



HEAVY TOLLS & LIGHT TOLLS



When the Cost of Growth Becomes a Moat



A + B = The Architecture

The Toll.
The cash collected today
from the activity of the
world.

The Wave.
The structural cost
to grow tomorrow.



THE LIGHT TOLL

The Freesurfer.

Zero marginal cost.

Growth is free.

Visa, Mastercard, S&P Global, MSCI



THE HEAVY TOLL

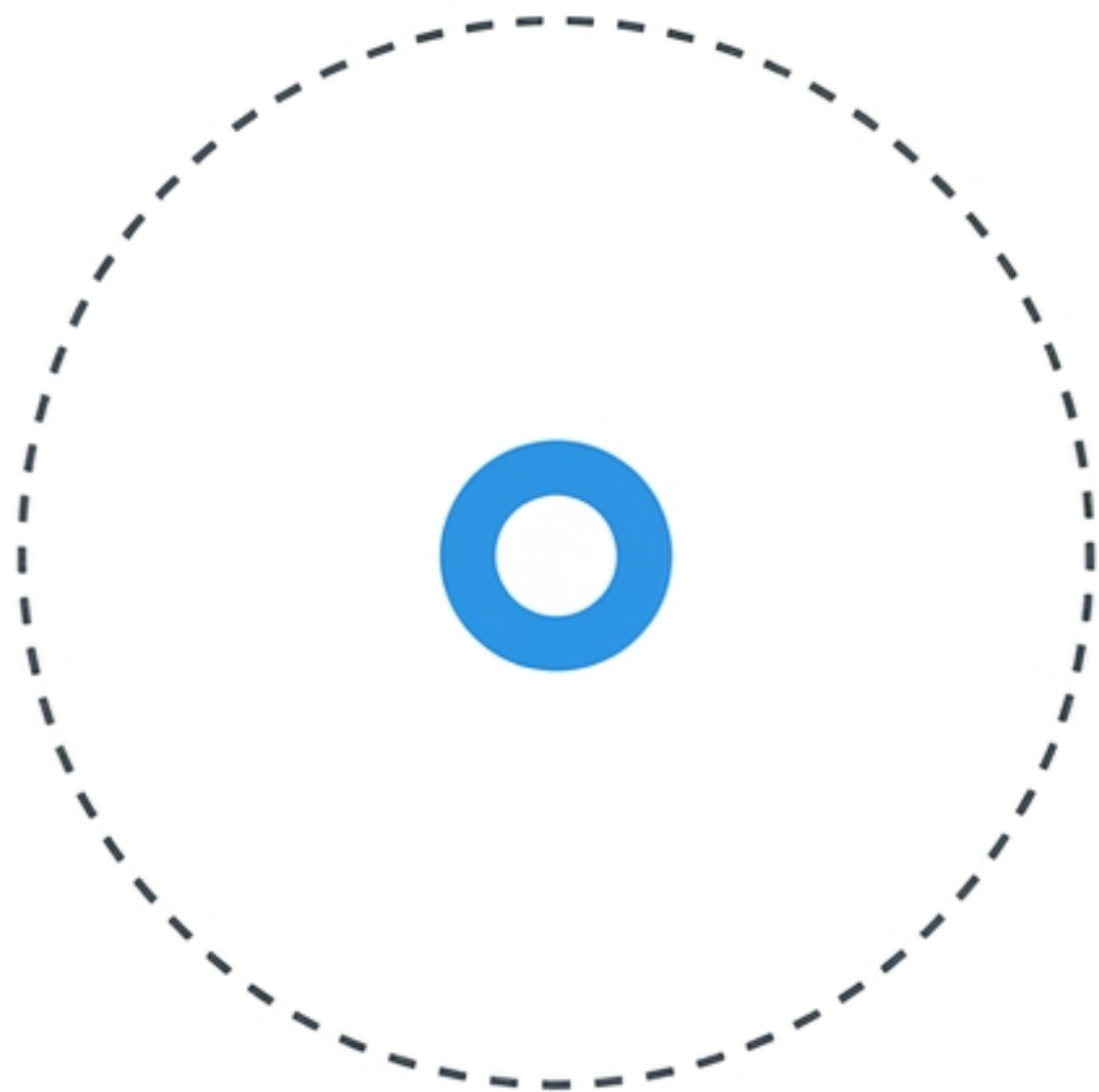
Concrete and steel.

Enormous capital requirement.

