

Bankers led by Audette Exel tackle global poverty

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Audette Exel in the village of Ghyangfedi, Nepal, after the 2015 earthquake.

David Gonski calls her impressive, so driven it's infectious. A really extraordinary person, says chairman of Goldman Sachs Australia investment banking, Tim Burroughs; one smart cookie, says Barrenjoey's Matthew Grounds.

And she is someone who is very hard to say no to.

"There are people you meet in life who are incredibly compelling and she is certainly one of them," says top ranked non-executive director Ilana Atlas.

These corporate advice gurus in are talking about Audette Exel.

Exel is the founder and the force behind Adara Partners, the boutique adviser with a difference. It involves Australia's top bankers and advisers, including the above-

mentioned, working on mandates with all their fees going to ease world poverty and disadvantage.

“Twenty four years ago when I said I’m going to set up a corporate advice business entirely for the purpose of generating revenue to serve the poor, people thought I was a drug dealer or money launderer,” says Exel.

So far Exel has managed to extract \$60m from the investment banking and financial advice industry – a feat in itself – and funnel it into some of the most desperate and remote parts of the developing world: to fight child trafficking in Nepal and save the lives of babies in Uganda.

“She’s just a really impressive person. The model is not replicable in every situation. You need a real strong person like her to pull the team together that is high quality. And then you need someone that never sleeps,” says King & Wood Mallesons chairman David Friedlander.

Lessons from Bermuda

Born in New Zealand, Exel started out as a lawyer at Allens in Sydney. At 35 she was running a bank in Bermuda, the largest market for reinsurance in the world, and became chairman of the Bermuda Stock Exchange. “Bermuda was pivotal. I’ll always be grateful for that,” she says.



Audette Exel, standing fifth from left, and members of the Adara Group.

Bermuda gave Exel the chance to run a bank balance sheet and learn reinsurance. She began thinking a lot about asset liability management and even more about the

not-for-profit sector. There was a mismatch between short-term donor dollars and the long-term responsibility to charities. “So the model of Adara was my crack at a different model of funding a not-for-profit by creating long-term revenue streams out of the market, where there’s money and power and capital, for the sole purpose of funding long-term work with people in extreme poverty,” she says.

Exel started with Adara Advisors, working on reinsurance and bank advice, driving the profits into Nepal where she had trekked on holidays. In 2007 she brought the business back to Australia. But she was doing it alone.

“Then when I hit 50 a scary nine years ago, I wanted to see if I could invent a slightly better mousetrap,” she says. “That’s when I came up with the Adara Partners idea.”

Adara Partners is a panel of 15 of the most well-known advisers in Australia that Exel has lured in. For any mandate, two advisers from different firms are paired to work on a deal.

“I first started talking to Audette about this idea seven years ago,” says Adara panellist Tim Burroughs. “I think she’d been putting every penny she ever had into the charity for 20 years.”



David Gonski of Barrenjoey Capital Partners: “I found Audette Exel impressive, focused and incredibly successful.” Picture: NCA NewsWire/Bianca De Marchi

Burroughs advised the AusNet board on the sale to Brookfield and is now advising Pental. He says Exel’s mission to get top advisers increases profits for the charity,

provides more stable funding and offers satisfaction and purpose for the people doing the work.

“That to me is a very, very powerful idea,” he says.

Exel pushes the commitment as far as she is able. “I’m fortunate in that I’m retired and can put aside time,” says Burroughs.

“When we started AusNet chair Peter Mason and I were having a conversation on the balcony of his apartment. We didn’t know that would turn into probably seven and half months every day of the week.”

Exel says with such an unusual structure, she knew she needed significant players in the market for her panel.

“The first mandate we got was from Wesfarmers. Richard Goyder rang me after I’d been in a meeting with him and said, ‘I have a very complex problem. I need the smartest people in Australia to help me solve it. If you could give me David Gonski and Matthew Grounds working together you have a mandate’,” says Exel.

Exel delivered.

“Why would one do it?” asks Gonski. “For myself I like the idea of being philanthropic. Audette outlined what the benefits would be to the not-for-profit she is running and also what the not-for-profit was attempting to do. I found her both impressive, focused and incredibly successful.”

Grounds had already been urged to meet a woman called Audette by a close friend who had lived in Bermuda some years earlier. Somehow, Exel managed to get into his diary for a meeting.

“I remember walking down the corridor of my old meeting room at UBS, thinking ‘how do I make sure this is only a ten minute meeting?’ I had a full day,” he says. But he saw her resume and made the connection. Exel had an instant good reference from Bermuda.

“We went for an hour and by the end of the hour I said ‘I think it’s a great idea’. Guy (Fowler) and I will do it – I’ll just have to get it through Switzerland, which will be no mean feat.”

Grounds got clearance from Zurich, and he and Fowler joined the panel. “If you think about it, mediation covers a lot of things. When I’m pitching our partners to corporate Australia, I’m not pitching purpose; I’m pitching: ‘I can give you two of the best in the country, working together across their competitive boundaries to advise you’,” Exel says.

Over seven years Grounds and Fowler have been involved in one mandate a year.

