

Goldman Sachs Talks

Norges Bank's Nicolai Tangen on running the world's largest sovereign wealth fund

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Nicolai Tangen: When you take a longer-term view, you make fewer decisions. The fewer decisions you make, the better they tend to be. You know, if you make one decision a month, it tends to be better than if you make ten a day.

[MUSIC INTRO]

David Solomon: Good afternoon, everybody, Welcome to another session of Goldman Sachs Talks. And I'm delighted to be joined today by the CEO of Norges Bank Investment Management, Nicolai Tangen. So first of all, let's welcome Nicolai to Goldman Sachs. So, Nicolai is responsible for the management of the government pension fund. It's the world's largest sovereign wealth fund, owning about 1.4%

of the world's listed companies. Nicolai also runs the daily operations of Norges Bank Investment Management. He was previously the chief executive officer and chief investment officer of AKO Capital, one of Europe's top investment management firms. Nicolai founded AKO Capital and also established the AKO Foundation, which aims to support education, promote the arts and combat climate change. We're obviously going to talk to Nicolai about Norges Bank, how investments can drive change, leadership, and what he's learned from some of the top leaders in the world from your podcast. So, I'm looking forward to talking about that. And so, if it's okay, we're going to kind of jump right in.

Nicolai Tangen: So –

David Solomon: Okay. Well, so you're coming up on your fifth-year anniversary as the CEO of Norges Bank Investment Management, Norway's \$1.7 trillion investment fund. And the fund is up 60% since you took over in 2020. Talk about the responsibility of stewarding, you know, a pool of capital this large. Talk a little bit about how you kind of think about that responsibility and how it's kind of framed the way you've tried to set this up over the last five years?

Nicolai Tangen: Yeah. It's a, you know, it's a big responsibility because it's such a kind of big fund for a very small country. And despite we only use 2.5% of the fund every year, it provides more than 20% of the state budget. And we have on our website a ticker which is the live value of the fund, and it's updated 13 times per second. So pretty

kind of live. And it's the most watched number in the country. So, everybody is focusing in on it.

So, big responsibility, but it's made easier by the fact that we have a mandate, a really, really good mandate, which is, basically made by the ministry of finance. And it's got broad politically. It's broadly politically anchored. So, all the political parties agree with what we're doing. It means that they will not change their mind at the wrong time. And so that's good. And then also, of course, I don't do it on my own. We have 700 people. Really, really great team. And then, you know, yes, there are a lot of zeros in, you know, 19,000 billion Norwegian kroner, but you don't really think about those numbers, right? You think about doing the right thing, doing the right processes, and then the numbers will follow.

David Solomon: Yeah, I know that that some of the guiding principles are to be long term oriented and diversified. But talk a little bit about how you decide where to invest and how do you decide where not to invest.

Nicolai Tangen: Yeah. So again, the ministry has this mandate. And but at the same time, we have to do it in a, you know, ethical way. So, we have a separate council of ethics which decides where we cannot invest. We don't invest in coal, weapons and so on.

And there are some countries where we don't invest.

And so, you know, that's kind of the broad picture. We are very diversified. We are – we own some 9,000 companies across the whole world. In Europe, we own a bit more, close to two and a half to 3% across Europe.

David Solomon: Across Europe.

Nicolai Tangen: Yeah.

David Solomon: Yeah. So, I know that one of the things that you've said repeatedly is you really aim to be the most transparent investment fund in the world. Talk a little bit about the benefits of transparency when you're running an investment pool like this, and how you think about transparency as a principle.

Nicolai Tangen: Yeah. To me, transparency is like totally key. Transparency increases trust. You know, if the more your clients can see, the more they trust you. We disclose every holding we have twice a year. And we are the most transparent fund in the world. There is actually a world championship in transparency.

David Solomon: Is there?

Nicolai Tangen: Yeah. And for a period of time.

David Solomon: Didn't know that.

Nicolai Tangen: That's the sport I'm doing. Now for a while the Canadians were number one. And I thought, hey, fine that the Canadians beat us in ice hockey. But it's not fine that they beat us in transparency.

David Solomon: I don't know that it's really fine that they beat you in ice hockey.

Nicolai Tangen: But so last year for the first time, we became the world champion.