Growth is paid for.

Railways, Airports, Utilities, GE Aerospace

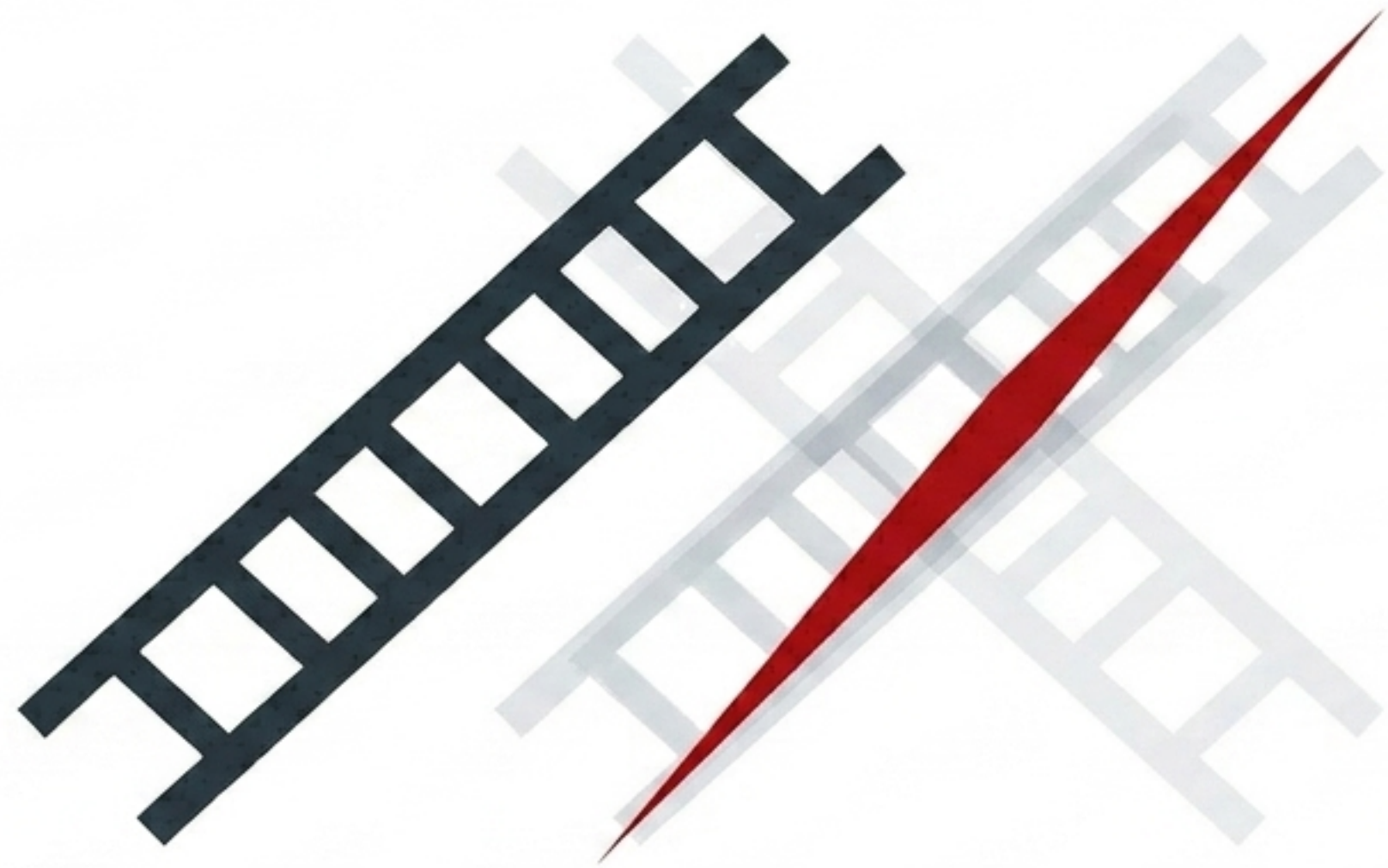
The Inversion



For the light toll, the moat protects the free growth.



For the heavy toll, the cost of growth is the moat. The capital requirement guarantees the monopoly.



No one spends \$80 billion to build a second national railway.

Two railways would split the traffic. Neither would earn its cost of capital. The expense itself repels competition.

Capital Intensity: Moat vs. Trap

RAILWAY

Consolidated. Irreplaceable.
Protected.

Returns > Cost of Capital.

