
Opportunities in Private Markets

AUGUST 2024

FOR THE USE OF THE INTENDED RECIPIENT ONLY – NOT FOR FURTHER USE OR DISTRIBUTION

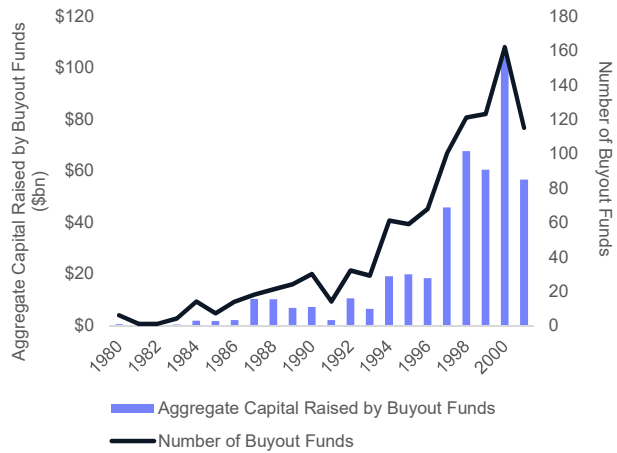
1

Three Phases Of Private Markets History

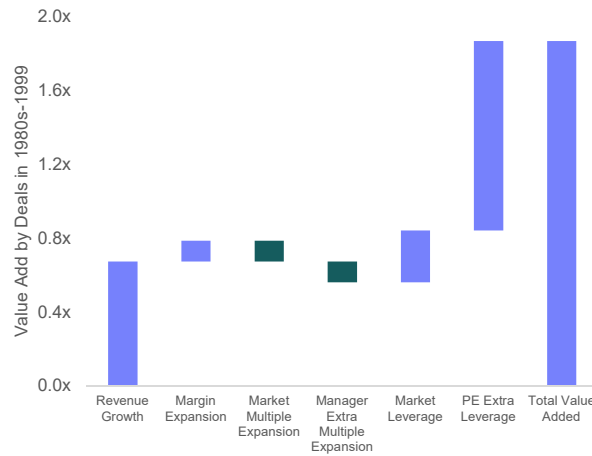
The Early Years: 1980-2001

Bursting of dot-com bubble fuels development of secondary market

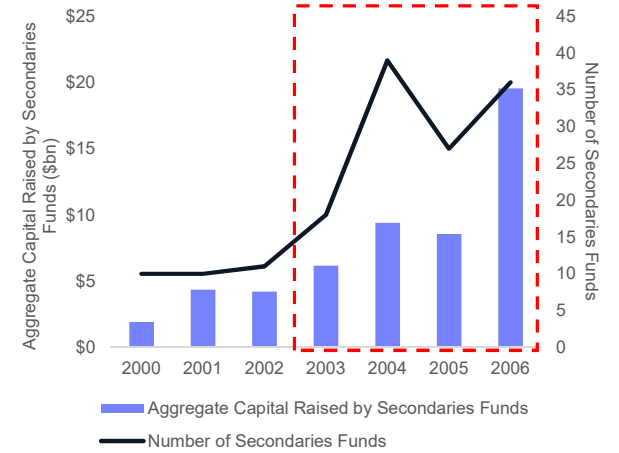
A COTTAGE BUYOUT INDUSTRY GROWS RAPIDLY, CAPITALIZING ON A DEVELOPING HIGH YIELD MARKET