David Solomon: That's awesome.

Nicolai Tangen: Yeah.

David Solomon: I want to talk a little bit about climate because I know it's an area of focus for you. Talk a little bit about the private sector, the role the private sector should play, the role investors play when it comes to the environment and sustainability. Do you see? How do you think about the long term investment opportunity around these long cycle transition issues?

Nicolai Tangen: Well, so we care about climate because it is a financial risk. We see it now in a lot of the commodity prices. You see it in, you know, coffee, olive oil, orange juice, all those kind of things where, you know, the prices are going up because harvests are worse because of the

climate. So, they are. So, climate and the financial market is linked in a different way than it has been before. So, we spend a lot of time working with our companies, making sure they do the right thing on climate. I appreciate there's been a backlash in the U.S. We haven't really seen that to the same extent in Europe, and for sure in Norway, we continue to have the same opinions as we've had before. I think there are investment opportunities in that space as well now, which are better than before. We got the opportunity to invest in renewable infrastructure four years ago, and at the beginning we were just like really, really slow because we thought the returns were too low. Too many people chasing the deals. But now that's changed.

So, we think there are better returns in the space. There is more. There is a bit more supply so you can deploy more

capital. And we have beefed up the team and doing more of that now.

David Solomon: In renewable infrastructure specifically or more broadly infrastructure specifically. Talk a little, you're five years in kind of frame for me. What are a handful of kind of key accomplishments in these first five years? And what are a handful of the most important learnings?

Nicolai Tangen: Yeah. Yeah. So first of all, it's not me, right? It's about, the big team. But what have we focused in on? What we focused in on performance, of course, because without performance, we have no reason to be, and it's very much about learning from mistakes. It's we've created this investment simulator where all the data from every PM is up in the cloud. And when you want to make a

decision, you get it all fed back to you. All your weaknesses, all your bad habits, you know, are you normally, selling losers too late? Are you selling winners too early? When you trade, you basically get all these signals fed back to you. And so that's been a big development, which is now starting to change investment behavior. It's really cool. Very good. We're also working on getting people to be more contrarian in the trades they do and more long term. You know, the most difficult thing is to be long term. Why is it so difficult? Why? You come to work on a Monday and it's just like you come home and you tell your husband, you know, and he asks you, what did you do today? Well, I did nothing, you know. Tuesday. Nothing. Wednesday. Nothing. Thursday. Nothing. You know, you don't feel great about it. And so sometimes the best thing is not to do very much, but it's very profitable. You know, compounding is just amazing.

David Solomon: Compounding is a powerful thing. It's unbelievable.

Nicolai Tangen: That's what we're doing on the investment side. On the people side, more development of people we are recruiting. We are recruiting better people. On the communication side, much more transparency, more internal communication, more external communication. And then operational robustness better and, you know, more focusing on cyber. So, we've just done a lot of things.

David Solomon: You're a shareholder you mentioned 9,000 companies. I know Goldman Sachs is one of those companies. We appreciate that.

Nicolai Tangen: We thank you for all your hard work.

David Solomon: We're working hard.

Nicolai Tangen: Because you guys are working hard.

David Solomon: We're working hard. We're working hard.

What? Talk a little bit about investor dialogue what makes for an effective investor dialogue, and how important is investor dialogue for you with respect to the companies?

Nicolai Tangen: It's very, very important. We have more than 3,000 meetings a year with our companies. We, you know, we turn up at nearly 10,000 AGM. We vote on 120,000 proposals. We, you know, we've got a big machinery doing this. I think the key is to have very clear expectations. And so, we have this set up in – set out in

expectation documents. It's important to be consistent over time so that you as a CEO know that we are not like changing our mind all the time.

David Solomon: One of the things I've found very interesting about our dialogue with you is, you know, I would say, you know, your team, when they deal with us, they are deep in the weeds, deep in the weeds on really trying to understand how we're thinking about things and put the comment about things. Do you – how do you do that? By industry sector? Do you do that? How do you do that in the context?