AIRLINE

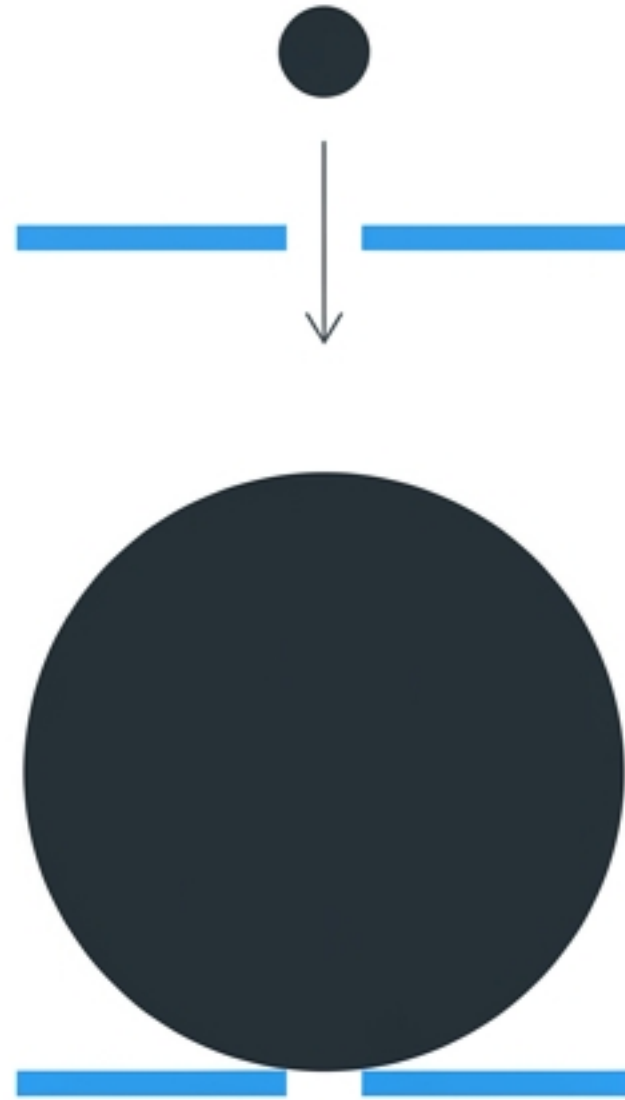
Fragmented. Interchangeable.
Destroys value.

Returns < Cost of Capital.

