprofit setting, mission related-- you said like no one else you'd ever worked for before. So, what were those distinguishing features that you find, again, that you're carrying forward into today?

Vivek Jindal: Not to sound cliché about it, but that money can do good. You're working on things, whether it's social justice, whether it's green economy stuff, whether it is working towards a specific goal of, OK, let's make the world a better place. That is a cliché. But I talk about this a lot. I think about this a lot. Money can do good. And you see that from the family offices who are supporting philanthropic causes, from people that have set up their own foundations, from anyone that is putting money towards a cause, whether it's just through a passive donation or more active. There is an ability to hopefully-- I mean, change the world is a strong phrase, but at least push towards change, even if it's at a small and slow pace, where there is an aspect of being able to put money behind those causes. Being able to create and compound wealth so that other things are funded over time. That was a goal for the foundation, was, hey, can we compound wealth in the foundation so that the next generation can continue on the mission and then the generation after that? And that's a wonderful thing to think about of, OK, post my investing career-- and probably post when I'm here on this Earth-- those dollars that I made during that time frame hopefully are going to fund things that are going to change the world over a longer period of time.

Robert Morier: Did that make you or permit you to look at asset classes differently? Did you start thinking about long-term investing? Let's say-- take something like venture capital, for example, relative to maybe more public markets if you were working with a hedge fund, a long-short equity manager, for example.

Vivek Jindal: Yes and no, because it's the usage of the capital, I'd say. There's the family office side. There's the foundation side. We had, in my mind, risk metrics for both of them, return metrics for both of them.

Robert Morier: Always going back to that risk.

Vivek Jindal: Exactly, no pun intended-- time periods for that side and liquidity needs for that side. And so, what we're investing on behalf of the family, what we're investing on behalf of the foundation, very varied. And that's very much true in all my stops now, whether it's Cor, whether it's Caprock. I think about that from a client mentality of, I'm looking at this portfolio. And I'm thinking from a liquidity side, from a risk standpoint. And then also, there is a lot of philanthropic investing and impact investing. At Caprock specifically, how are we thinking about that portfolio over a long period of time for the usage of that capital? And what is it supposed to go towards? It is an input, but it has to stay an input. It can't be the only output.

Robert Morier: Did you have a definition for impact? How do you think about impact, at least in that seat?

Vivek Jindal: It's the only type of investing that is so personal to every single person, where if there's private equity investing for a specific portfolio, on the margin, maybe it's going to be different, large buyout versus growth versus mid-market versus X versus Y. But in general, I'm looking at it from a top-down view of, OK, I really like what this sector's doing right now and a bottoms-up perspective of trying to find the best manager, trying to find the best deal. Someone who is an impact investor, they only may want to do social impact investing. Someone else may only want to do faith-based investing. Someone else may want to do water rights or criminal justice reform or things of that nature. And the aspect of tailoring a solution for an impact-minded investor or family, it's hard because it's a lot of conversations. It's rewarding, though, when you can match up a really good impact investment with a family that wants that type of impact investing, and they can achieve their goals. And you do-- again, not to sound too cliché, but you do feel good about-- OK, I'm doing something that is hopefully going to make a change in this world, especially for what these people want.

Robert Morier: That's wonderful. Thank you for sharing.

Vivek Jindal: Yeah, of course.

Robert Morier: You've recently stepped into the CIO seat at Caprock. Rather than taking an advertising break, I'm going to let you take three deep breaths, because it's probably the first three you may have taken in a while. Like, really, take it easy. Suck it in before we start asking you about your vision. But that's really what we're so interested in. Having someone who's stepping into a CIO seat at a firm like Caprock is really interesting from our perspective. We get to actually watch you with the whiteboard. So, what have those first 100 days looked like for you in the role?

