High Flyer
by David Leser

She built a career on making millions for the rich, but her true achievement has been using her legal and financial nous to make money for the world's poorest. David Leser meets the ISIS Foundation's Audette Exel in Kathmandu.

To enter the Alice in Wonderland-like existence of Audette Exel, you could do worse than go down the rabbit hole and poke your head up into the ancient former kingdom of Nepal. Weddings are erupting around the capital, Kathmandu, with flourishes of trumpets and beating drums. Cows amble across the street amid dust storms and endless traffic jams, vying for space with urchins, holy men and hawkers, all under the looming presence of the Himalayan mountains.

A monkey passes Exel's hotel room as she works via email on a half-billion-dollar sale of a European banking group. The negotiations are crucial. If successful, they will represent one of the biggest European financial transactions of 2012. This is just before breakfast.

After breakfast, Exel visits some of the children she and her organisation, the ISIS Foundation, have rescued from child traffickers in the remotest part of the country, children taken from their homes under false pretences and imprisoned in appalling conditions.

The children are hugging her, squeezing her, holding her hand. An 11-year-old boy who almost died from a hole in the heart before being saved by Exel and her team won't let her go.

Later that afternoon, Exel works on forging ties between her Nepalese staff and her manager in Uganda, the other country where her organisation has saved the lives of thousands of mothers and their children.

"If you want to know me," the former corporate lawyer and banker says as she greets me at the door, a flourish of blonde hair, blue eyes and Nepalese silk, "you have to know me in this context. The truth of me is here, it's not dressed up in high heels and a business suit in Sydney."

This is the woman who New York-based distressed debt manager Victor Khosla tells Good Weekend has raised hundreds of millions of dollars over the past decade for his company, Strategic Value Partners, through her financial acumen. The same woman who, leading international finance lawyer James Watkins says, gave up millions of her own income to help some of the most impoverished people in the world.

The same woman again who high-flying lawyer John Atkinson believes puts him and other bankers and lawyers to shame. "When I examine my life and I compare it to Audette's, you can quickly feel pretty humbled, even quite selfish. I guess in the scheme of things I look quite normal and Audette looks pretty extraordinary."

Audette Exel was 16 years old when she made her first jump. It was out of a plane at 1000 metres. She'd been talking to a skydiving instructor in a Wellington bar and he told her that there was nothing greater than plunging to earth at terminal velocity.

"You can't do it," her mother said.

"Yes, I can," her daughter replied. "I have a right to, so I'm going to."

Her younger sister, Leonie, nearly had heart failure the first time she saw her sister leap out the door. "I thought, 'Why would you leave a perfectly good plane?' "

"It's not just a plummet," Exel says now. "It's the purest form of flight."

On that first jump, over Exel's home in the North Island of New Zealand, she felt an ecstasy she'd never experienced. "I knew as soon as I got out the door of that aeroplane that this was my sport. People have this perception that it's about scaring yourself and getting close to death, but actually it's about living to the full."

At 49, Audette Exel has made an art form of squeezing the marrow from life. Her parents, Mary and David Exel, paved the way. David Exel covered the Vietnam War for the New Zealand Press Association during the 1960s and early '70s when he based his family in Singapore. It gave his three children the opportunity to see multiculturalism first hand, and to experience what it means to be an outsider.

"My mother taught me to give of yourself," Exel says now in her Kathmandu guest house, "and she held the family together with this mad, wild-thinking husband who showed me that the most important thing in the world was to think for yourself."

When the family returned to New Zealand, David Exel found himself blacklisted by the country's new conservative prime minister, Robert "Piggy" Muldoon, following his election victory in 1975. Exel had been a distinguished journalist and television presenter but was bitterly opposed to the polarising figure of Muldoon. In the lead-up to the election, he had decided to organise a "Citizens for Rowling" campaign in favour of Muldoon's opponent, the then incumbent leader, Bill Rowling.

"I remember him sitting us down," his daughter recalls, "saying, 'I will probably never work as a journalist again.' We had this family meeting the night before the campaign was launched, and he said, 'I feel in all my years as a journalist I've been an observer … now I cannot keep quiet.' " David Exel was right in his hunch. Following Muldoon's election win, the new prime minister described the journalist as "one of his greatest personal political enemies" and declared him persona non grata.