**A fat wallet is
the enemy of
superior
investment
results.**

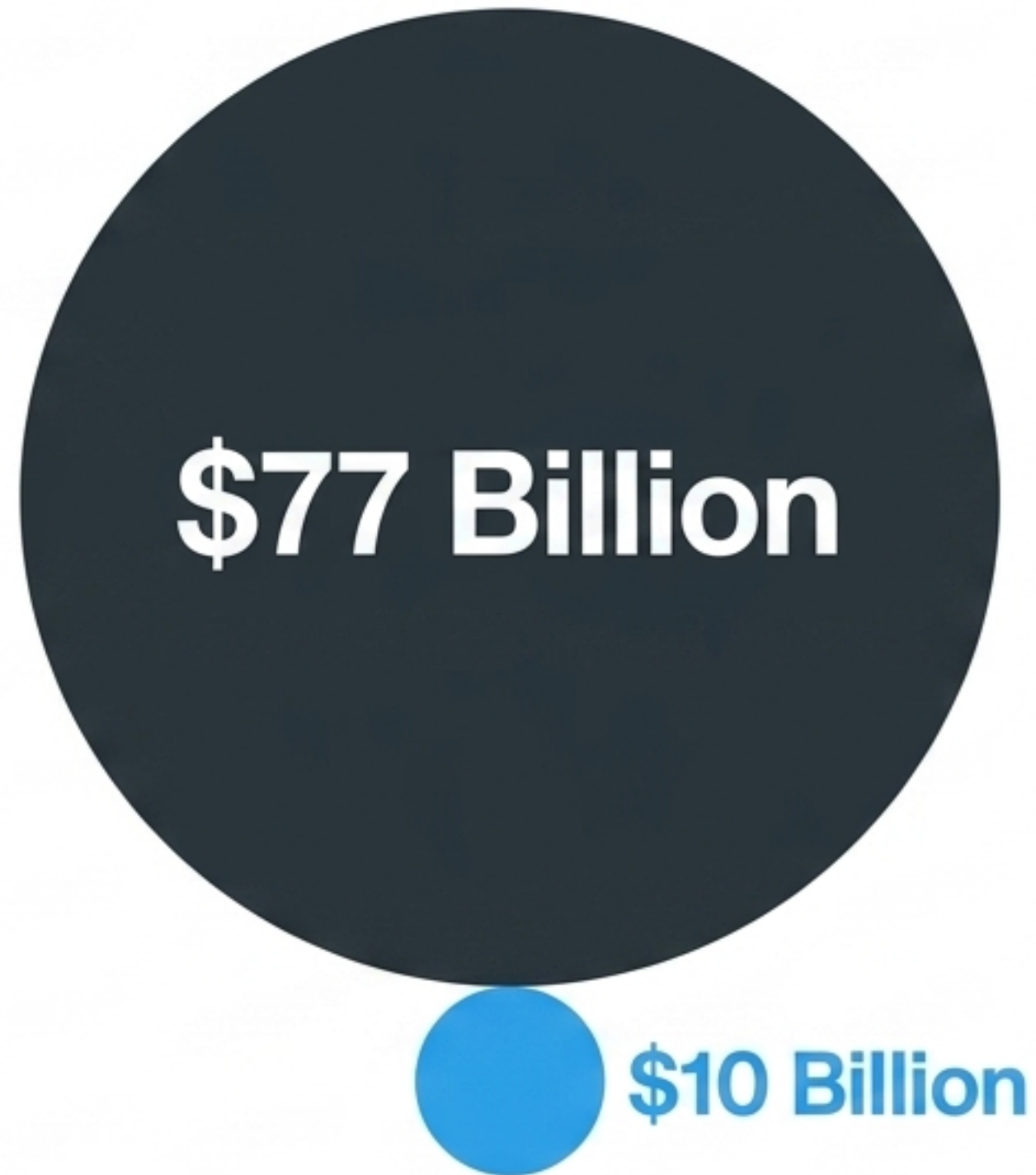
— Warren Buffett

The Reinvestment Problem



A torrent of capital must find a home. Pure compounding machines—capital-light Freesurfers—need none of it. They cannot absorb the giant's capital.

The MSCI Paradox



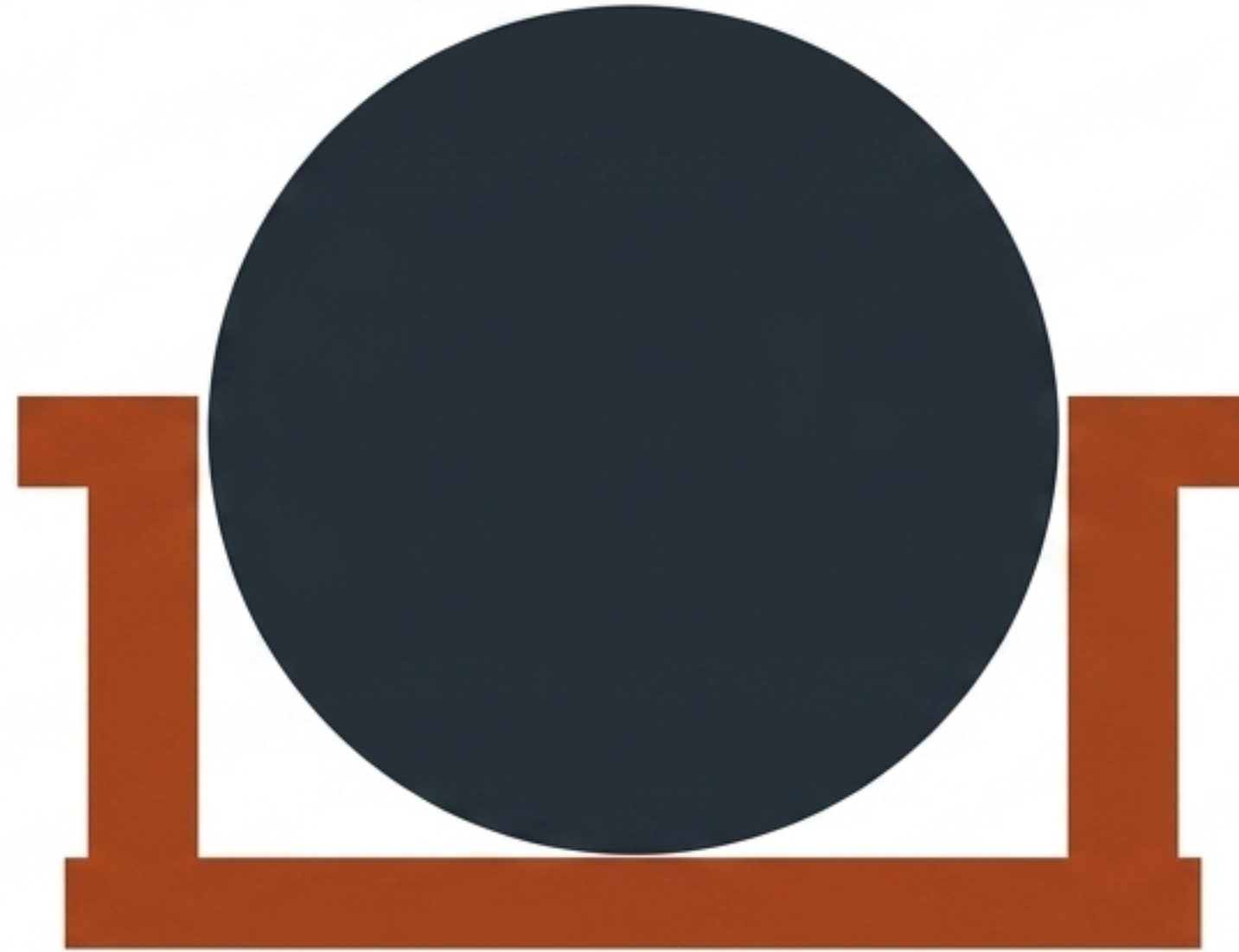
The purest Freesurfer is too small for the great allocator.