Vivek Jindal: It's been great. I'll start off with the greats standpoint and then say interesting below. Because you are building-- look, I've had CIO experience, obviously, before. And I've had a bunch of vaults experience before. I've had public markets exposure before, experience before. And so, when you step into this role, you have a baseline of the way you want to do things and the way you think things should be done from a process standpoint, from a team standpoint, from a firm standpoint. And a lot of that matched up before I joined. Because that was the conversation with the entire firm and thinking, oh, this is a place I could definitely hang my hat for a very long time from a culture standpoint, from a process standpoint, from what they believe in. Caprock does a lot in alts. I think there's a lot of alphas to be made in alts. They are buyers and big believers of it, as the client base. The aspect of the whirlwind side is, hey, there's a lot of money here. There's a lot of clients. My goal always-- and I brought this from the Schusterman family to Corient and now to Caprock-- is, how can each of these portfolios and each of these families, regardless of the wealth, be treated as single-family offices within a multifamily office construct? And that's where the interesting part comes in. And it's a lot of work. It's not a turnkey solution because we don't run model portfolios for that reason. It's not the normal 60/40 portfolio or 50/25/25 with alts. Every single client portfolio is a conversation between the advisor and the client. And my job is to stock the shelves with as good investments as I think. Again, going back to the risk side, I always think about, let's skew the risk reward in our favor on every single investment. Not everything is going to be a top decile performer. But if you skew the risk reward as much as possible in your favor on each of those investments, we're hopeful that the portfolio is a top decile performer. And those conversations with the advisor and the client, that's really where they're going shopping. They're taking the investments off the shelf, bring them to the checkout line. And that's where they're creating portfolios. But it is a conversation. And I'm having a ton of conversations with advisors. I'm having a ton of conversations with clients, internal conversations with my team on the research side. And we're coming together and really building out this platform. Now, the really great thing about Caprock is, they have an established platform, and so we're not starting from scratch. And the former CIO, he's still there. He's not going anywhere. He's a great human being. He's been an incredible partner to me, conversations on a daily basis. He covers a lot of clients as well. And he has great macro thoughts and fun thoughts. So, all of that has been really great, in terms of getting me going and hitting the ground running-- but yeah, tailoring that solution on a family-by-family basis to really, hopefully, create a single-family office solution. It is a lot of work. It's an awesome way to invest. And honestly, I wouldn't have it any other way.

Robert Morier: That's great. How do you scale that effort? I'm sure you were asked that during the interview process, not to guess what was probably asked of you. But I'm hearing customization, tailoring, bespoke, treating every family like a single family. It's not just capital intensive, it's time intensive. So, when you think

about the business and the growth of the business, what are some of your preliminary thoughts?

Vivek Jindal: From the aspect of scaling it, I mean, look, we couldn't do it if we had 500 different alternative managers that we had to pay attention to. It is thinking about someone's portfolio. And the advisor and we are talking and saying, middle market PE makes sense here. Venture makes sense here. Hedge funds don't make sense here. Private credit makes sense, but open ended less so than closed end, creating that top-down view of what the portfolio should look like and then bringing managers into the fold. And am I doing 40 managers a year? Absolutely not. But a handful of managers in each of those segments because we have managers that are obviously rolling off. So, some of these are re-ups, a few direct deals. And then thinking about structures, whether it be single one-off managers, or a commingled structure. In venture, co-mingled makes a lot more sense for us. And I think it makes more sense across the board because there's only so much capacity at the best venture managers, like a Menlo, like Innate VC. And so, if you do that in a commingled structure, you're allowing others to get access to that instead of, we have a \$10 million check of capacity at a manager. That, in a commingled structure, makes a ton more sense than individual checks rolling in. From a scale standpoint, look, we a strong team, which is great. And then take the alternative side away from it for a second. On the public side, we've done a lot on the tech platform side. So, shouting out a few names here, but we do a lot with Quantinno on the tax loss harvesting side. They're growing. We do things on both the public equity and public credit side, where it's not just picking ETFs, SMAs, and mutual funds and talking to a bunch of wholesalers. We can create characteristic-driven portfolios for what a client wants-- tax efficiency, munis, specific aspects of investment grade or high yield on the credit side. And then on the equity side, we can really put in a programmatic platform solution within equity that allows us to say, OK, we want exposure to these indices, but then we want to ramp up certain factors. We want to ramp up certain sectors. We want to ramp up this and allow our clients to actually own the underlying stocks as opposed to ETFs, mutual funds, SMAs, which we also do and is a great way to invest. But this other solution provides a lot of scale, not only for us, but a lot of scale for the underlying clients.

