

ONE WOMAN'S MISSION

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AUDETTE EXEL, WHO HAS RAISED HUNDREDS OF MILLIONS OF DOLLARS FOR WALL STREET ASSET MANAGERS, IS GIVING HER OWN COMPANY'S EARNINGS AWAY TO THE POOREST CHILDREN IN NEPAL AND UGANDA.

MANAGING
WEALTH

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AMID THE CLOYING

dust, blaring car horns and beggars' wails that echo through the ancient streets of Kathmandu, Nepal, a familiar sound emerges: the strains of pop star Psy's "Gangnam Style." In front of a crowd of giggling teenagers, a 50-year-old woman dances, blond hair flying, arms waving. It's impossible to tell that the laughing, confident onlookers she's entertaining have been rescued from the clutches of child traffickers.

A week later, the same woman is in the hushed business-class cabin of a Cathay Pacific flight from Hong Kong to Sydney. She has work on her mind: directing a bank, negotiating the sale of a European covered-bond portfolio and convincing managers who control Australia's \$1.5 trillion in pension assets to place money with Wall Street funds.

New Zealand-born Audette Exel lives a double life. In New York, London, Bermuda and Sydney, she's a company director and the owner and head of Isis (Asia Pacific) Pty, which advises companies on mergers and raises money for fund managers such as New York-based Aquiline Capital Partners LLC. In the dirt-poor Himalayan foothills and civil war-ravaged East African bush, Exel is better known as the caftan-wearing founder and chief fundraiser of the Isis Foundation, which she says provides life-saving health care and education for 20,000 people a year in two of the world's most impoverished nations, Nepal and Uganda.

Isis AP pursues deals as relentlessly as its competitors, with one difference: Exel turns over all of the Sydney-based company's profit to her foundation, which spends it on projects ranging from a neonatal intensive care ward in Kiwoko, Uganda, to a refuge for 136 Nepalese children who had faced being sold for



■ **Audette Exel** near her office in Sydney; previous page, **Exel** in Kathmandu with **children** Isis rescued

prostitution and child labor. It was at the Kathmandu refuge earlier this year that she delivered her Psy impersonation as a thank-you to the children who sent her a DVD of their own "Gangnam Style" performance as a 50th birthday gift.

Both Exel's corporate contacts and aid workers suspected she had ulterior motives when she founded the charity in 1998, she says. "The businesspeople thought we must be a tax structure," she says. "The nonprofit community thought we were money launderers."

While Bill Gates and George Soros only began to concentrate on giving after they became billionaires, Exel says she didn't want to wait until she had amassed a fortune to begin her philanthropy. "It's the purpose of the business," she says. "There's one mission."

In addition to running closely held Isis AP, which in the past decade has raised \$720 million for private-equity firms and other asset managers, she's vice chairman of Steamship Mutual Underwriting Association Trustees (Bermuda) Ltd., a unit of one of the world's biggest mutual shipping insurers. She's also a director of Suncorp Group Ltd., a Brisbane, Australia-based bank and insurer that's one of that country's 20 biggest listed companies.

Exel, who has helped raise \$300 million for funds managed by Greenwich, Connecticut-based Strategic Value Partners LLC, will fight tooth and nail over the details of a contract and then chase down beggars in the street to give them money, says Jean-Louis Lelogeais, co-founder of the \$3.8 billion distressed-debt investor. "She has her heart out all the time," he says. "She's managed to create from scratch something that's pretty amazing."

Exel's dual role means she sometimes has to negotiate deals from remote places. "She does make it clear that she's unavailable at times," says Aquiline's Jeffrey Greenberg, whose funds control finance companies including the \$86 billion asset manager Conning. Still, her expertise makes up for those absences. "Her credibility in the market is strong," he says. "The relationships she's developing for us are worth in the hundreds of millions of dollars."

By contrast, Exel's personal balance sheet is more modest. Some years, she pays herself a small salary; in others, she lives on savings and director fees. When traveling on foundation business, it's always in economy class. While her finance business has given \$5.75 million to the Isis Foundation, Exel only last year put down a deposit on her first home—a two-bedroom townhouse near Isis's headquarters in the traditionally working class Sydney neighborhood of Rozelle. She drives a 1997 Toyota RAV4 with 150,000 kilometers on the odometer.

"My life has been so enriched by this work," Exel says, sitting in a historic garden separated by high stone walls from the teeming crowds in Kathmandu's tourist district of Thamel. "I spent a lot of my life advantaging the advantaged. It is so much more fun to advantage the disadvantaged."

While Exel downplays her sacrifices, they won her a standing ovation when Lazard Asset Management invited her to give a presentation on Isis's business and foundation work to its young analysts in Sydney last year, says Rob Prugue, a Singapore-based Lazard senior managing director. "Audette shows that you can be passionate about what you do in finance yet maintain an equal integrity and compassion behind that," Prugue says.

Exel says her social activism stems partly from her upbringing. Her father was a foreign correspondent who covered the Vietnam War for the New Zealand Press Association before becoming a campaigner for the left-of-center Labour Party. While studying law at Victoria University of Wellington in 1981, Exel

took part in anti-apartheid demonstrations aimed at halting rugby matches against a touring white South African team. "I should try to use my time on the planet to do something meaningful," Exel says she thought as a teenager.

After completing her law degree at the University of Melbourne in 1984, she joined the Australian legal firm now known as Allens, where she became a specialist in M&A and structured finance. The job was only meant to be a stopover on her way to joining a nonprofit. "Finance was a piece of

A LOT FOR A LITTLE

Here's what the Isis Foundation can buy with:



\$99

A greenhouse for growing fresh vegetables to feed a Humla household in the harsh Nepalese winter



\$500

Training for two teachers in Kathmandu



\$4,500

A year's treatment for 200 Ugandan children with HIV



\$5,000

A lawyer to represent victims of domestic violence or human-rights abuses

Source: Isis Foundation

knowledge about power and how the world really operates," she says. "For me, it was about having that knowledge to then effect change."