Nicolai Tangen: Yeah, we have industry sectors. We got some really strong sectors. I think our banking team is really superb. So that's how we do it. Now, you know, there are two ways you can deal with problems as an owner. You

can just you can sell your holding or you can go into a dialogue. Now, what kind of problem do you solve by selling your holding? Nothing. You know, let's say now you have a company which is doing, you know, not so good stuff on climate. You sell. Everybody sells the holding. What happens? Well, you – the company ends up in the hands of people who don't care, you know. So, it's just not good. It's better to hold it and to talk.

David Solomon: And to advocate and to engage. Yeah.

Nicolai Tangen: It's like when, you know, like when you have a problem at home, you can just kind of sod off or you can try to fix it.

David Solomon: Let's try to fix it is a better strategy.

Yeah. Listen and understand first.

Nicolai Tangen: Yeah.

David Solomon: Yeah. So, in the first half of 2024, your fund posted \$138 billion in profit, largely in kind of the acceleration of large cap tech. Talk a little bit. Let's talk a little bit about AI kind of the future of AI investment. What are some of the risks of concentration in the market? I mean, at the moment, you know, when you look at kind of the large cap indexes and what's going on, you have enormous concentration. And if you're not, you know, overweighted to this handful of stocks, you're going to underperform. Talk a little bit about how you're thinking about it.

Nicolai Tangen: It's a level of concentration we've never seen before, right? As you know, hugely concentrated in very few names. The big problem here, in my mind is that they are all linked into the same geopolitical risk. And so, we have not seen before one, the concentration we've seen two, the link with geopolitical risk. And that's just very risky. And so, I think the risk in the public market is probably higher than in the private market now.

David Solomon: Yeah.

Nicolai Tangen: Yeah. And in the past, you know, we looked at kind of risks. Well public market's not risky. Private market very risky. I think perhaps it's changed.

David Solomon: So, since you raised the private market. Talk a little bit about kind of, you know, private market.

Talk a little bit about the fact that, you know, obviously in public markets we have a narrowing of listed companies.

We also I think, you know, given the burden of operating as a public company, you know, we have people waiting longer, to take markets, you know, take companies in the public market. There's more availability of capital in a private form. How do you think about the private markets? How do you think about the growth of private capital? Where do you think we are? You know, more secular growth?

Nicolai Tangen: Well, I think it's very interesting. You know, you now have supposedly the number of listed companies in the U.S. has gone from 8000 to 4000. You're seeing the same development in Europe. You're seeing it pretty much all over the place. Private market companies

stay private for longer, they get bigger and so on. So, I mean, unfortunately, it's a space where we are not operating, so it's not in our mandate to be in the private market. And but there is a political process. So, it may change, but not for now. You know, I think ideally one should be in both.

David Solomon: 6% annual returns, that kind of steadiness, that reliability has earned enormous trust from the people of Norway. Some critics probably say you can perform at a higher rate.

Nicolai Tangen: Yeah.

David Solomon: How do you think about that? How do you view. Because there's no question, you know, risk reward has to be balanced when you think about long term

returns. How do you kind of benchmark. How do you think about that?

Nicolai Tangen: Yeah. Again, coming back to this mandate that we have from the ministry, which in broad terms, you know, lay out how we should be invested. We have roughly 70% in equities, 30% in bonds.

We have a real estate portfolio where we got like 1,000 properties around the world. We got quite a lot of ownership on our – on Manhattan as well. So, the returns could have been higher historically had we been in private markets. But, you know, we are not. You know, we have compounded between 6 and 7% over the last 28 years. And that's been good. So, you look at the value of the fund now, one third of the fund is the value of money that the government has put in. And two thirds is returns.

David Solomon: Yeah.

Nicolai Tangen: So, it's quite a messy. In a way, we found oil twice one on the Norwegian shelf.

David Solomon: Yeah.

Nicolai Tangen: Second time in financial markets.

David Solomon: When you think about, kind of risk reward, you know, over a long period of time. And you think about compounding, you know, in particular when you own a great asset, would you own it forever. You feel like if you really had an incredible asset that you say, we're going to own this for 50 years?

Nicolai Tangen: Personally, yes. That's the way I would construct the portfolio. Now, when you have portfolio managers who are incentivized on, let's say, three year rolling basis, it's difficult to get people not to trade very much. And so, we try to extend the time horizons on this. We are probably going to fit in a five-year element in the comp, which I think you need to do to get people to kind of –

David Solomon: Take a longer view.