Robert Morier: It makes sense, those tools creating efficiencies.

Vivek Jindal: Yes.

Robert Morier: Thank you for sharing that.

Nick Butts: Yes. Vivek, what drew you to Caprock, ultimately?

Vivek Jindal: Honestly, across the board, it's the culture. I've worked at-- not a lot of places, but I've worked at a bunch of places. I think I do better at smaller

organizations, first and foremost. It's not that Caprock is this minuscule, one-office place. But it is smaller in terms of, these are the amount of people that we have. We have offices across the country. We handle a lot of clients. But it feels like a small organization from a cultural standpoint, from getting to know people, from being able to get stuff done without a bunch of red tape and bureaucracy, without having to run things up the flagpole constantly, from also knowing what's going on in people's lives. I know that's the soft aspect of working at a company. Everyone knew what was going on in everyone's life in a good way. And you're not hanging out with them constantly on the weekends, or you're not doing everything together. I'm not saying that you have to do that as a firm. But it's fun to hang out with people. And you don't regret going out for a drink, or you don't regret going out for dinner with someone. And when I was talking to the folks at Caprock, that was a big part of it. The family-minded side of what they do, I think-- I told them about my family. And people are already invested in asking me about how my family's doing, asking about how my kids are doing. Stuff like that matters. And then as I got to know the firm more from an investment standpoint, you have to go to a place where the investment mandate and the investment process and how they invest is how you'd invest your own capital. And that was a big one for me. If I was my own patriarch of my own single-family office, this is how I'd like to invest. I'd like to be nimble. I'd like to be able to scale. But I'd like to be nimble to the point where I can look at direct deals. I can look at funds. I can look at things that are impactful for me-- no pun intended, but impactful for me on the impact side-- and solutions that we're not just thinking about it the way that we thought about it 20 years ago. It's ever evolving. And so that was a big part of it. And then the last part was, they are growing as a firm. There's expansion, in terms of acquisitions. They cemented one last year or a year and a half ago. They are bringing in more advisors. You can't stay stagnant in this business on the multifamily office side. You do need to grow. You need to bring in new advisors, new clients, also new ways of thinking about things. And so, the growth aspect of what they're doing very much appealed to me. And you combine all those things together. And you say, could I realistically spend the rest of my career here? And when the answer was yes, that's when I wanted to fully move forward with it-- obviously had to impress Caprock as well. It's a two-way street. But I believe I did a good enough job there since I got hired. But the organization itself, from a growing standpoint, from a cultural standpoint, from an investment standpoint, it really meshed with the way that I think about the world in life.

Robert Morier: How are you going to split your time geographically? So, when you think about the offices and your team-- so maybe two questions in there. One, how are you to be splitting your time, in terms of in the air? And then the team today-- what does the team look like?

Vivek Jindal: From a practitioner standpoint, we have private markets coverage on the West Coast. We have it in the middle of the country. We have public

markets coverage and expertise in the middle of the country. We have it on the coast. We have impact investing expertise across the entire country. And so, from a great aspect, one, you have coverage in different time zones because our clients in different are in different time zones. Two, I'm able to fly around the country. And if I'm going out to, let's say, the Bay Area to see a bunch of venture managers or to go to some summits, I'm sitting down with my team out there. We have someone here in Philadelphia. So, after this, I'm probably going to grab drinks with her. I go to Chicago frequently. I am concentrated on seeing the team as much as possible in person. But obviously, we do a lot virtually as well. And then from a client perspective and a prospect perspective, that's a big thing, for me to be able to reach out and physically attend what I can attend. But Zoom and Teams has been fantastic, as everyone knows from the COVID days, of being able to be connected across the entire globe, but specifically within the United States, to reach out and talk to anyone that we need to at any time.

Robert Morier: I can imagine a lot of the asset managers listening in are sweating right now. They're like, well, where do I go? Where do I start? Who do I call first? All of these offices. That aside, how do you think about sourcing? So, when an asset manager is interested in doing business with Caprock, you're interested in a specific asset class, maybe even that manager. What does that sourcing process look like for you?