VALUE CREATION IS DRIVEN PRIMARILY BY DEBT



DISRUPTION: SECONDARY MARKET DEVELOPS AS INVESTORS REBALANCE PORTFOLIOS

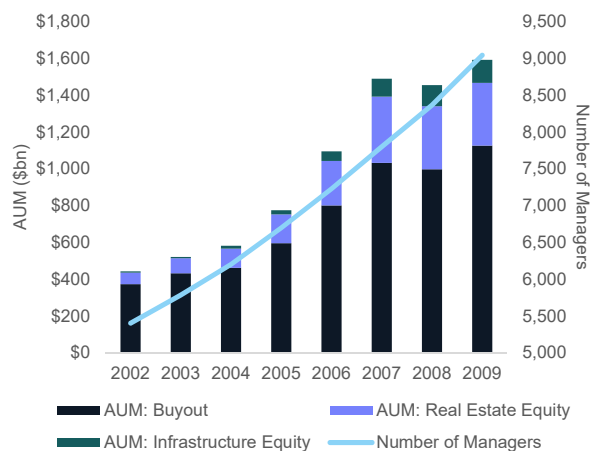


Source: Left chart: Prequin, as of August 19, 2024. Middle chart: Matteo Binfare, Gregory Brown, Andra Ghent, Wendy Hu, Christian Lundblad, Richard Maxwell, Shawn Munday, and Lu Yi, "Performance Analysis and Attribution with Alternative Investments", as of January 24, 2022. Right chart: Prequin, as of August 19, 2024.

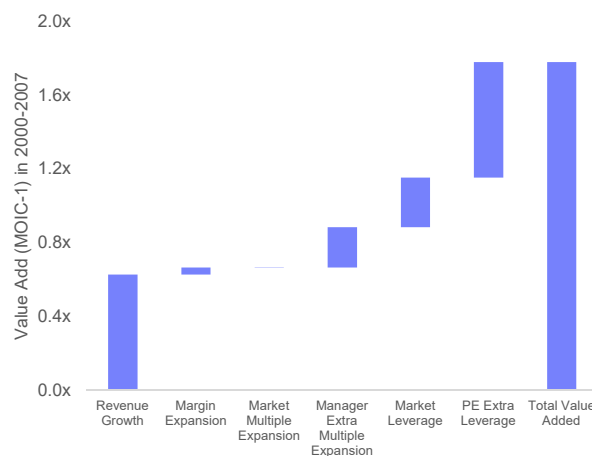
The Golden Age of Private Equity: 2002-2009

