



Dear Stakeholders,

It's been a busy year at Capital Allocators and I'm excited to share our second annual letter. To set the table, I'll start with our Why.

Our mission is to *Learn, Share, and Implement the Process of Premier Investors*. We carry out that mission through a set of six shared values summarized by the motto *Compounding Knowledge and Relationships*. You can read about our values on the Capital Allocators website at [/About](#).

2021 has been an extraordinary period of growth for the business in service of that mission. Our organization turned from an "I" to a "We" with the addition of three team members, Hank, Morgan, and Victoria, and a handshake formalization of my partnership with Rahul Moodgal. Together we accomplished far more than I possibly could have on my own.

Throughout the year, we experimented with new ideas, leaned into the ones that most resonated, and moved on from others. I'll walk you through these developments organized by our business lines: the podcast, thought leadership, and investing.

Podcast

The podcast has been the hub of our flywheel. Our weekly conversations with CIOs, managers, and thought leaders will reach its fifth anniversary in April. We released 83 new episodes this year, including three mini-series entitled *Crypto for Institutions*, *Innovations in Private Markets*, and *Private Equity Masters*, and we will kick off next year with perhaps the hottest area in a set called *Venture is Eating the Investment World*. In the back half of this year, we added *Manager Meetings*, in which an institutional allocator interviews one of the managers in their portfolio.

Our audience continued to grow. We'll end the year with a tad over 8 million downloads since launch, with 38% of those coming in 2021. Our current run rate is 65,000 downloads per week, an increase of 44% over a year ago. These numbers are a large part of why Brunswick Group dubbed the show the leading institutional investing podcast earlier this year, and we have you to thank for it.¹

The podcast gets support from both sides of the ecosystem - sponsors and listeners. For sponsors, we believe we offer an opportunity to deliver their message at scale unparalleled in the industry. We carefully vet sponsors to only share products and services that have the potential to add value in the investment process for our listeners and are grateful to the companies we partnered with this year, led by Northern Trust Front Office Solutions, iConnections, Janus Henderson

¹ <https://www.brunswickgroup.com/digital-investor-survey-2021-i18508/>

Investors, Bipsync, and Coinbase Prime. The list of current show sponsors is available on the website at [/Sponsors](#).

Our listeners support the show through individual and corporate premium memberships. The premium offering includes the library of transcripts, ad-free podcast feed, and virtual gatherings. This year, we added a weekly email for premium members that shares updates on our business, hot jobs to share, past guests making waves, one great read, coming attractions on the show, a dive deeper into that week's episode, and a blog called What Ted's Thinking. On the blog, I wrote 24 posts this year on, well, whatever I was thinking about the markets, investments, and the industry.

Individual premium membership grew 62% in 2021, and we are shooting to reach our "1,000 true fans" in 2022². Our corporate premium members are fifteen strong. Each is a top-notch money manager who graciously supports the show and quietly chips in to keep it going strong. The list of these friends of the show is available on the site at [/corporatemembers](#).

We stopped offering private podcasts earlier this year. The demand for First Meetings was strong, but we didn't like the implicit ask of managers to pay to appear on the show despite the intention of a private production. Instead, we came up with the idea for Manager Meetings, which gives managers exposure to our audience at no financial cost, so long as the recording with one of their clients passes the standards set by our content committee. We like the idea of a client effectively endorsing a manager, because after all, everyone wants to be first to be the second investor.

Lastly, we made our first concerted effort to grow the podcast audience. We experimented with advertising to reach private wealth managers and early career professionals. One project we are particularly excited about for next year is our Ambassadors Program. Fans of the show can work alongside us to engage their alma mater and share our content with investment clubs and students. If you would like to be involved, please reach out and let us know. Drop Hank an email at hank@capitalallocators.com.

Thought Leadership

Our second line of business is thought leadership and education. This combines a hodgepodge of activities across writing, speaking, and sharing insights.

In March I released my second book, *Capital Allocators: How the World's Elite Money Managers Lead and Invest*. The book distills the lessons I took away from the first 150 episodes of the podcast. The feedback has been terrific, and the book sold as many copies in the first five months (10,000) as my first book did in five years. If you only read one new investment book this year, I'd recommend Morgan Housel's *The Psychology of Money*, but if you read two (or three), I promise you'll take away a few actionable nuggets from *Capital Allocators*.

