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Private Market Talks:

Canvassing the Credit Landscape with Carlyle's Justin Plouffe

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On Episode 3 of *Private Market Talks*, Carlyle's Justin Plouffe, managing director and deputy chief investment officer for Global Credit, talks about opportunities for credit investors in the current environment and what he's keeping his eyes on in the coming months. From what's powering growth in the market to how he assesses deals, Justin's unique perspective is a must-listen for investors, borrowers and others across the private capital landscape.

Peter Antoszyk: Welcome to Private Market Talks, where we talk with industry leaders about their strategies and stories. Private Market Talks is produced by Proskauer, a law firm built to serve asset managers.

I'm your host, Peter Antoszyk. Today, I'm talking with Justin Plouffe, Deputy Chief Investment Officer for Carlyle Credit. Carlyle is one of the world's largest asset managers, with almost $375 billion in assets under management, and roughly 40% of that, or about $146 billion, is allocated across their global credit platform in liquid, illiquid and real estate strategies.

During our conversation, Justin shares some thoughts about Carlyle's new CEO, the macroeconomic environment, and we wrap up with some recommended reading. And now, my conversation with Justin Plouffe.

Peter Antoszyk: Welcome, Justin. I appreciate your joining us on Private Market Talks.

Justin Plouffe: Thanks, Peter, pleasure to be here.

Peter Antoszyk: Thank you. So Carlyle has received a lot of attention over the last several months as it has undergone its extensive CEO search. You've now landed on a new one, Harvey Schwartz. Can you tell us a little bit about him and his focus on private credit?

Justin Plouffe: Yeah, well, Harvey is a proven leader, and he brings fantastic career experience to Carlyle. He was the CFO of Goldman Sachs and then co-president there. So I think he's going to be tremendously helpful to our business. In fairness to Harvey, he's only been on the job eight days as we record this. But I can tell you that the number one focus is growth, and that's really been true for a while now. So that's not a change in Carlyle's strategy.

I think having Harvey on board is going to help us accelerate that growth and it's probably no surprise that a lot of that growth is expected to come in credit. The private credit markets are growing at a rate much faster than private equity, which is a more mature business. And so our business, I think, will continue to see that type of accelerated growth in the coming years. And Harvey's made it clear that that's critical to his vision for the firm. So I'm pretty excited that the search part of this process is over and we can get back to doing some good investing.

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Peter Antoszyk: What do you think has been fueling the growth in private credit?

Justin Plouffe: The whole world has become more private. There are fewer public companies than there once were. Companies are staying private longer even when they do go public. So there really has been a long-term trend towards the private markets. Private credit is probably ten to 15 years behind private equity in terms of its development as an investment asset class on its own. But we are seeing that start to change, and when you think about the capital structure of a private company, you generally will have two turns, three turns of debt versus every turn of equity. Now, if you look at dry powder in the private markets, it's actually flipped.

There's much more private equity dry powder in the world than there is private credit. So that needs to change, just to match up with the capital structures of companies. We need more money coming into private credit. You've seen that trend continue for at least the last ten years, and I expect it's going to continue for at least the next five to ten until private credit just catches up to where private equity is.

Peter Antoszyk: There seems to be an almost insatiable appetite for private credit investment by investors.

Justin Plouffe: I think for a long time, it was driven by the search for yield. We lived for a decade or more in a very low interest rate environment. So any product or investment asset class that could provide a significant yield was certainly something investors wanted to look at. Now, today, we have rates that have gone up dramatically in just the last 12 months. It's very rare that we would experience this kind of interest rate shock, at least in the United States. But private credit as a value opportunity, I think, maintains its attractiveness to investors. You're now getting equity-like returns, at least in terms of yield, for investing in senior secured assets. And that's an exciting thing as a private credit investor. I mean, there is that aspect of spread that you're always looking at. But when you can come into work and look at the investment opportunity and see that I can make 10%, 12%, or 14% for taking credit risk, historically that's been a great value, and I think that today is what's driving the continued interest in private credit.

Peter Antoszyk: And what are the yields to maturity looking like in private credit compared to other benchmarks?

Justin Plouffe: Sure, well, if you think about this higher rate environment, investment-grade credit has probably gone to 6% or 7%, but in private credit, our spreads over the base rate are, generally speaking, in line with history. Spreads haven't gapped out materially. They're not above; they're not below. They're in line with history. But what's really changed is the base rate, right? And so now, when you have a base rate of 4-5%, you put the spread on top of that, and senior-secured loans are 9 or 10%. You get into the middle market, and you get above that. You get to 11, 12. If you're doing transitional capital, we can get returns that model out to the mid to high-teens. And if you think about that in the context of history, those are private equity-like returns.