Nicolai Tangen: A longer-term view, because you take a longer-term view, you make fewer decisions. The fewer decisions you make, the better they tend to be. You know, if you make one decision a month, it tends to be better than if you make ten a day, right?

David Solomon: Yeah, sure.

Nicolai Tangen: You save. Of course. I mean, of course you would hate to hear this, but you save trading commission. And so –

David Solomon: I don't really hate to hear it because I think it's fundamentally right. You know, I love the fact, though, that there are so many incentive schemes that actually force people to create velocity around capital. But, you know, one of the things it's one of the things I've never really understood is when you think about the way the whole private capital market is structured, it's actually structured to create velocity of capital. And, you know, I think, you know, I think most pension funds, just to take a broad example, not specific to you at all, but most pension funds, you know, have much, much longer dated liabilities. And so, you know why, if you're allocating your money to a private equity manager just to pick one, you know, one

form of private capital, why would you rather that they own something for four or five years and have an incentive system to create velocity around it, instead of to try to find they own a great company that can compound at eight to 10%. Okay. You want them to own it for 30 years or 40 years, but there's very little. The whole financial market incentive system is not set up to do that.

Nicolai Tangen: Absolutely. But everything is moving faster. You know, there's more frequent trading.

David Solomon: Sure.

Nicolai Tangen: You know; you'd be surprised to hear a bit over the last 30 years. People talk and walk 10% faster. So, you measure average speed of walking in a city. And,

you know, compared to 30 years ago, you had 10% faster. I think I told you, but.

David Solomon: I've always been a fast walker.

Nicolai Tangen: You've always been fast.

David Solomon: I think I walk; I think walk –

Nicolai Tangen: It's really, really interesting.

David Solomon: Just as fast now, as I did 30 years ago.

Nicolai Tangen: Yeah. I'm wondering whether companies should.

David Solomon: I might talk a little bit slower now, because unfortunately, now people are listening to everything I say. So, I've got to talk slower. But the walking thing's into people. People. There's certainly an intensity. Yeah. Especially around markets. There's an intensity that didn't exist 30, 40.

Nicolai Tangen: Yeah, its markets. It's all, you know, we are always on, you know, about mobile phones.

David Solomon: That's 24/7.

Nicolai Tangen: More activity.

David Solomon: Yeah. It's 24/7 for sure. Let's shift gears. You launched this terrific podcast in good company in 2022 all about leadership. I was lucky –

Nicolai Tangen: The second guest was you.

David Solomon: I was the second guest. I was okay, I was lucky to be a guest. Thank you for making me your second guest. I didn't realize I was the second guest. So who was the first guest?

Nicolai Tangen: Was the CEO of BP.

David Solomon: Wow.

Nicolai Tangen: But when you came on, you know, it was really cool because, you know, you start this thing. It was a pilot. I didn't know whether it would fly or not. And bang, you get the CEO of Goldman Sachs. Wow. Big deal, you know. So, then we thought, hey, this could perhaps be a

serious thing. And now it's the biggest. Now it's one of the leading business forecasts in the world. You know, one of them. And, yeah. It's fun.

David Solomon: No, it's a big podcast. But, I mean, think about this. Okay.

Nicolai Tangen: Have anybody listen, you know, have anybody listened?

David Solomon: Has anybody heard the podcast? Yeah. The CEO.

Nicolai Tangen: What's wrong with the rest of you?

David Solomon: Start listening to the podcast. The CEO of the largest sovereign wealth fund and a significant

shareholder in Goldman Sachs calls and says, hey, will you go on my podcast? Let me think about it. Okay. That was not a tough ask.

Nicolai Tangen: It was, you – I was really impressed because you responded within five minutes.

David Solomon: Okay. Well, I try to be very, very responsive. But let's talk about the podcast. Yeah. You've interviewed dozens of CEOs at this point. Dozens of CEOs.

Nicolai Tangen: Yeah.

David Solomon: What similarities do you see?

Nicolai Tangen: Yeah, it's very interesting because when you kind of cut them up into pieces and throw them up in

the air and see where they land. It's, CEOs have a lot of similarities, right? There is a lot of focus on grit. There is generally a high level of energy. I would say curiosity is very high up on the list. So, yeah, they have quite a lot of things in common.