² Kevin Kelly, "1,000 True Fans." Available at <https://kk.org/thetechnium/1000-true-fans/>.

We also launched Capital Allocators University, an online course designed to help investors learn the skills to generate “internal alpha” for themselves and their organizations. Our first cohort was oversubscribed, with 66 participants from every asset owner type across four continents. Our second cohort starts in the spring. You can apply at [/university](#).

For a few years, I have served as a strategic advisor to a handful of managers and allocators. I continue working with the same fantastic group of investors (at [/advisory](#)), but I decided not to work with any others. My enthusiasm for CAU and our next big project has taken precedence over new advisory relationships.

Investing

With the podcast and thought leadership supporting our efforts, I started putting my capital to work over the last year and a half. What I found was an incredible flow of investment ideas that arose from the podcast flywheel. I invested across public and private markets in a mix of funds, direct investments, co-investments, and opportunity funds structured as a barbel across growth and cash flow generating assets.

Diving back into investing renewed my passion for partnering with great people pursuing excellence in inefficient corners of the markets. We intend to expand these activities in the coming year.

Our Team

In last year’s letter, I announced my intention to hire a Chief of Staff to run the business of the podcast. Hank Strmac stood head and shoulders above the pack. Hank spent a bunch of years in business development for Bloomberg and Nasdaq before joining us in July, and he jumped in with both feet. He is nothing short of outstanding in every way, a tireless, enthusiastic producer, and an A+ guy. My friend Greg Durst at ILPA told me that hiring Hank would change the trajectory of the business. He was absolutely correct.

While I spent most of the month of January finding Hank, I spent next to no time and lucked into meeting Morgan Arguello. Morgan found her footing as an executive assistant while raising then three (and now four) young children, but a few times had to replot into a new position when her military husband Ryan transferred to a new base. Morgan heard about a company that helps place virtual assistants around the same time that I did, and she has been a game changer. I’d be inclined to say that I have no idea how I managed before she joined, but I was forced to relive the experience when their son Talon joined the family this summer. Suffice it to say it wasn’t pleasant without her.

Victoria Sienczewski joined me as a summer intern in 2020 to help create a strategic plan for the business. She had just graduated from HBS en route to joining Global Endowment Management. About a year later, she was loving her job, the organization, and the people at GEM, but she wanted to move to London. A catch-up conversation turned to a courting process, and Victoria joined us to partner on our investment activities.

In addition to the core four inside Capital Allocators, we work with two superstars who are part of our extended team. Producer Mathew Passy makes the guests and me sound amazing. He has produced the podcast since the first show and has made happy clients of everyone we've referred over the years. We added web designer Pete Kremer to the mix this year. Pete took our existing website to the next level and builds every new feature on the site to ensure you can access the podcast, premium content, University, writing, and sponsors elegantly. If you ever need a top-notch podcast producer or web developer, Mathew and Pete come with our highest praise.

Many of you know Rahul Moodgal from his time in the business or from his podcast episode a few years ago. We started spending more time together virtually thinking about ways to collaborate, and Capital Allocators University came out of those efforts. Rahul also has agreed to be a Non-Executive Chairman of Capital Allocators Holdings. I had an inclination that Rahul was the most beloved investor relations professional in the business before this year, and now I know why. We are thrilled to have him in our corner as a thought partner, friend, and round-the-clock workhorse.

Onwards!

Last year I postured that 2021 would be our most exciting year yet. That proved correct, but it's nothing compared to what we have in store for 2022.

We have formed a triad of goals as our guiding light in the year ahead:

1. Expand the brand of the podcast
2. Scale Capital Allocators University
3. Expand our investment activities

We encourage you to get involved. Join our (free) mailing list on the site, subscribe for our premium content, post a review on iTunes, or tell a friend about the show. And if you want to sport the team colors, visit our Shop on the website for Capital Allocators swag. It all compounds to help deliver insights that make all of us better.

In closing, I want to express my thanks for being part of this community. I am grateful to be sitting in the hub of a flywheel of incredible allocators and investors, and none of it would have happened without you.

Wishing you a happy, healthy, and energizing New Year,

Onwards!
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