"It was an object lesson in integrity," Exel says.

"He stood up for his beliefs."

So, too, did his feisty second-born child. The day after the pro-Rowling campaign was launched, a much taller boy approached her in the school playground and said, "My mother says your father's a traitor." Audette slugged him. "It's not the right way to solve a problem," she says, "but, yes, I punched him."

Audette Exel went on to become a student activist in Wellington in the early '80s, attending pro-feminist, anti-apartheid demonstrations, and being dragged from the streets of the capital – along with her father – by riot police during the historically divisive 1981 Springboks rugby union tour. After the family left New Zealand for Australia, she went to Melbourne University to complete her law degree. It was there she recognised an important difference between her old comrades back in Wellington and her new group of friends in Melbourne.

"Suddenly, I was with students who actually cared what a QC was paid a day rather than how to change the world," she says.

It was at this moment that Exel saw a chasm between two worlds – the world of rose-tinted idealism and the world of power and capital. "I realised I knew nothing about business and I thought, 'I have to know about business. I don't know what a share is. I don't know how the stock exchange trades. I do not understand money.' So I actively sought out the best, most right-wing and most pro-business law firm in the country."

Exel managed to charm and bluster her way into a job in Sydney with Allen Allen & Hemsley (now Allens Arthur Robinson), where she ended up in deal teams acting for the lenders on hugely complicated – and controversial – negotiations like the mid-1980s hostile takeover bid for BHP.

Her left-wing friends back home were scandalised, many of them believing she'd betrayed the cause by not working in an area like Aboriginal legal aid. One of her teachers even lamented, "You were my great hope."

According to Diccon Loxton, a senior partner with Allens, Exel was "a delight to work with" and not obviously a radical. "She didn't go around espousing left-wing slogans."

But she still liked to skydive. After negotiating massive financial transactions during the

week she'd drive away for weekends, sleep in an aircraft hangar or in the back of her car and, next morning, climb out onto the wings of an aeroplane.

A few years later, Exel joined one of the most prestigious law firms in Asia, Linklaters & Paines in Hong Kong, where she ended up representing a syndicate of banks on asset financing, as well as mergers and acquisitions. The deals were worth billions of dollars and, again, Exel would escape on the weekend by leaping out of planes, somewhere over the Chinese border.

John Atkinson, then with law firm Baker & McKenzie, often sat on the other side of the table to Exel for endless rounds of tough negotiations. As Atkinson says now, "I remember thinking, 'God, I wish you'd just bloody go up in that plane and forget your parachute or something.'

Audette absolutely refused to give anything. She would never give up a single basis point, not even a sniff of it. She'd drive us nuts. You almost thought it was her money rather than the bank's she was acting for.

"But I understood then that she wasn't your average kind of lawyer, and I built up a massive admiration for her. She was a young lawyer in a very toffee English firm and she was running large transactions. That was not the norm."

One of the firm's senior partners actually said to Exel, "Audette … we've never made a partner of anybody who wears lime-green suits to work, doesn't wear shoes in the office and clicks her fingers when she walks down the hall."

Maybe not, but according to James Watkins, the man who brought her into the firm, she would have definitely made partner had she decided to stay. Instead, she eschewed the fat salary to spend 18 months cycling with her best friend through Europe, just as the Iron Curtain was collapsing.

She cycled thousands of kilometres through Belgium and Luxemburg, over to northern France and across to Austria and Hungary, all the way along the banks of the Danube, and then back into Germany. She cycled into Munich for the beer festival and, five days later, headed to Berlin with a massive hangover as the wall was being torn down. She partied in the newly reunified capital all night and then zigzagged through the old Eastern bloc, pedalling straight into the middle of Czechoslovakia's velvet revolution, and then the equally historic unravelling of Yugoslavia.

At some point in her mad odyssey, she rode into Romania, blissfully ignorant of the tragedy that had befallen the country, courtesy of former dictator Nicolae Ceausescu. A second revolution appeared to be under way in the capital, Bucharest, and Exel found herself in a bar one night with the international press, hundreds of thousands of people massing outside in University Square.