Peter Antoszyk: Right.

Justin Plouffe: Right, but we're getting them for taking credit risk. So the calculus has changed; the whole curve has shifted up. But I think compared to traditional fixed income, certainly compared to Treasuries, IG, there is still a big gap there where private credit can add value to a portfolio.

Peter Antoszyk: And how does private credit compare to the yields on a syndicated loan?

Justin Plouffe: Yeah, it depends on what you're doing, but it's always going to be somewhere between 200 basis points and 500 basis points, maybe more, above the syndicated market. That's generally what we've seen through history. And the lower end of that would be kind of your traditional regular way, middle-market lending. The upper end of that and beyond is sort of that transitional capital opportunistic credit. But there's definitely a premium that is persistent through time for doing truly private deals, for paying for that origination, for taking illiquidity risk and complexity risk. Those are the reasons that we're getting paid in private credit.

I would say, though, that more and more, we're seeing the broadly syndicated market and the private credit market start to overlap. You're seeing more deals where maybe the senior portion will be done in the syndicated space, but the junior portion will go directly to privates. And then, really, in the last three to six months, the banks have retrenched. I think it's well publicized in the media that there are some big overhangs in the leveraged loan market in terms of big loans that didn't get off the books of the banks last year. So banks are being very sparing with their capital today.

Peter Antoszyk: Sure.

Justin Plouffe: And private credit lenders are stepping into that risk that used to be broadly syndicated. So I do think you're seeing the industry move towards less of a division between these markets and more of a continuum among them.

Peter Antoszyk: Will that cause a compression in the yields?

Justin Plouffe: We're not seeing that so far.

Peter Antoszyk: Interesting.

Justin Plouffe: It’s really the premium that you get for complexity, and illiquidity has been persistent for some time. Now eventually, as these markets get larger, they probably will compress just because that’s the natural state of any asset class, right? It starts out as esoteric, and when I started this business 17 years ago, certainly even leveraged loans and syndicated loans were considered an alternative asset class. Today they’re not. You can get your bank loan exposure in the form of an ETF if you want, and certainly a mutual fund, so it's not really an alternative asset class anymore. We’ll see that over time, perhaps with private credit. But as long as you’re dealing with origination that’s proprietary and deals that are not cookie-cutter, that are complex, that may have an element or significant element of illiquidity, people have to pay for that. There has to be a premium for that over time. And we’ve seen that historically persist.

Peter Antoszyk: And you also provide a certainty of execution.

Justin Plouffe: Absolutely. One of the biggest areas where we compete is the certainty of execution and being a partner to borrowers. It’s very different to work with one counterparty that has invested in your success as a company and that is aligned with you versus syndicated lenders, none of whom are all that large, and can’t really act as a unified partner to you as you try to build your business. And I think a lot of the great deals that we’ve done in the last few years have been that sort of partnership approach with companies.

Peter Antoszyk: Right. So in terms of the syndicated market, it’s obviously not particularly accessible right now. That’s going to change over time. What impact is that going to have on your ability to deploy capital in the private credit market?

Justin Plouffe: So we have a very broadly diversified business across the whole universe of private credit. In the leveraged loan space, we are the second-largest manager of CLOs in the world. So we would be very happy for CLO formation to come back and for the leveraged markets to pick up. What's going to drive that is large-cap M&A activity. So if you want to know where the leveraged loan market is going to go, watch large-cap buyouts. That's what's going to drive it. At the moment, I don't really worry about the distinction between that syndicated market and the private markets because, as I said, there has started to be so much overlap, so much opportunity and so much need for capital that right now, deployment isn't something that keeps me up at night. I think you'll see over time a continuum where we move, maybe at one point, more towards the syndicated type of solution and, at another point, back towards private markets. And it should go back and forth between those over time, just depending on the cost of capital and where the M&A activity is coming from.

Peter Antoszyk: Now private credit has generally gone upmarket, the deals have gotten larger and larger. You're seeing multibillion-dollar transactions. I guess the general question I have is: is bigger better? Or is it a function of having to deploy large sums of capital?

Justin Plouffe: I think it's a function of borrowers now looking to private capital as a real solution. And there are many companies, larger companies that ten years ago would not have considered the private credit markets because those markets were not as robust as they would need to be to do a billion-dollar transaction, a $2 billion transaction. Today, where that capital has flowed into the private markets, it is now an option for those borrowers to seek out a private solution. And for all the reasons we've been talking about—the certainty of execution, dealing with complexity and illiquidity issues—it's now something that I think larger companies look at as a potential solution.