David Solomon: Is good leadership changing and evolving?

Nicolai Tangen: I think it is. I think it is. I think there is, more focus in on listening skills. There is more on empathy. There is more on generally involving, you know, the people you work with in strategy development and so on. And I think it makes it easier to actually execute. And I also think the empathy element, I think, is more important than ever before. In a time of AI that we lean on what it is that makes us human. And then I think there is a really

interesting thing with the Indian leaders. You know, people with Indian backgrounds, because they've kind of broke through the glass ceiling and taken over the whole, you know, Silicon Valley, right?

So, what is it that they bring? Well, I think there are more in the know in what they're doing. There is something that the firm is bigger than themselves. There is a lot of focus on empathy, you know, such as Satya Nadella, who talks about it a lot.

David Solomon: He's a huge empathetic.

Nicolai Tangen: Very big on that. And that there is no tradeoff between empathy and execution. You know, it goes hand in hand. So, I think leadership is moving.

David Solomon: Are there differences in regions?

Nicolai Tangen: Yes. You know, I suspect U.S. leaders are a bit more extrovert. Probably take a bit more risks than we do in Europe. Scandinavian –

David Solomon: You think that's a positive?

Nicolai Tangen: Well, I actually think it's, yes, it is a positive. And it explains part of why we have a bit of a problem in Europe. We don't take enough risks. You know, it's combined with regulation and so on. But the risk appetite and the level of ambition in America is really driving growth.

David Solomon: The innovation economy here and the willingness of people to start businesses take risks,

innovate, drive growth is definitely contributing to kind of U.S. economic-

Nicolai Tangen: Yeah, absolutely. But also, the acceptance of the fact that you make mistakes. So, in Europe, it's not good to make mistakes. You often don't get a chance –

David Solomon: It's not good to mistakes here either.

Nicolai Tangen: No, but. No, but it's more accepted. It's just like, hey, we do lots of stuff. And of course, you make some mistakes.

David Solomon: And you can change.

Nicolai Tangen: Absolutely. And so, that's a bit of a cultural difference.

David Solomon: Yeah. When you look at these leadership lessons. You know, as you talk to different leaders, do you find yourself incorporating it somehow into the way you run the fund?

Nicolai Tangen: Totally. Yeah.

David Solomon: Can you give a concrete example?

Nicolai Tangen: I try to integrate all the good stuff I learn. It's really, really interesting, right? I mean, we try to steal everywhere we can.

David Solomon: Talk about some – but you should. No?

No, but --

Nicolai Tangen: I mean, you should money, but no, no, but ideas.

David Solomon: By the way, you know, imitation is the highest form of flattery.

Nicolai Tangen: Totally.

David Solomon: Absolutely totally. Talk about some of your favorite guests. What characteristics do they share as leaders?

Nicolai Tangen: Well, I think, I mean, in addition to you, of course.

David Solomon: Put me aside.

Nicolai Tangen: I think you can put them into different categories. Of course, speaking to the tech leaders is amazing, right? So, you speak to Sam Altman, Jensen Huang, Bill Gates and so on, and they basically look into the future, you know, they see what it looks like, and they – and you learn that. I think some of the people who are from different places than actually finance is quite fun, right? We did Magnus Carlsen, the best chess player in the world, comparing chess strategy with investment strategy. It's like, wow, you know, when do you take risks? You take more risks after you lost or do you take less risk? You know, very different from what we typically do. So, just a lot of learnings from that. Stoltenberg, the NATO secretary general on geopolitics and so on. And then some of the real

long-term thinkers, like the Wallenbergs in Sweden, really interesting.

I would say perhaps the one thing that characterizes great investors, it's conviction and the ability to be contrarian and not think about what other people think and then be able to change your mind. And the combination.

David Solomon: That's a great way.

Nicolai Tangen: Stubborn. And be able to change your mind. Really, really rare.

David Solomon: That's a great, great way to frame it.

What advice can you share about steps leaders should prioritize when they take a new job to lead an organization.

I understand when you took this job, you actually kind of

had a roadmap or a list of priorities that you wanted to follow. Do you have advice around that?