What she didn't know at the time was that finance would become an integral part of her master plan—and that she'd love it. "I had no idea I'd be a deal junkie," she says. "I was a feminist. I was an activist. Then, suddenly, there I was talking about M&A and share trades with clear glee."

In 1987, Exel moved to Hong Kong to

work for another law firm, Linklaters LLP. Then, in 1992, after teaming up with a Bermudan law firm on a deal, she moved to the Atlantic offshore finance center. She was named managing director of Bermuda Commercial Bank at age 31 after doing the legal work for an investor who bought a stake in the lender. In 1995, Exel began a two-year term as chairman of the Bermuda Stock Exchange. That same year, she was named one of 98 Global Leaders of Tomorrow by the World Economic Forum, alongside Ford Motor Co. Chairman Bill Ford and economist Paul Krugman. At Davos, Exel met Janet Kataha Museveni, wife of Ugandan President Yoweri Museveni, who described graphically how civil war and AIDS were ravaging the country.

At 35, Exel decided that it was time to return to her original ambition. She spent a year researching the world of nonprofits and took long walks on the surf-lashed beaches near her parents' home on the southeastern coast of Australia, working out how she could contribute.

The answer, she decided, lay in the experience she had gained running a bank. Most conventional charities were hamstrung by a funding mismatch: fixed expenses but revenues that fluctuate at the whim of donors. "If there's one thing a bank is about, it's asset and liability matching," Exel says. "Nobody really thinks about nonprofits like that, but, actually, they have a massive problem."

Exel returned to Bermuda to launch the Isis Foundation—named for the Egyptian goddess of motherhood—in 1998. Using her dealmaking to fund all of the charity's administrative costs has made the foundation more attractive to other donors, Exel says. They've given more than \$11 million so far.

Exel's finance career took a new turn in 1999, when she was appointed to the board of the Bermuda Monetary Authority. She served for six years—her signature appearing on the island's \$5 note—while overseeing Isis's growing workload.

Exel isn't the only philanthropist to

fund her charity's operating costs. Directors of the Robin Hood Foundation, including BlackRock Inc. Chief Executive Officer Laurence D. Fink, pay administrative costs so that all money from donors goes to projects to alleviate poverty in New York. And Children's Investment Fund Management UK LLP, the London-based hedge fund run by Christopher Hohn, has handed over part of its profits to its foundation. With Isis, all earnings go to its charitable work.

Exel decided to focus Isis's aid work on Nepal, where she had first vacationed while living in Hong Kong, and Uganda, the world's 14th-poorest nation as measured by gross domestic product per capita. Luwero Triangle became known as Uganda's killing fields after a brutal civil war in which as many as 500,000 people were slaughtered from 1981 to 1986. Supported by Janet Museveni, Isis teamed up with a rural hospital to open a neonatal intensive care unit and a maternity ward. Isis also provides medicine for HIV-positive patients, who make up one in seven of the local population.

In Nepal, the world's 19th-poorest nation, where Maoist guerrillas have waged a decades-long insurgency, Exel also chose to work in a region that's deprived even by local standards. An anthropologist, whom she'd met by chance in a Kath-



■ These **Nepalese girls** fostered by Isis can look forward to a career rather than a life of exploitation.

mandu bar, whom she'd met by chance in a Kathmandu bar, alerted her to the plight of the inhabitants of the Humla district hard against the border with Tibet.

Exel hiked into Humla's mountains and won over the most senior Buddhist monk despite, she says, nervously dumping a cup of ceremonial yak butter tea in her lap during their first meeting. Her foundation rebuilt a dilapidated school on the monastery's grounds, which now educates 215 children, and began funding health projects, including the salary of a

traditional-medicine doctor, who provides the only care for anyone not fit enough to travel up to five days on foot to the nearest ill-equipped hospital. In 2004, a volunteer at another charity tipped off Exel that children from Humla whose parents had sent them to Kathmandu to shield them from the Maoist uprising were living in squalor. Their supposed benefactors had placed more than 100 children as young as 3 years old in one dilapidated house. "It was the point of no return," Exel says.

"You don't find kids in those sorts of conditions and say, 'I can't afford it.'" For two years, Exel and her team worked with police and the government's child welfare advocates to win legal custody of the children and funded their food, accommodation and schooling. As costs spiraled, Exel doubled her annual contributions to the foundation.

In 2006, Isis convinced the traffickers to sign over custody to the Isis Foundation and has since reconnected children

with their families, installing the only working satellite phone in Humla so they could keep in touch. Most of those children are now teenagers, and Isis pays the fees for them to attend two boarding schools in Kathmandu. They listen to Justin Bieber songs and chat with each other via Skype and Facebook.

Exel's next big challenge may be closer to home. Like many entrepreneurs, she is seeking to make Isis less dependent on its founder. "She is that organization, that's why it's been successful, because of her drive, vision and ability to get the income," says Louise Walsh, CEO of Philanthropy Australia, an umbrella body for charities. "It's a common issue that a board would face with a founder like her."

Exel says she's actively looking for partners to share the load—either donors or entrepreneurs who want to replicate her model. "I'm beholden to the communities Isis serves to work out a viable long-term plan," she says.

Much is at stake. In the Kathmandu safe house for rescued children, Sheetul, a bubbly 15-year-old, could have ended up as a beggar or a sex slave. Instead, she's planning a career as a nurse. "Now my days are full of fun and laughter," she says. "I see my future bright."

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