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If we go back years, we struggled with energy names. They would take the cash they were generating from their established oil production and they would redeploy it in what we would call very speculative projects, projects that didn't make sense from a cash perspective.

Lo and behold, following the Energy Crisis, we all remember oil dropping to actually below $0, something we thought we would never see. Many companies found a new cash discipline where they understood that their livelihood depended on generating cash and generating sustainable cash. And that's when these companies became attractive, where they would be much more disciplined in terms of which projects they would invest in. They weren't betting any more on oil going up to above $100, they would actually use a much more reasonable assumption, oil in the $50s, to really make sure that they built a sustainable business.

So pre-2020, we were actually underweight oil. Following the oil crash, following the fact that the prices fell dramatically, but especially following the fact that many companies found discipline and would now generate cash, we found that area quite attractive, and we've owned oil names for a number of years.

That said, there is a price for everything, and if you were to look at our funds, you would see that we have materially reduced our oil exposure given the incredible run in the share prices. There's a price for everything. Of course, we want businesses that generate cash and have those great reinvestment opportunities, but we're not going to chase them unless the valuation is there. And I would say always be careful of valuation in the energy sector; it changes quite dramatically as stock price moves and as oil price moves.

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