Peter Antoszyk: Now, you mentioned that, obviously and naturally, private credit follows the M&A market. The M&A market has been off this year, to say the least. Where do you see the M&A market developing over the next several months and through the rest of this year?

Justin Plouffe: I think that we are going through a period of price discovery and transition in this time of higher interest rates. There's been a massive interest rate shock. What that means is that everybody from the banks and insurance companies that typically deal in investment-grade, is repricing what type of risk they will take.

For the private credit market, obviously, our yields have gone up. We're trying to figure out exactly where the best places to put that capital are. But it also flows down to the equity side. And if you're doing a buyout and your second lien is yielding 15% and your first lien is yielding 10%, you do the math. You have to either pay less for the equity of the company you're buying or you need to figure out a way to generate more value from it. And I think that process of price discovery due to the increase in interest rates is still happening, and there's still a bid-ask between buyers and sellers. Over time, especially if we see some stabilization in interest rates—not necessarily a reduction, just a stabilization—that process will come through, right? And then you'll start to see more M&A activity. So we're already starting to see things pick up a little bit in terms of our pipeline. So I think during the course of 2023, you'll start to see a normalization there.

Peter Antoszyk: Got it. Do you think it'll ever get back to what we saw in '21 and early '22?

Justin Plouffe: I think it's going to take some time. That was a particularly busy period. We don't need it to get back to that level in order to have a robust asset class and plenty of opportunity to deploy capital.

Peter Antoszyk: Got it. So I know you have a broad base of borrowers; you collect a lot of data. I'm kind of curious as to what you're seeing in the macroeconomic environment, informed by the data that you have.

Justin Plouffe: Right, so when we talk about macroeconomics at Carlyle, usually we're looking at our proprietary data. We have over 1,500 lending relationships and own over 220 companies around the world. So we really do have very good real-time data, and it is global. So we look at that as a huge tool for us in investing.

A few themes that I'll touch on are: one would be that inflation is definitely abating, especially in the area of durable goods. We see this in things like container shipping costs. We see this in things like the cost of used cars going down. So there is certainly some downward pressure on inflation, although it remains maybe higher than we've seen it in the past. But the trend line is downward now, and I think that's relatively clear. We do see a relatively strong consumer, especially in areas like leisure spending, air travel and hotels. All these experiences that people weren't able to spend capital on in COVID are now back. And if you've tried to fly anywhere, you've probably noticed that the price of tickets is pretty high and the seats are full. So we do see strength there.

I think in terms of interest rates, we'll have to see, right. I think the consensus is that we'll end up somewhere 5.5%, something like that. And I often get the question, "Okay, well, how bad is that for your borrowers? That means the interest cost or interest expense is going to go up. We think that most companies will be able to handle that, at least for some period of time. Not all of them. But the good news is that this is happening in a very benign environment. We have default rates below 1%. The vast, vast majority of our companies have been able to handle the transition well enough so far to push through price increases.

Peter Antoszyk: Right. Does that surprise you, by the way? Has that surprised you, that very low default rate?

Justin Plouffe: I think I'm always a bit surprised at how well company management ends up doing in difficult environments, especially in the U.S., where I think our companies have done a great job of adjusting. And in COVID, when that hit in March of 2020, we all, for a period of five or six weeks, thought, "Wow, we've never handled anything like this before. What impact is this going to have? And we were really surprised at how nimble companies were and how they were able to restructure their needs for their businesses. So I guess I should stop being surprised at how well management does. But so far, so good.

I do think that there is a longer-term pressure on wages that is going to be a story for 2023. Companies are going to have to figure out how to operate in this higher-wage environment, and that will be a significant challenge.

Peter Antoszyk: And in terms of the default rate, where do you see it going between now and, say, the end of the year or even to 2024? You said you're about 1%?

Justin Plouffe: I think we're a little below 1% right now.

Peter Antoszyk: That's, by the way, consistent with Proskauer's private default index. It's about 1% across the portfolio that we track.

Justin Plouffe: Right. Yeah, that would make sense. And when I talk about our own portfolio, I would say that the issues that we have are idiosyncratic issues. They're company-specific issues. There's not a swath of companies all having the same problem. And I think that's a good thing for us because we know okay, we can handle these special issues, but we don't see a big wave.