Post-Financial Crisis lending restrictions drive growth of private credit

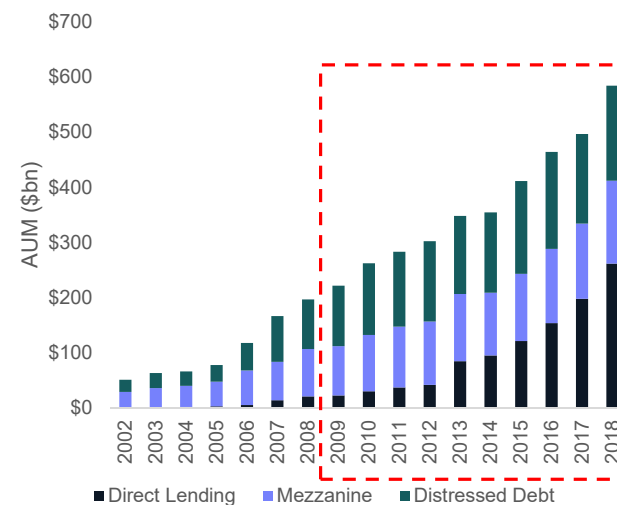
PRIVATE EQUITY AND REAL ASSET STRATEGIES SEE SIGNIFICANT GROWTH



REVENUE GROWTH AND MULTIPLE EXPANSION BECOME MORE IMPORTANT CONTRIBUTORS TO RETURNS



DISRUPTION: DEVELOPMENT OF PRIVATE CREDIT INDUSTRY AS BANKS RETREAT FROM LBO LENDING

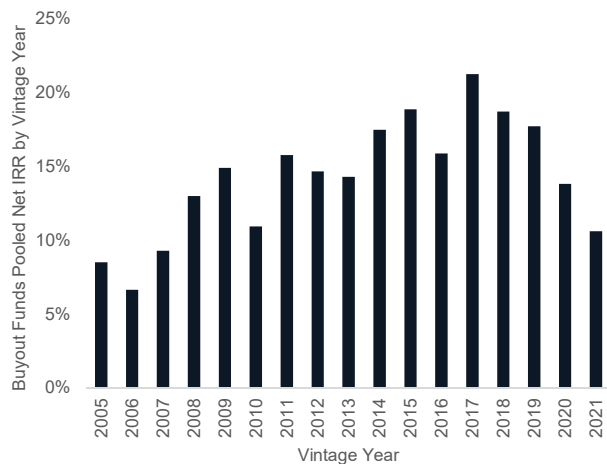


Source: Left chart: Preqin, as of August 19, 2024. Manager count includes fund managers involved in buyout, real estate equity, and infrastructure equity strategies by year established, and includes fund managers that are inactive today. Middle chart: Matteo Binfare, Gregory Brown, Andra Ghent, Wendy Hu, Christian Lundblad, Richard Maxwell, Shawn Munday, and Lu Yi, "Performance Analysis and Attribution with Alternative Investments", as of January 24, 2022. Right chart: Preqin, as of August 19, 2024.

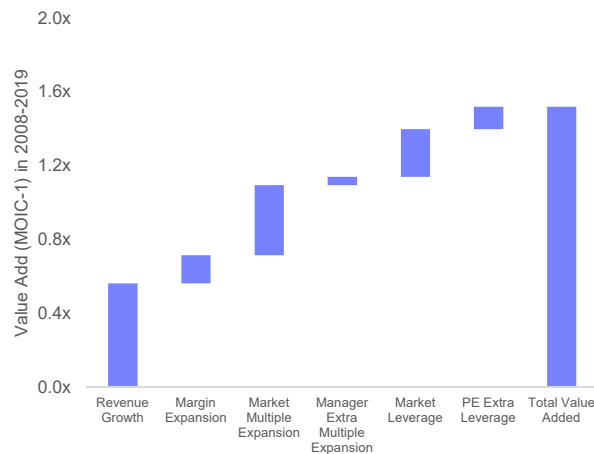
Institutionalization: 2010-2021

Shift in rate environment continues to disrupt private markets

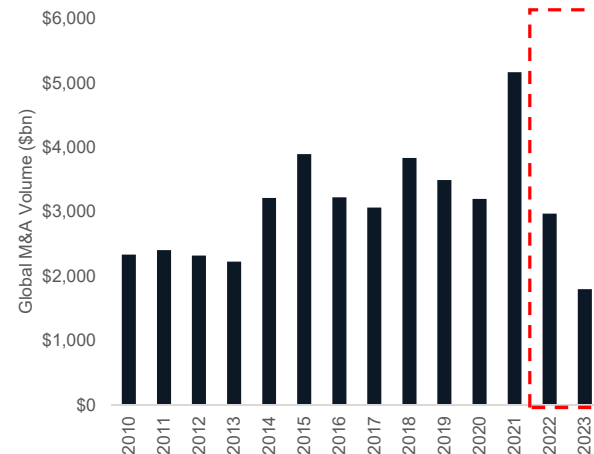
LONG PERIOD OF GROWTH AND STRONG PERFORMANCE ARE BUILT ON LOW RATES



RETURNS UNDERPINNED BY MULTIPLE EXPANSION ACROSS PRIVATE AND PUBLIC EQUITIES



DISRUPTION: BROAD-BASED ACTIVITY SLOWDOWN



Source: Left chart: Cambridge, as of Q1 2024. Middle chart: Matteo Binfare, Gregory Brown, Andra Ghent, Wendy Hu, Christian Lundblad, Richard Maxwell, Shawn Munday, and Lu Yi, "Performance Analysis and Attribution with Alternative Investments", as of January 24, 2022. Right chart: Refinitiv, as of April 9, 2024. Data on completed and partially completed M&A deals. Value includes net debt of M&A target. FRED, as of July 1, 2024. Interest rate is federal funds effective rate.