One journalist mentioned to her the plight of an estimated one million Romanian orphans. The next day, the two women found themselves looking into the hollowed-out eyes and cracked teeth of an infant girl suffering from full-blown AIDS. She was lying in her cot mewling like a dying kitten.

Ten days later, the two women began working in the worst orphanage in the country, a hellhole for handicapped children on the Moldovan- Romanian border. It was the first time Exel had witnessed how international aid often went wasted: trucks arrived in the village

filled with Christmas boxes from well-meaning donors, but containing nothing more than soap, toothbrushes and a flannel for each child. (What does a severely disabled child, crazed with hunger, do with soap and toothbrushes? Answer: he eats the soap and tries to poke out the eyes of other children with the toothbrush.)

From Romania, Exel and her friend cycled to the Middle East just as the first Gulf War was erupting. They pedalled back to Italy, ate way too much pasta al dente, ran out of money, and Exel returned to Australia to get a job as a consultant lawyer.

A few months later she flew to Israel, from where she planned to cycle across the Suez Canal and down through East Africa. Instead, she ended up scuba-diving in the Red Sea and, 30 metres down, amid a wall of spectacular coral, her scuba-diving instructor did a remarkable thing. He kissed her.

Exel refused to return to the surface so the instructor, bereft of any other good ideas, took off his regulator, motioned for her to do the same, and then puckered up. “It’s totally insane,” Exel recalls now, laughing, “taking your regulators out of your mouth 100 feet underwater, but I thought, ‘Why the f… not?’

So I take my regulator out and we have this huge, fabulous kiss.”

She fell in love with this diving instructor and then used the southern Negev Desert town of Eilat as a base to travel solo through the Muslim world. She ended up in Turkey working for the Australian embassy on the Iraqi border. It was there, in a refugee camp, that she came under fire from members of the radical, separatist Kurdistan Workers’ Party.

“We were the idiot Australians who stayed to work at the camp after the sun went down,” she says. “We were in the middle of the firefight for several hours. Many people died. It was a very sobering thing … I realised as I was lying on the ground and people were killing each other over the top of our heads and shooting and there were over-the-shoulder rocket launchers and God knows what else – I thought, ‘Oh my God, I am not an observer, I’m a participant.’ ”

Having survived this, Exel spirited her scuba instructor away to Bermuda and a year later the New Zealand Christian and the Israeli Jew got married in a Hindu temple in Old Delhi.

Exel had gone to Bermuda to set up a banking department for a small local law firm. Bermuda, of course, was the offshore jurisdiction and huge re-insurance market 90 minutes’ flight from New York. It was home to a curious cultural mix of local Bermudians and Old World families, both black and white, and was also where some of the most highly numerate financiers in the world chose to base themselves.

Exel seized on the idea of convincing a billionaire Dutch financier to rescue the ailing Bermuda Commercial Bank, one of three banks on the island and known as the “black bank” because of its largely black clientele and shareholder base. The financier agreed to do so on one condition: “You talked me into buying this tinpot bank. You run it,” he said. Exel was 30 years old.

By the time she left the bank four years later, at the end of 1996 (and also after a stint as chairman of the Bermuda Stock Exchange), the bank’s fortunes had been transformed. “She just turned that bank around,” says international finance lawyer James

Watkins. “It was a fantastic achievement for somebody whose background was in the

legal profession."

Exel was elected a Global Leader of Tomorrow by the World Economic Forum, and shortly afterwards was asked to join the board of the Bermuda Monetary Authority. In that capacity, as a director of the chief regulator for the island's financial services, she signed the local $5 bill, writing her name across the neck of the British monarch.

In 1997, Exel abruptly changed course again. Her marriage was coming to an end, and Exel was feeling the call of something much bigger. She wanted to stop making money for the rich and start making money for the poor.

Together with a small group of friends, Exel set up a financial-services business with a sole purpose: to create a self-funded, non-profit organisation that would help some of the most underprivileged people on earth. "I was 35 and I knew that it was time for me to actually do it, to step forward. But I recognised that to create an organisation with the values I wanted, I would have to shape it."