Where do I think it's going? Well, up from 1%. But in the context of history, that leaves quite a bit of room. The long-term average is 3-3.5%. I think if you were to look at the general Wall Street estimates, people would say maybe it gets to 4%. We got a little bit above four in the COVID spike there, but nowhere near the 10% LTM default rates that we saw in the great financial crisis. I think it's higher than 1%, not necessarily benign, but certainly not that far above historical norms.

Peter Antoszyk: Are there any particular sectors that you have on your list that you watch a little more closely than others?

Justin Plouffe: Well, the tech sector in general has grown at such an incredible rate and also was a sector that was dramatically impacted by COVID, really in many ways in a positive manner. But I think that's why you're now seeing companies like Amazon and Meta have significant layoffs, whereas that's not happening in other parts of the economy. So the tech sector became a much, much larger part of the private credit markets in the last five years, and that's probably the area where I look at it most closely because it is the newest, has not as much historical data, and has been very, very much impacted by COVID.

Peter Antoszyk: Yeah, I'm kind of curious to see how some of that plays out. Obviously, there's been a lot of reoccurring revenue deals done in the tech sector, and I don't think we've seen any real workouts or restructurings; maybe workout is not the right word, but certainly restructurings in the public sector on reoccurring revenue, and how that will play out, will be interesting to see.

Justin Plouffe: That is certainly an area that's grown dramatically for private credit.

Peter Antoszyk: Yes.

Justin Plouffe: And you're absolutely right — to see how it plays out will be interesting. But hopefully, what we try to do is make investments in companies that we really believe in and that we think have a reason for being even through a difficult economic scenario, and that goes for every sector that we invest in. There's nothing that can replace investing in a great company.

Peter Antoszyk: And the other thing I don't think you have this time around that we had during the great financial crisis is a maturity wall coming up.

Justin Plouffe: Yeah, that's right. We don't have a significant maturity wall in the near term. We do have the issue of CLO formation, which needs to come back for the syndicated markets since that's now about two-thirds of the market. But I think it's safe to say we have some time to deal with this transition to a higher-rate environment. And so far, I think that that will play itself out probably over the course of 2023. There's no near-term concern, but we'll have to see what happens.

Peter Antoszyk: Yeah. So pivoting now from what defaults might look like to deployment, where do you see opportunities?

Justin Plouffe: Sure, well, there are lots of interesting places to deploy capital today. Number one on my list would be this area of transitional capital, really in the non-sponsored space.

Peter Antoszyk: Explain what that is.

Justin Plouffe: Sure. This is where a company is going through some type of transition. They're changing their business model; they're spinning something out; they're doing an acquisition; something where the loan that they need, the capital solution that they need, is not cookie-cutter. They're not going to be able to get it from a bank. They may not even be able to get it from a traditional, regular middle-market lender like the BDCs. Most of those lenders look for sort of a very specific funder profile, and they don't really do a lot of bespoke structural solutions. So there is this group of companies where if you have direct relationships with the C-suite, with the founders, and very often they're family-owned businesses, and you can partner with them to create a bespoke solution, then you can get really great value and help them through their transition. So we do a lot of that type of lending. The good news about that is that we are often able to negotiate great structure protections that you wouldn't get in leveraged loans in a regular middle-market deal.

Peter Antoszyk: Like covenants.

Justin Plouffe: Like covenants, that's right. You all remember when covenants used to be a thing. We still get those in transitional deals. So that's great. And then obviously, when you're providing that certainty of capital in a bespoke, creative solution, you can charge more for that. The downside of it, of course, is that it's transitional. So our prepayment rate on those loans tends to be very high. The weighted average of the outstanding time is only something like 24 months. So what that means is that you need a team of people out there, and this is where being part of Carlyle really helps us. We have a fantastic network. We do have direct relationships with these companies, both on the credit side and on the private equity side. So for us, that's a real advantage to be able to source these deals. And when you can source them, they're some of the best values out there ...

Peter Antoszyk: And I assume they are less competitive.

Justin Plouffe: They're much less competitive. We see maybe a handful of other people that do this type of lending as opposed to the middle-market space, where there are many, many competitors. And very often, because these deals are syndicated and often not intermediated by a bank, we might be the only person or one of two or three that are offering a solution. So I think that's a really interesting area.

Peter Antoszyk: Are there other areas that you're looking at?