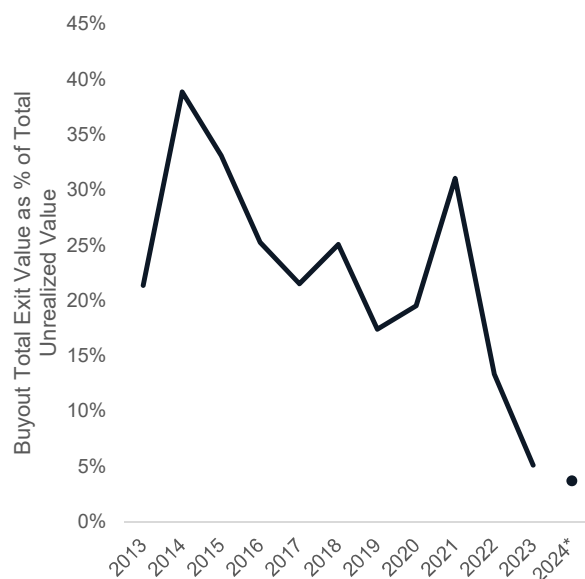
2

Opportunities In Today's Markets

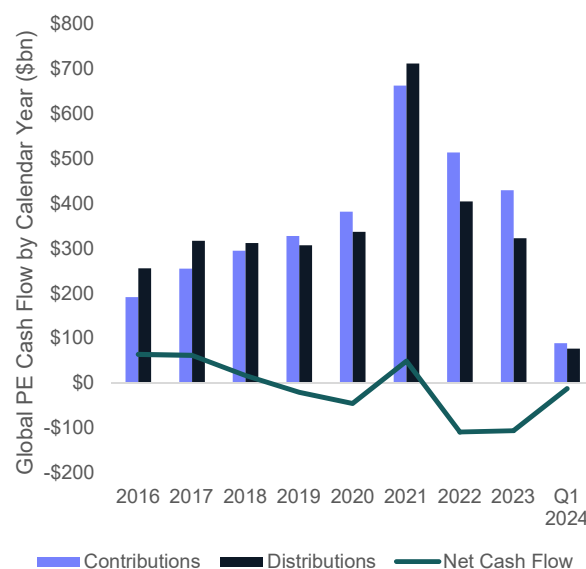
Liquidity Stress

Multi-year process to work through accumulation of last decade

EXIT ACTIVITY IS AT ALL-TIME LOWS AS A PERCENTAGE OF INDUSTRY ASSETS



NET CASH FLOWS HAVE SEEN LIMITED IMPROVEMENT



INVESTMENT OPPORTUNITIES

Managers focusing on investor liquidity and supporting portfolio companies via:

- Continuation vehicles
- Secondary transactions in investor fund interests
- Fund financing
- Perpetual capital structures

Source: Left chart: Refinitiv, Preqin, as of July 16, 2024. Data for announced global buyout exits and unrealized values. *Exit value for 2024 is annualized from actual exit value in H1, and unrealized value as of December 31, 2024 is estimated from the growth rate of unrealized assets seen in 2023. Middle chart: Burgiss, as of March 31, 2024. Cash flow by calendar year.

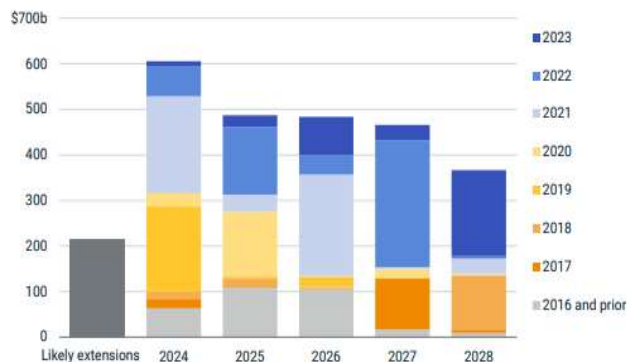
Industry Disruption

Private credit, real estate vulnerabilities in an environment of higher rates, lower valuations