Vivek Jindal: I have, I think, what is a healthy ego on the investment side. But I don't have an ego, in terms of where the best idea comes from. And that's a good thing, because some of the best ideas that I've invested in have not come from me. And so, we are open-- we get a lot of inbound from clients. We get inbound from advisors. People reach out to my team members. And they have the autonomy, obviously, to take meetings and to discuss. But it is a collaborative process. And eventually-- always, obviously, winds up on my desk. That's from the ecosystem side of what Caprock is. Away from that, my sourcing network, it is conferences. It is my peers. It is other GPs. We have gotten, in my career, good venture access to emerging managers from very established GPs of well-known funds that will email me and say, hey, this guy's starting out with \$150 million vintage one. I'm going to invest. You guys should take a look. That's a very high praise from someone saying, hey, I know you're invested in US, and you're probably filled up on the allocation. But there's this guy that I also think very highly of. And oh, by the way, we're probably going to use them as a deal sourcing platform because they do really good work. Those are really good manager introductions. It is an ecosystem approach. There's no one way to do it. And that's a good thing. I think for allocators and IR professionals that are listening to this, attending in-person events is huge. Going to the AGMs, and not necessarily for just listening to the GP, but talking to people in the halls-- I think going to the conferences-- there's really good conferences across all asset classes. You have to zero in on them and find the ones that you want. There are great introductions across the board. And especially

if you're sitting in a market, such as New York or the Bay Area or Chicago or Texas or wherever, Miami, that has lunches and dinners and drinks that you can attend-- again, it goes back to the first thing that we talked about of expanding the network, but in a not sleazy way, in a fun way. Do it as much as you can because you never what's going to come out of there. And you can have that ability to ask, hey, I'm looking at, I don't know, biotech venture or late-stage venture. What's everyone's thoughts on X, Y, and Z and any new managers? And you usually will get a fair amount of feedback. People like to talk ideas, and people like to talk about what works and what doesn't. And you can get honest opinions. And you can really move on into a good sourcing and diligence phase from there.

Robert Morier: That's great advice, especially for those asset managers listening. And thank you for that.

Nick Butts: So, Vivek, you mentioned some of the tools that you've used to help support the manager research process. What's your approach to scaling that manager research without diluting the quality of diligence or losing that allocator edge that comes from that deep hands-on work?

Vivek Jindal: Yeah. You've got to use systems, absolutely. And to scale, you need to use systems. So, when we think about even just keeping notes, having a good CRM. Push that forward to a risk system. And a risk systems matter, in terms of what you choose. But as long as you have a functional one, where you can input data and have something spit out from a return standpoint, from an exposure standpoint, especially on the hedge fund side. And then you go deeper in terms of sector exposure, specifically in terms of private markets. Because as you're building out your private market's portfolio, you don't want to have it come to pass 10 years into investing into a bunch of funds, oh, man, I invested in only AI products. They're all different sectors, from health care to industrial to fintech. But the underlying exposure is all AI. Tracking that as you build out a portfolio, tracking exposure data, tracking meeting data, tracking qualitative notes, I started to do a lot of that. This goes all the way back to the Corbin side, when I would take on projects and say, OK, I'm doing the risk side. But I really want to read through all of these hedge fund letters. And I would cross-reference names. This was I'm dating myself now. But this was before there was any ChatGPT, obviously, or Copilot and I could feed letters into something. It was going letter by letter and writing down the tickers and saying, OK, this is the most-talked-about ticker in this quarter, and these funds all own it. And it was overlap of positions. And that was the beginning of understanding how we should build out portfolios, so it's not so concentrated on single names. And that was in the public side, obviously. Expand that on the private side, it matters even more. Because you're looking at, again, incomplete data sets, especially what comes out of venture. But you're able to circle, at least, around the idea of what I own in a full portfolio from an exposure standpoint and make sure you're not overexposed.

Robert Morier: Two philosophical questions for you, investment philosophy. We don't have to get into Socrates right now. But two philosophical questions and I'm so interested to hear answers, particularly given your risk background. Your view on concentrated managers versus diversified-- so the value of diversification, I think we all understand. But when it comes to concentration, it seems like, at least on the public markets side, managers are getting more and more concentrated. How do you view concentration in a public market's portfolio, just your overall views?