The Guy Fowler connection brought in top M&A adviser Philippa Stone from Herbert Smith Freehills. “I can provide free legal services but that’s not something that is particularly useful to a charity doing work in Uganda and Nepal. The beauty of the Adara model is that it enables you to do what you do well and donate your time to make fees, which then go into the very serious charity work that Adara does,” she says.

Exel has set up Adara with its own full-time corporate advisory director, senior associate and 12-month secondees currently from Ernst & Young and Minter Ellison.

The secondee salaries are paid by their firms and in exchange Adara offers a chance to work with some of the best in the business.

Ilana Atlas had already met Exel, as both were directors on the board of Suncorp. “I went to Nepal with her and saw some of the work they were doing. When she started thinking about this model I thought it was a brilliant idea,” she says.

Charity work



Herbert Smith Freehills partner Philippa Stone: “The beauty of the Adara model is that it enables you to do what you do well and donate your time to make fees.” Picture: James Croucher

Audette Exel’s charity work is groundbreaking. A large stream of work is in Uganda for pre-term and low-weight babies in places without consistent electricity supply, with centres of excellence.

The Nepal story is remote community development in health and education with a big eye to child protection, especially from trafficking. The first project was 25 days' walk from the nearest road.

“When you go really remote in low-resource settings, there's a lot of early marriage, there's a lot of child trafficking. There's a lot of vulnerability because generally there is no education. People are desperate to get their kids out of poverty. And that opens the door to predators,” says Exel.

Adara's work began on the Tibetan-Nepali border 15 years ago, when civil war broke out and trafficking surged.

“We were contacted by a young woman saying I found these 39 kids in this terrible situation ... I went on the internet, and I found you.”

“We had Humli teams. We went in and yes, these kids were in the basement on their way into the trafficking trade. They were saying my brother came, my sister came, my cousin came and then we began to find them all over the place,” says Exel.

“So there's 136 of those kids who are the cornerstone kids for us, who taught us everything that we know about child trafficking, kids at risk and also the joy of the rescue, rehab and reinflation of children.” She says Adara's work in child protection now touches tens of thousands. It is this work that make Exel so determined to capture the top-tier corporate advisers.

When she built the Adara model Exel also had the Takeovers Panel high in mind. “I thought: very prestigious, cross-cuts the industry in terms of industry collaboration, they work effectively for peanuts and they work together across their competitive boundaries.”

That idea resonated with Citi's head of investment banking, Tony Osmond, who sits on the Takeovers Panel, and independent director Catherine Brenner, a former member, who both came on board.

“Audette is hard to say no to,” says Osmond. “Citi was very supportive from the outset.

“It's also important for our younger bankers to see senior role models contributing to valuable philanthropic causes.”

Nine partners have grown to 15 and Adara has won 26 mandates. Sometimes the work is as main adviser, but often it is as a second voice to public company boards. This is why non-executive directors like Atlas and Catherine Brenner are part of Adara.

“Sometimes boards just feel like they need an independent set of eyes,” says Atlas. “Often board members mightn’t agree on ways forward or over issues of value, and often things arise where people just think I just wouldn’t mind having another view that is confidential, independent, skilled and experienced.”

“It is a second pair of eyes, a second opinion on something that can be a bet-the-company transaction,” says Stone.

“The panel has more experience probably in aggregate than any single investment bank,” agrees Tim Burroughs.

Avoiding conflicts

In the hard-fought battles of M&A, conflicts of interest are always an issue. So how does Adara’s model, which mixes up principals from opposing shops, manage?

“When I land a mandate I go through a very complex process of conflicts-clearing and availability-clearing before I put together two panellist,” says Exel.

From the very beginning it’s been set up with all the right licences and insurances and Chinese walls,” says Brenner.

“I’m working on something at the moment. The other panellists don’t know what I’m working on. And we are giving advice that is not skewed by success fees or how much we are going to get paid.”

Several Adara panel members were involved in the AusNet transaction, but working for their own firms for a fee. Tim Burroughs says this is no different to the market. “It’s a small marketplace and we all know each other. The fact that someone is or isn’t an Adara member is irrelevant, because they are not an Adara member at that point in time. They are working somewhere else,” he says.

“We wouldn’t absent ourselves if Adara was on the other side. We’d treat them like the enemy if we were on the other side because that is what we do every day,” says KWM’s Friedlander.

“But with AusNet I had to pull off that Adara engagement because after we had commenced the engagement the firm was acting with APA. As soon as that arrived I had to pull out.”

This year, Exel joined the board of Westpac. For Adara though, her ambition is to take the model global. “It’s a smart model. I think it would definitely work in the US and I think it would work in the UK,” says Grounds.

“There’s a lot of cynicism about investment banking – the vampire squid on the face of humanity, one of the great lines ever,” says Exel.

“What I see is men and women who don’t need to do anything more in their life.

“Most of them are very good philanthropists, either privately or publicly, who have spent some of them hundreds, if not thousands of hours of their time, working under enormous stress – you know what contested M&A is like – entirely without recompense because they’re so vested in this work.”