PRIVATE CREDIT: DEFAULT RATE STILL MUTED BUT RISING



REAL ESTATE: LARGE REFINANCING WALL AMIDST VALUATION UNCERTAINTY



INVESTMENT OPPORTUNITIES

Private credit

- Increased dispersion may reveal underwriting weakness
- Opportunities for hybrid capital and structured solutions

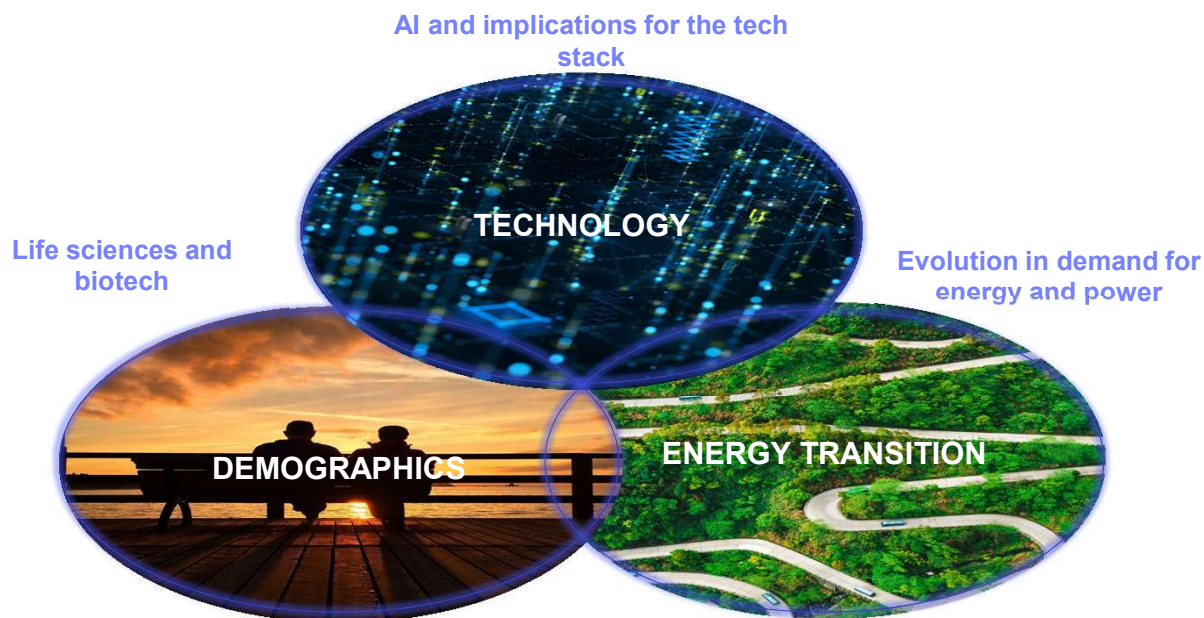
Real estate

- Maturing loans may force asset reevaluations
- Opportunities for repositioning, optimizing capital structures

Source: Left chart: LCD, as of June 30, 2024. Distressed is defined as loans priced below 80 and bonds trading above 1000bps spread. Default rate is LTM by amount tracked by Morningstar LSTA US Leveraged Loan Index. Middle chart: MSCI RCA, as of February 2024.

Private Capital Opportunities In A Disrupted World

Accelerating secular themes are presenting opportunities that private markets are well positioned to address