Vivek Jindal: I don't mind it because I'm also creating a diversified portfolio for my clients. And so, I can tune the diversification dial up and down as I need on a full client portfolio. Look, I think some of the best managers that have done it on the hedge fund side-- and this goes back a long time. But take a manager like SRS. Karthik Sarma, he put a lot of money into concentrated positions, and it's paid off over periods of time. Now, he's had volatile periods. He's had nonvolatile periods. But he takes big bets, and the ones that pay off pay off. Now, if you're looking at that from a full portfolio view, most of the time-- at least, I would hope, from an institutional manager framework or even from a private client framework-- that's not your only public equity exposure. Forget hedge funds for a second. That's not your only public equity exposure. So, you have to look at that from a full portfolio view. I do like concentrated managers. On the public side, it's easier to talk about that, obviously, because those positions are listed, and you've got the quarterly report. Private equity, it's going to be concentrated in nature. You're just not going to expand the portco amount, because the amount of work to get into those positions and then manage from an operational standpoint and a leverage standpoint and from a lot of different facets, it's a lot of work. It's an operationally intensive business for the private equity manager. So, you're not going to see massively diversified portfolios. It's not going to be three names, but it's not going to be 50 in a specific vintage. Venture is a different story. Venture, on the concentration standpoint, you do want to see that diversification, especially if you go seed stage, series A, pre-seed. The law of averages or the law of venture I don't what the exact amount is, but probably 30% to 50% of those portcos are probably going to be 0's. It may not be that high. It may not be that low. It's somewhere in between there. But they're going to take smaller bets in the beginning on certain things. And they're going to do follow-on rounds. And the best venture managers are going to make sure that positions that are winners are larger from a slugging percentage than a batting average percentage.

Robert Morier: Is that an area, then, that you would consider fund to funds?

Vivek Jindal: Creating our own fund of funds, yeah. And that's what we've tried to do. We have a comingled product. Now, when we say fund of funds, we don't put any extra fees on this. So, the structure of it is comingled without any extra layer of

fund-of-funds fees, but we're doing it in a commingled structure to provide that diversification, not just across managers, but across sectors, across different asset classes in terms of exposure. And that's not asset class, sorry, but in terms of stages, so pre-seed, seed, series A, series B, however far you think venture actually hits before we get to growth equity.

And most importantly and this, I cannot stress enough in venture specifically, in terms of vintage years, if you go back and you talk about venture in, I don't know, let's say the 2010 time period versus 2018, maybe not an average manager in 2010, but an above-average manager in 2010, that return is probably going to outpace some of the guys in the 2018 vintage time period, just because of valuations and just because of what we were seeing in venture. And so, we create those structures. And again, you go back to, OK, choosing Caprock because of the way that they invest philosophically. That's how I've invested in venture my entire life. At the family office, it was a diversified pool of venture managers. We didn't have, obviously, to do it in a commingled way. But in a multifamily office approach and in a private client approach, just having one venture manager in a client's portfolio, that's a tough thing. You need to have exposure across a lot of different things because that's realistically how you're going to create a return.

Robert Morier: Yeah, it makes sense. And the commingled fund structure also makes a lot of sense, particularly given your goals of creating a more bespoke experience for your clients. So having optionality into various sleeves is very sensible.

Vivek Jindal: If clients, whoever we're working on behalf of, want to increase their exposure within specific sectors, within specific asset classes, having the diversified effect within a commingled structure is great. And then hey, I really like AI. Or I really like biotech. Or I really like fintech. Increasing your exposure alongside that comingled side with a manager, either through investing as an LP in the GP structure or investing in the co-investments and the direct deals that we're getting from the flow that we're receiving from all these GPs, that's a wonderful way for a client to be able to be, quote unquote, "overexposed" in a good way to specific sectors, vintages, asset classes, et cetera.

Robert Morier: That makes sense. The second part of that philosophical view, generalist allocators versus specialists when you think about your team or even building out your team over time, how do you think about roles and responsibilities?