Hohn cannot deploy \$10B into MSCI.

He would own the entire company and still have cash left over.

Pure efficiency renders a business useless as a destination for massive size.

The Absorption Solution



The heavy toll is a destination large enough to swallow billions at a dependable, regulated return.

For the fat wallet, capital absorption is not a secondary trait. It is the whole point.

Case Study: Berkshire Hathaway



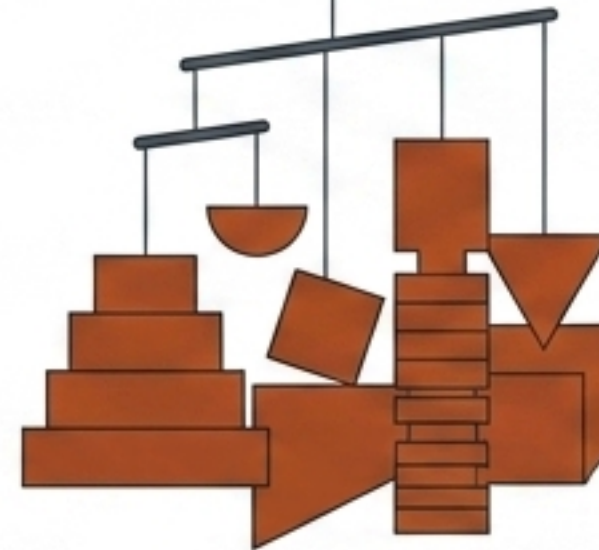
Deploying \$10B into **Alphabet exactly as Alphabet commits**
\$190B to build the infrastructure of artificial intelligence.

Buying a heavy toll right beside the capital-light one. The giant wallet seeks a toll large enough to hold it.

Case Study: Chris Hohn

Cut Microsoft from 10% to 1%
(\$8B) to fund Alphabet's heavy
infrastructure build.

Visa
Moody's
S&P Global



GE Aerospace
Canadian Railways
Aena
Safran
Ferrovial

**Holding both architectures at once.
Compounding behind walls that cannot be scaled.**

**There is no single best architecture.
There is only the best architecture
for the capital you carry.**

THE LEAN WALLET

**The Architecture: The Light Toll
(Freesurfer)**

**The Mechanics: Free growth.
Modest cash returned and easily
redeployed.**

**The Posture: Paid to do nothing.
No better place to be.**

THE FAT WALLET

**The Architecture: The Heavy Toll
(Infrastructure)**

**The Mechanics: Expensive growth.
Billions deployed behind a capital
wall.**

**The Posture: Driven by necessity.
Capital has nowhere else to go.**



**Both collect while the world performs.
The only question is which toll your capital can fit through.**