Nicolai Tangen: Yeah, it was great. So, I got this job. I rang the best CEOs I've ever met and I said, hey, I've got this new job. What should I do? They're like, well, what you should do. That's easy. You first have to talk to a lot of people in the firm. Do it before you start your job. Then you show respect. They need to get to know you and you need to get to know them. You get more data points so you make better decisions. They feel included. They feel heard so that when you make changes, they will be with you. Then you put together a leader group. You do not hire people from the outside during your first year. You define. You define your DNA of the firm, and you show everybody else in the firm that you respect what they do and then you make changes as a combined leadership group. You mustn't do it

on your own, because you can trigger what is called the corporate immune system, where basically they squeeze you out. So, you do it as a combined group, and then you pick a few things, not too many and don't do them – don't make the changes too fast. The people who fail are the people who try to do too much, too fast.

David Solomon: Yeah.

Nicolai Tangen: And so, we made changes. And I think twice we felt that we were moving a bit too fast and we slowed down. But I think that's the way to do it.

David Solomon: You mentioned grit. I've always thought that grit is a, you know, not just for leadership but kind of for success in life and business. You know, the grit is a hugely, hugely valuable personal characteristic. Talk a little

bit about how you think about grit and how it plays a role as people approach challenges.

Nicolai Tangen: Oh, it's totally key. It's just how you cope with things, right? I think you can. It's sometimes difficult to screen for it, but you, when you hire, you see what people have been doing.

So, I was interviewing this guy for a summer program and I said, hey, what are you – what have you done during your summers? I worked in a bakery, okay. But I mean, seven summers in a row. Yeah. I mean, do you know when you need to wake up to work in a bakery? It's like three in the morning.

David Solomon: Super early.

Nicolai Tangen: Super early.

Nicolai Tangen: So, we tried to find it. And I think, you know, we are in a world where there is perhaps a bit less grit than before. The younger generation have, on average, according to the specialists, a bit less grit because they've been protected by their parents. You know, parents are taking all the, you know, a lot of the decisions and the problems. And so therefore we have had less problems to cope with. And I think that's –

David Solomon: You think that's permanent or do you think that's cyclical.

Nicolai Tangen: Well, so that's interesting. But I do think also it explains some of the, you know, it's not easy to be young these days, and it could be that you just have had

too much protection. I think it's cyclical because I think the next generation is just like, hey, you know what? My parents' kind of screwed me up. I'm certainly not going to do the same mistake. And so, I think it's going to get, you know, into that kind of stuff.

David Solomon: In other words, my parents didn't give a hoot what I was doing, you know.

Nicolai Tangen: Oh. Me neither.

David Solomon: I mean, they basically said, come home when the streetlights go on.

Nicolai Tangen: Absolutely.

David Solomon: Okay. That certainly wasn't the way my kids grew up.

Nicolai Tangen: Yeah. I mean, you know, my – I remember my father. He said, Nicola, have you heard about the hedge fund? Like, daddy, I mean, I worked for a hedge fund for ten years now.

David Solomon: Shift gears. You're passionate about European competitiveness. And it was interesting what you said a few moments ago when we were talking about, you know, innovation, economy and regulation. I mean, I just I would just observe one of the thing, you know, I saw, you know, recently that just kind of I thought, you know, the European Union got so wrong was when the regulatory infrastructure came out and said, we have to protect Europe from AI. It's almost like the opposite.

How do we encourage Europe to be taking risks and investing in AI? Talk a little bit about what Europe can do to be more competitive.

Nicolai Tangen: Yeah, it's a very, very difficult question, right? I mean, on AI, we think it needs some kind of regulation and oversight. But the thing is that in Europe we have a lot of regulation. And in my mind, regulations are one by one. They're pretty good, right? There's a reason why you regulate that and why you regulate that and why you regulate that. But it's a bit like you come into a bar and each bottle tastes pretty good. But when you put everything into a bucket, it doesn't taste so good.

David Solomon: That's like the Long Island iced tea.

Nicolai Tangen: Yeah. Well, that's only like six. Six?

David Solomon: Only six. Yeah.