Operating initially out of a small bakery in Bermuda, Exel set up the ISIS Group (named after the ancient Egyptian goddess of motherhood) to provide corporate financial advice to large insurance companies and banks, as well as to raise hundreds of millions of dollars worth of capital for investment managers.

Revenue for the ISIS Group would come from fees paid for these services and then go entirely towards funding the organisation's non-profit arm, the ISIS Foundation, whose head office is now in Sydney. It was a unique model, one of the earliest examples of "business for purpose", as opposed to business for profit. Every dollar earned would go into funding the foundation's administration and infrastructure, thus guaranteeing donors that all their money would end up where it was needed most – services on the ground.

The question was, where to provide the services?

Exel chose Uganda and Nepal. In 1994, she'd met Uganda's First Lady, Janet Museveni, at a World Economic Forum in Davos, Switzerland, and the president's wife had extended an invitation for her to visit the country.

Six years earlier, Exel had travelled through Nepal and fallen in love with the people. As in Romania, Exel wasn't just looking for any old challenge.

She wanted the biggest one imaginable, so she decided that ISIS would fund and manage a neonatal intensive-care and maternity unit in one of the most war-ravaged parts of Uganda, as well as bring health services to the Humla district of western Nepal, 25 days' walk from the nearest road and with villages up to 5000 metres in the air.

"I wanted to work in the hardest places," she says.

"And the hardest places are the most remote places. I wanted to work in landlocked countries because they are the worst."

Today, 14 years later, Exel has a team of Ugandan, Nepalese, American and Australian development specialists, health experts, social workers, doctors, nurses and anthropologists operating in both regions, providing services to more than 20,000 people in need.

Audette with trafficked children in Nepal, including a four-year-old boy (front in blue skivvy) with a hole in his heart, circa 2005.

(Exel is at pains to stress that this has been a group effort, with many mistakes along the way. “Don’t make me a hero,” she says.)

In the past two years, Exel has earned a whopping fee from the global investment firm Strategic Value Partners by raising more than $200 million for the company. All the fees have gone back into her foundation.

“This is the only time in the history of international finance that people in Uganda and Nepal celebrated the raising of capital for a US-based investment manager,” she says, allowing a hint of pride to reveal itself.

Victor Khosla, the founder of Strategic Value Partners, says that he’s never seen anything like it. “Generally, you’ll find it’s people who’ve made a lot of money doing business, and at a certain point in their life they start to dedicate time and effort to charitable activities. In the case of Audette, she’s done the two of them at the same time.”

At the age of 49, she lives alone on a shoestring, despite being chairman of her group of companies and vice-chairman of the board of Steamship Mutual, one of the largest mutual insurance companies in the world. She drives a battered old car (a 1997 Toyota) and has just bought her first home in Sydney’s inner west.

Having given up a life with a man she loved to try to change the world, she is often home alone at night, reading in her pyjamas. Her health is far from robust, a fact her colleagues are deeply concerned about, but a subject she declines to discuss, except to say, “There was one point where I thought I would die, but I never thought, ‘Why me?’ I thought, ‘Why the f… not me?’ And if I die, have I done enough?’ ”

She has no children of her own but claims that she doesn’t want for a thing. She says she is an ISIS “mother figure” to thousands of children in two hugely deprived nations. She regards herself as the “luckiest woman on the planet”, although she leaves me with the feeling that under her exuberant, disarming surface there is a world of sadness she dare not enter.

She bursts into uncontrollable laughter when I put this to her. “Write that if you want,” she says, “but even when I’m sick and in a lot of pain, my dominant emotion is gratitude. I don’t see my life as a series of sacrifices. Yes, I am full of angst and I cry in private, but my tears and angst come from the inability to effect real, long-term change …

“My life is a miracle. I get to work with the smartest people in the world in the business sector [most of whom have absolutely no idea their fees are paying for a non-profit organisation] and at the same time work with the most extraordinary communities.”

Since swapping her duffle coat for a business suit 28 years ago, Exel has been working towards this moment – acting as a bridge between the nonprofit and corporate worlds, showing the latter that there’s another way of doing business. Audette Exel calls it luck. Others would argue it’s about being prepared to open the door and jump.