Justin Plouffe: Yeah, well, the other area I would say is anywhere where the banks have really retrenched. And we've actually been able to go to some of the companies that you may have read about in the press and offer them junior capital solutions while the banks figure out what to do with their senior capital. And then, in the dearth of CLO execution today, I actually think there are certain CLO tranches that are exceptionally valuable. For the double-B tranche, for instance, we've been buying those at yields that pencil out to the mid-teens, and that's very, very unusual historically. That's typically what you would get on your equity investment in a CLO, not in the rated debt. So I think there are pockets there in kind of the more traditional area where banks have stepped back that we can step into and really generate yields that look very attractive on a historical basis.

Peter Antoszyk: So I know private credit has largely migrated to the senior secured, and you're talking about doing the junior tranches. And I think you've recently done some prep in that area. And we saw that as a growth area over the last couple of years. But I'm wondering if there's been a pullback in the preference or if that's an area of opportunity where it's actually expanding.

Justin Plouffe: I think it's an area of opportunity.

Peter Antoszyk: And you should describe for our listeners what we mean by preference in this area?

Justin Plouffe: Right. Well, you're really making a debt-like investment, but that is below the rest of the debt stack. So not a senior-secured loan, not even a second lien or a bond, but something that has equity elements but some debt-like protections. And really, every one of them is so bespoke, it's hard to generalize. But that kind of mid-level capital, right above the equity, is definitely a growth area. It's an area of a lot of complexity. So you really have to be able to drill down into the industry and into the company. And this is where having the private equity knowledge base and the industry knowledge base within Carlyle really helps us. But we see opportunity really up and down the capital stack. We are doing everything from the most senior loan in a capital structure to deep pref. And it's just about finding value in that company and providing a capital solution that works for that particular borrower.

Peter Antoszyk: What about sectors in terms of what you might be focusing on?

Justin Plouffe: We're lucky to be able to be sector-agnostic, really. And we have teams that cover all sectors. I mentioned technology as one that might be a little bit more concerning in certain areas. But otherwise, we're really finding opportunities across various sectors. And because we have the teams, the capability and the knowledge base, we're able to access wherever we think the best value is from a company-by-company standpoint.

Peter Antoszyk: Got it, and what about geographically?

Justin Plouffe: So we're very focused on the US, North America, I should say, and Western Europe today. That's where we're doing most of our investing. Outside of that area, I think we are experiencing a period of heightened geopolitical risk, at least in the minds of our LPs. So, for instance, investing in Asia for US LPs is something of a concern right now. So our focus has really been on the US and Western Europe. And until we face issues with our capability to deploy, I think that's going to be our focus.

Peter Antoszyk: So I want to talk about geopolitical risk for a minute, because you can't help but read about geopolitical risk in the paper every day. The war in Ukraine and what the consequences of that might be and whether that's contained; the rising tensions between the US and China, and even domestically; the coming 2024 elections and what that might mean; and the balkanization of our political environment: I'm wondering, from your seat on the investment side, on credit for Carlyle, how you take these risks into account and how your analysis and assessment of these risks have changed over the last few years.

Justin Plouffe: I think we're all much more cognizant of these risks than we were five to ten years ago. And really, the key word is uncertainty. They provide a level of uncertainty in investing that has to give you pause and, frankly, has to result in a higher expected return in order to make those investments. We definitely are seeing our LPs be very concerned about these issues, and I'll highlight the relationship between the United States and China as one that hasn't resulted in anything all that bad yet but on which every LP I talk to is very, very focused. Carlyle being a global firm with a significant presence there, I do think we have more expertise than most to navigate that. But it creates uncertainty.

Peter Antoszyk: Yeah.

Justin Plouffe: The other thing that we're very focused on is the ability of the companies we invest in to navigate this environment. A lot of companies were caught off guard by COVID because they relied on other geographies for their supply chain. And you're seeing a lot of companies now try to onshore and create more redundancy in their business model. And ultimately, that's a costly thing but could be a good thing, and I think something that companies have to consider today because the environment is just less certain geopolitically than it once was.

Peter Antoszyk: Sure. And the world is less flat in that regard.

Justin Plouffe: We are retrenching as a global economic community in a way that is, I think, surprising. And I don't know that it will be a long-term trend, but certainly it has been a short-term trend—a new thing that we need to navigate, a new thing that we have to think about significantly. Before COVID, my traveling to the Asia-Pacific region, going to China, and really going anywhere in the world to talk about our business was not something I thought twice about. And today, I think it's certainly something where we have to decide what areas of the world we think are the best places for us to be right now for a variety of reasons to invest our LPs' capital well.

Peter Antoszyk: Do you have a methodology for quantifying that risk? Or is it more of a general assessment?