Vivek Jindal: I like the vertical mandate of, hey, here's someone that's focused on real assets and real estate. Here's someone that focuses on impact. Here's someone that focuses on privates. Here's someone that focuses on public. But it's never going to be siloed to a point where people are not talking. We have the person who has stepped into impact talking to our head of real estate because

there's-- maybe it's a farmland deal. Or maybe it's a sustainable ag deal or a sustainable ag fund. And they're collaborating on that. Or the person who's working specifically on private credit and private equity, they absolutely need to what's going on in real estate, and they should what's going on in impact. And honestly, they need to understand what's going on the public side a lot because you can't really do private credit unless you understand what's going on the public credit standpoint. So, it is cross-collaboration across the board. I sit, obviously, in a generalist seat, in terms of what I need to look at and what I need to do. I want the people working under me to be more specialized but not specialized enough where they're not conversing and where they have blinders on to the other asset classes.

Robert Morier: You mentioned this a little bit with the commingled structure, but not just access to alternatives, but a very intentional and thoughtful approach, underwriting approach to alternatives. And given your experience across venture, private equity, real assets, where are you seeing the most mispricing of risk today? And how are you positioning portfolios to really take advantage of that?

Vivek Jindal: I'm speaking my book right now. So, I will give a shout-out to--

Robert Morier: We'll put a disclosure on.

Vivek Jindal: --yeah exactly, to the next of our commingled funds that we're raising right now. But I do think venture is mispriced, especially when you're looking at the seed and pre-seed level. You do see valuations on the later-stage growth side still start to balloon. And some of those are warranted. I know Anthropic just raised or is in the process of raising, and the valuation is going to be high. But what they do specifically-- could they grow into that valuation much higher? Yes, absolutely. And so, you're seeing this disconnect, though, between the valuation side on the later stage, growth equity rounds, whether it's Andriole, Anthropic, Databricks, things that have priced recently, versus what we're seeing on the pre-seed, seed, and even somewhat to the series A, in a good way. Two things are happening. There is valuation discipline coming from the VCs that are investing in that space, which is great. And then the second thing is, I used to get a new deck for a new VC startup on my desk, if not daily, every other day. And it would be the number three or number four or number seven person at a VC. And they show the deals that they had done. And did they really do those deals? Probably not. They don't really have the introductions. They don't really have the connections. But it was so easy to fundraise a few years ago in VC. We go back five. That has stopped. And that's a good thing, I think, for the industry. There are really good spinouts happening that are underfunded from people that were not just really good investors, but really good operators. They take board seats at companies, and they actually do the work of connecting. Because if you think about what VC and founders are I talk about this a lot. You have to be a little bit crazy to be a founder, to say the world needs what this is, and I'm going to work

my absolute tail off to do it. And you have to be idealistic to be a VC in that stage. Because you're saying, well, you have no revenue, and you have this maybe product that I think is going to work. Here's \$5 million. When you get the combination of people that are good investors that can help founders out and help the teams out and sit on boards and you're seeing some of these spinouts that, in any other time period, probably would have raised a billion dollars-- and they're raising \$200, or they're raising \$250. And a lot of it is from people that the implicitly. I think that's great for VC in general. I think that's great for the space. And for me specifically, other than not having to look at a deck and just think, this person's 24 years old, and they want to be running their own VC. Other than that fact, it is good from an allocator standpoint. Because you do have, especially if you play in the space, you really do have the ability to source and to due diligence on really high-quality VCs.

Robert Morier: We've talked about your past. We've talked about the last 90 days, at least 100 days. How about looking ahead when you think about your priorities for Caprock over the next year or two? What are some of those priorities that you're most focused on?