Nicolai Tangen: Or whatever. So, it's very regulated and I think that the kind of the heavy level of regulation combined with, a kind of competition authority which has insisted that there should be huge competition in all areas, in all countries means that you have a pretty fragmented market, right? There is not one big bank in every country. You have three telecom operators, so you basically have nearly 30 in the whole of Europe, whilst three in the whole of the U.S.

So, you get quite small players in a lot of different places, and that means that they are not globally competitive. Now

this may be changing hopefully, and I think it does. But you know, there is a lot of stuff to do. And if you want to read a good report on this, it's a Draghi report which came out a little while back. Really strong report. It's just the kind of things we need to do. Now what you need to do takes – it costs a lot of money and it takes strong political will. And so, we'll see what happens.

David Solomon: Leadership, takes leadership.

Nicolai Tangen: Takes leadership.

David Solomon: Yeah. This is not easy.

Nicolai Tangen: Yeah.

David Solomon: Yeah.

Nicolai Tangen: So, to live in Europe and invest in America is pretty good.

David Solomon: Yeah, I was going to say Europe is a great place to live.

Nicolai Tangen: It's a fantastic place to live. And, you know, there are some really serious questions about kind of social fabric and those kind of things, right? And social protection. And for sure, we have that in Europe.

David Solomon: Yeah. I mean, one of the things that I've found fascinating is I've gotten to know you over the last, you know, five or six years is you love to learn. You have lots of diverse interests, you know, outside of finance, including degrees you've completed as an adult in art

history and social psychology. Talk a little bit about getting those degrees as an adult and how it's affected, you know, kind of the way you invest, how it's affected kind of your thought process around life.

Nicolai Tangen: Yeah. So, it depends on, you know, how do you measure your life? Some people measure their success in money.

I don't do that. I think, you know, some people think the people who've got the most money when he or she dies has won. So, I think that's totally wrong. I think they have lost because first of all, they should have given it away, right? But I think the person that knows the most, when he or she dies, they are the winners. So, you need to learn as much as you can. And so, you know, I try to learn all the time. So, and I think one of the most interesting things I've

studied is, social psychology because there it kind of teaches you how people think, what kind of risk they take, what are the drivers in their lives, and so on. And we've put quite a lot of that into work in the fund. It's the whole idea behind the investment simulator. It's just how you can learn and how, you know, what are your weaknesses as a trader and so on. That comes from that. How you use your analysis versus gut feel or pattern recognition. That's interesting. You know, how you cope with being contrarian, all these kind of things. So, I do think it's very interesting how you can combine things with finance. And most of the innovations these days come from how you combine, you know, information in new ways. I think it's really fascinating.

David Solomon: You know, you're touching a little bit on culture. Culture is hugely important success. I read an

article by a Norwegian author who praised your form of leadership, saying, I quote, “You embody the image of a modern Viking, always in motion, constantly active, busy.”

Nicolai Tangen: They were keen to explore. Yeah, they supposedly they were very consensus driven. So, I don't know how they did that. It's like, hey, which village are we going to pillage? Let's vote for it. But supposedly. And it explains why leadership form in the Nordic countries is more consensual. Supposedly somebody told me.

David Solomon: Yeah.

Nicolai Tangen: No, I think you wanted to be curious. I think you want to move around. I think you want to do different things. You know, it's important not to be – not to have two strong habits. It's important to break them up.

So, for instance, you know, do you know when during the holiday, you are the most happy?

David Solomon: After it's over?

Nicolai Tangen: No. The 43rd hour. That's after which you start to get, habituated with where you are as you come to this nice place. It's really sunny. It's wonderful. Wow. Blue water, right? It's just, like, amazing for the first 43 hours. And then it starts to become habit. And so, you need to break it up. You need to do some more things. So, for instance, I live in New York now for the whole of November. It's fantastic. It's fantastic.

You know, times have never been more exciting. I wake up in the morning. I just cannot wait to get out of bed. And it's just never been more exciting. And let's not forget that this

is the world we live in, right? We have technology. Change has never been faster. Geopolitics never more exciting. Hey, U.S. election coming up. Real exciting too.

David Solomon: Nicolai, thank you. This has been terrific. We really appreciate you taking the time to do it.

Nicolai Tangen: Thank you very much.

David Solomon: That was great. Really appreciate you doing this.