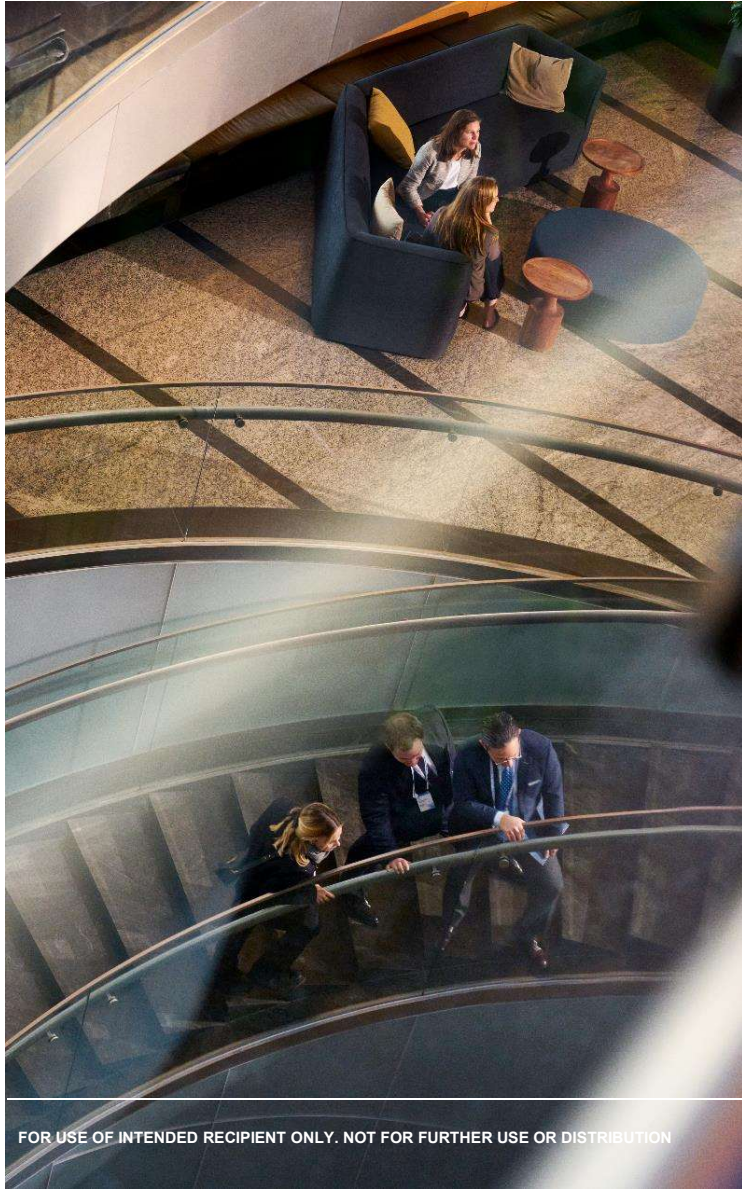
Source: Goldman Sachs Asset Management. For illustrative purposes only.

FOR THE USE OF THE INTENDED RECIPIENT ONLY – NOT FOR FURTHER USE OR DISTRIBUTION

Goldman Sachs Asset Management

9

Goldman Sachs Asset Management



The Value of an Alternative Perspective

~1,000
Investment professionals

\$490bn+
In assets

35+
Years of experience

Goldman Sachs is one of the world's largest and most **experienced investors** in alternatives,

Advantaged by an **expansive sourcing network** of global relationships with leading CEOs, investors and entrepreneurs,

Drawing on **insights** from public and private markets investors across all asset classes,

Empowered by the comprehensive industry, regional, and capital markets **expertise** of one of the world's largest financial institutions,

Working together to build enduring businesses, **accelerating their growth** into this decade and beyond.

As of March 31, 2024. Total Alternative Assets includes assets under supervision and other alternatives assets held on GS balance sheet. Goldman Sachs Asset Management leverages the resources of Goldman Sachs & Co. LLC subject to legal, internal and regulatory restrictions.

FOR USE OF INTENDED RECIPIENT ONLY. NOT FOR FURTHER USE OR DISTRIBUTION

Goldman Sachs Asset Management

Disclosures

Disclosures

This presentation is strictly confidential and may not be reproduced or provided, in whole or in part, to any other party without the express written consent of Goldman Sachs & Co. LLC., and should be returned upon the request of Goldman Sachs & Co. LLC. The information contained herein (i) may include (or is based in part on) projections, valuations, estimates, and other financial data concerning Goldman Sachs Funds and (ii) has been prepared internally by Goldman Sachs and has not been verified by third party sources.