Vivek Jindal: Continuing out the process that has been built. It is a great investment process. I want to be able to continue what they have done already. But at the same time, you change things on the margin. You enhance qualities. I'm a very communicative human being. My wife always talks about finding people's superpowers. And I think one of my superpowers is, I can synthesize a lot of information into useful information. And I think when it comes to clients and advisors-- and advisors are really my internal client, right? We have our external clients, but the internal client is the advisors. I could pick the best manager ever. And if I'm not explaining it well and it's not something that advisors can really wrap their heads around, is it going to make its way into a client's portfolio in a systematic fashion? I don't know. So, what can I do to enhance the communication internally? We've done a good job of it in the history of the firm, creating some more meetings and some more internal meetings. I know people don't necessarily love internal meetings, but I'll keep them succinct to 15, 30 minutes, be able to explain stuff, bring in managers for conversations, not just about their own fund, but bringing in-- I keep talking about biotech because it's one of the things that I am fascinated with as both as a societal thing, but also an investable framework or investable asset class-- bringing in a biotech manager to talk about what science is going to look like and what drugs are going to look like over the next 10 years. And it's a conversation that I think maybe clients have never had before. Forget the investment standpoint. But how does longevity in life look like in 10 years from now, 10, 15, 20 years from now? Talking about things like that or the less sexy stuff, like munis and tax laws harvesting and PLI and things of that nature and bringing that forward and being as communicative as possible on that-- I want to push that as far as I possibly can. But from an investment standpoint, I'm going to

put my stamp on the portfolio, as every CIO does and every new CIO does. We have really good venture relationships. So, I'm spending time there. But I also have the ability to re-up with a lot of really good relationships. Bringing other asset classes that we haven't played in as much-- we have a really good private equity structure. We've got a really good private credit structure. Can I enhance that offering with more closed-end vehicles, for instance, on the private credit side? And will that be well received? So, things of that nature that you're really enhancing on the margin versus anything that includes a full-scale change has been a delight. As I said before, a lot of this has been built out, including process and people and platform. And for me to step in there, take the reins, and then put my own stamp on with a few managers that I've had success with, as well as changing some things on the margin, I couldn't really ask for a better seat.

Robert Morier: You shared one of your superpowers. What's your kryptonite?

Vivek Jindal: I mean, I go back to this on the family side, but it matters so much to me to be able to see my kids and see them grow up and then the little things of even just spending time on the couch with my wife watching what is garbage TV, but we both love it. If I am in a position, and I have been in this position at a certain stop, where I'm not able to do that-- what are you working towards in life? And I know that's probably not the full answer to your question as what the kryptonite is, but I'm not a happy camper then. And I need to be able to live the fullest of life from a family perspective and from a professional standpoint, and you're going to get the best of me. The other side-- not so great.

Robert Morier: OK. Well, over the years you've worked with a number of different leaders. When you think about those experiences, what were those skills and who were some of those people that were most influential for you?

Vivek Jindal: Oh my god. And thank you for asking this, because I have been blessed, privileged. I don't know what the right word is. But. I must have done something right in a previous life because I've had a lot of champions. And I'm going to name them too because I really, truly believe working for good people is what makes you progress in your career. But even going back to the Corbin-- I mean, I worked with Craig Bergstrom and David Ben-Ur. When I was on the risk team, David was the one that pulled me on to the investment team. And I will never forget that. He was my internal champion. And I put my head down. I did the right work. But I would show stuff off to David about what I was doing on the risk side. And he was the one that said, OK, there's a spot for you on this investment team. Keep doing what you're doing on this risk side. But we're going to teach you the manager research side too, and you can really combine that together. Craig Bergstrom, one of the smartest people I've worked with and he really, during the global financial crisis, he kept his calm. And I was so naive during that time period, of thinking, oh, this is just a normal dislocation. And Craig's like, we need to put