Justin Plouffe: Yeah, I put that in the category of unquantifiable.

Peter Antoszyk: Yeah.

Justin Plouffe: What it results in really is just that kind of uncertainty, and uncertainty in investment is a bad thing. And generally speaking, you need excess return to compensate you for that. And so when we look at investments, we are now looking with an eye towards geopolitical risk that we maybe haven't in the past. And that means that where we see geopolitical risk, we need to be compensated for that as best we can.

Peter Antoszyk: I've been thinking about this a lot because I'm going to speak with Tina Fordham, who is a geopolitical expert. And just in terms of how investors are taking geopolitical risk into account that has radically changed over the last several years.

Justin Plouffe: For sure it has. It's much closer to the top of the list of concerns that we have than it was five years ago; there is no doubt about that. And I think COVID laid bare a lot of the differences that we have in our systems geopolitically as well. So that is now something that we are far more focused on than we once were, and I think it will continue to be a focus. These issues do not seem to be going away anytime soon. I think we're going to have to learn to live with them. As investors, we need to make some really serious choices about where we're willing to deploy our capital given this new set of risks.

Peter Antoszyk: And it's not just where; it's not just beyond our borders. It's here. You must be taking domestic factors into account here in terms of either a type of company, an industry, or ...

Justin Plouffe: Well, everything seems to be political today, and the definition of ESG seems to change depending on what state you might be in. It's an interesting trend in the investment industry, so we'll have to see where it goes. But certainly, those are the types of things that we weren't thinking about five years ago, and today you have to consider them when you're deciding how to deploy capital and how to best provide value to your investors.

Peter Antoszyk: Great. If you think about the industry over the next five years, what are some of the things that you think might happen or will happen that will surprise most people?

Justin Plouffe: Well, I think the private markets are definitely coming to the individual investor, meaning that there will be more and more products for private wealth and for retail investors to access these markets. The markets have just become so large that they really deserve a place in just about any diversified investment portfolio. And there's been a lot of progress made on how we can deliver that investment product to individual investors. So in the next five years, I think the number of institutional investors that are in the private space probably will not change all that dramatically. I think we're going to see growth in individual investors and also in the insurance space.

Peter Antoszyk: I think that'll create not only a huge opportunity but also big differences between dealing with institutional money and individual money, even if individual money has a higher net worth.

Justin Plouffe: There is a tremendous difference both in the structure of the funds that you offer, the expectations in terms of reporting and what type of information they need, and of course, the headline risk. So I think all of those things are things that the industry is sorting through. But there's no doubt in my mind that private markets are coming to retail in a big way.

Peter Antoszyk: I totally agree with that. So what are you reading or listening to that you think is helpful for your work?

Justin Plouffe: I don't know how helpful it is to my work, but if anyone hasn't yet read the long-form article by Matt Levine on cryptocurrency, I highly recommend it. And it sprung to mind because, when things come to retail, I often get the question about tokenization or other technology used to distribute these products. And —I'm not going to say in the next five years but some of the technology that's come out of cryptocurrency will make its way into the investment world. And I thought that that particular long-form article was about as accessible as cryptocurrency can be for someone like myself who has no background in it.

Peter Antoszyk: I have yet to be convinced about cryptocurrency.

Justin Plouffe: I'm not convinced either, but the technology is very interesting and actually has applications well beyond just cryptocurrency.

Peter Antoszyk: Yes, certainly the blockchain technology does …

Justin Plouffe: For sure.

Peter Antoszyk: For sure. And I guess the same question applies, but for fun and entertainment.

Justin Plouffe: Well, I actually am headed on a vacation to Italy soon.

Peter Antoszyk: Nice.

Justin Plouffe: And I'm very excited; I've been very few times. Anyway, we're going to go to the Vatican. And in anticipation of that, I'm reading the history of the Catholic Church. But I'm only up to the fourth century, so I have a lot of work to do here. But I thought that would be a good thing to read before I went. Other than that, I'm just rooting for the Celtics and the Bruins …

Peter Antoszyk: There you go.

Justin Plouffe: To take home the titles.

Peter Antoszyk: Good call. Well, listen, I appreciate you joining us on private market talks. It was a good talk, thank you.

Justin Plouffe: Thanks, Peter. I appreciate it.

Peter Antoszyk: All right, take care. Bye. Thank you for joining us on this episode of Private Market Talks. If you enjoyed it, don't forget to like, subscribe and share it. And if you want more information or wish to comment, go to PrivateMarketTalks.com.

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