CDS protection on some of the European countries through Goldman. But also, you need to put protection on Goldman through Morgan Stanley because we don't know Goldman's going to exist in a week. And he taught me a ton on that from a personal standpoint, also an extremely good boss. I lost my father while I was at Corbin. Craig was an incredible boss during that time period and when that happened. I would run through a wall for that company. I went over to Shusterman later in my career. Sender Cohen, I walked in day one. He said, in three years, you're going to be a CIO. I thought he was crazy. I loved that job. I loved working for him. He was a great boss. He was the one that said, you know hedge funds down. You know equities. You know some aspects of private equity. You know some aspects of venture and publics and private credit. You're not going to do any hedge funds here. We're going to train you up on everything else until you're the best you can be. So, we really rounded out my skill set. And then two and a half years into that job, I knocked on his door and said, hey, the thing that we talked about when I first started here, I think I can do it. Because we'd reconfigured the portfolio. It was a lot of maintenance at that time. He was my first and only reference. I actually got a job because Sender knew the family-- a job offers, sorry. And I only did one interview. They called Sender. He did reference, and they offered me a job before even doing a second round. And he was my first and only reference at Corp. The group at Corp, same thing-- Eric Bodner was the person that I reported to. The tying factor across all of this, by the way, has been good to your people, and treat them with respect, and make sure that they're advancing in their career. And that's been a tying factor across. And Eric Bodner was first and foremost in that. I want to be that as a leader. I want to be that as a boss. But I want to be that as a colleague, first and foremost, of caring about people's career, giving people the autonomy, that was done to me a lot. The autonomy that was given to me was awesome and allowing people to flourish. Because you are never what role they're going to flourish in versus what they're doing now. And you can really take some things as a leader, as long as you're paying attention, and think about-- again, what my wife says. What is this person's superpower? And is it something they're doing now, or is it something that they could be doing to help the organization? And look, I've had some not great experiences. And you learn as much from those people as you do from the good bosses because you learn what not to do. And I think that combination of the two hopefully makes me a pretty good leader. And I've tried to keep that in my mind constantly whenever I'm talking to people.

Robert Morier: Thank you for sharing all that. I'm sorry about the loss of your father.

Vivek Jindal: Oh, thank you very much.

Robert Morier: Yeah, and I appreciate about hearing that, and especially sometimes the folks that are tougher on you and not necessarily your advocates,

but maybe deterrents-- you learn a lot from them. And I think that's good advice, particularly for our younger listeners.

Vivek Jindal: Very much so.

Robert Morier: Yeah, thank you. One extra question, because you said you were a reader I asked you about the people who influenced you. How about the books that you've read that have influenced you? And it doesn't need to be somebody said this to me. It doesn't need to be a business book.

Vivek Jindal: It is not, because I do not read business books.

Robert Morier: That's funny. My answer was exactly the same. I said, thank goodness, because I don't read business books.

Vivek Jindal: We read constantly. As an allocator, you're reading constantly. I'm reading market news. I'm reading updates. I'm reading quarterly letters. I want to get away from that. So, what do I read? Different periods of time in my life, but I used to read a lot of history. I still due to some extent, but I listen to podcasts on history side a little bit more than reading now. But I used to read things about, OK, World War II, specific battles and specific invasions. I found it so fascinating. And I still do. But that was probably a little bit earlier in my life, in terms of reading. Now if I had to tell you two genres that I read and you're probably going to laugh. I really like YA dystopian novels or things of that nature. I just read a series called Murderbot, which I cannot recommend more highly. It's actually a show on Apple TV right now, so free pitch to Apple TV. Really good. It's just a distraction in life, and it's a fun read, and it's a good read. And then I read a lot of Fredrik Backman as well. A Man called Ove is a standout, but Ordinary People, things of that nature-- honestly, things that make you a little bit sad, that are funny that you can read. Again, when I'm talking about things that matter, sitting on a couch with my wife and the TV's on and I'm reading and she's reading or on the computer, those are meaningful aspects of things that I will remember in my life. And reading has played a big part in that.

Robert Morier: Thank you for being here today. It was excellent to hear all of your goals and initiatives at Caprock, as well as your background, the experiences that have really formed you and brought you here today. So, thank you for being at the studio. Thank you for coming to Philadelphia. We wish you nothing but continued success in your role at Caprock. We look forward to watching your journey.

Vivek Jindal: Thank you so much for having me.

Robert Morier: And, Nick, thank you so much for joining us on the desk, the Dakota Live! Podcast for your first time. We hope to have you back soon.

Nick Butts: Thanks for having me. It was great to be here.

Robert Morier: Thank you for being here. If you'd like to learn more about Vivek and the work he's doing at the Caprock group, please visit their website at caprock.com. You can find this episode and past episodes on [Spotify](#), [Apple](#), or your favorite podcast platform. We're also available on [YouTube](#) if you prefer to watch while you listen. And for more content, please visit us at dakota.com. Vivek, thank you again for being here. And to our audience, thank you for investing your time with Dakota.