THIS MATERIAL DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION WHERE OR TO ANY PERSON TO WHOM IT WOULD BE UNAUTHORIZED OR UNLAWFUL TO DO SO.

This material is provided for educational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities.

This presentation was prepared by the Alternatives Capital Markets and Strategy (ACMS) Group within the Goldman Sachs Merchant Banking Business within Goldman Sachs Asset Management. Goldman Sachs Asset Management is the primary center for the firm's long-term principal investing and lending activity, investing in corporate, real estate and infrastructure assets worldwide through several businesses: corporate equity, corporate credit, real estate equity, real estate credit and infrastructure equity. Investments are made directly, on behalf of Goldman Sachs, and through a series of investment funds and co-investment mandates managed by the various units within GS Merchant Banking. In recommending specific investment products, GS Merchant Banking may have an incentive to recommend GS Merchant Banking products as opposed to comparable third party-offered products.

Views and opinions expressed are for informational purposes only and do not constitute a recommendation by GSAM to buy, sell, or hold any security. Views and opinions are current as of the date of this presentation and may be subject to change, they should not be construed as investment advice.

Although certain information has been obtained from sources believed to be reliable, we do not guarantee its accuracy, completeness or fairness. We have relied upon and assumed without independent verification, the accuracy and completeness of all information available from public sources.

This information should not be relied upon for the purpose of investing in current or any future Goldman Sachs Asset Management product, or for evaluating any existing investment you may have in a Goldman Sachs product, or for any other purpose. Any information herein regarding investment returns is merely estimated and should not be considered indicative of the actual returns that may be realized by a Goldman Sachs investment product or predictive of the performance of an investment. Further, the information contained herein includes observations and/or assumptions and involves significant elements of subjective judgment and analysis. No representations are made as to the accuracy of such observations and assumptions and there can be no assurances that actual events will not differ materially from those assumed. In the event any of the assumptions used in this presentation do not prove to be true, results are likely to vary substantially from those discussed herein. Opinions expressed are current opinions as of the date appearing in this material only. This presentation is for informational purposes only with respect to certain investment products that Goldman Sachs & Co. LLC may offer in the future. It does not constitute an offer to sell or a solicitation of an offer to buy an interest in any Goldman Sachs & Co. LLC. product to any person in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it would be unlawful to make such offer or solicitation. Any such offering will be made only in accordance with the terms and conditions set forth in a private placement memorandum pertaining to any such product.

Goldman Sachs and its affiliates and business units, including Goldman Sachs Asset Management, shall have no liability, contingent or otherwise, to the recipient or to any third parties (including your advisors, auditors or other agents) for the quality, accuracy, timeliness, continued availability or completeness of the material nor for any special, indirect, incidental or consequential damages which may be incurred or experienced because of the use of the material or calculations that may be made or data that may be generated through use of the material even if Goldman Sachs has been advised of the possibility of such damages.

Hedge funds and other private investment funds (collectively, "Alternative Investments") are subject to less regulation than other types of pooled investment vehicles such as mutual funds. Alternative Investments may impose significant fees, including incentive fees that are based upon a percentage of the realized and unrealized gains and an individual's net returns may differ significantly from actual returns. Such fees may offset all or a significant portion of such Alternative Investment's trading profits. Alternative Investments are not required to provide periodic pricing or valuation information. Investors may have limited rights with respect to their investments, including limited voting rights and participation in the management of such Alternative Investments.

Alternative Investments often engage in leverage and other investment practices that are extremely speculative and involve a high degree of risk. Such practices may increase the volatility of performance and the risk of investment loss, **including the loss of the entire amount that is invested**. There may be conflicts of interest relating to the Alternative Investment and its service providers, including Goldman Sachs and its affiliates. Similarly, interests in an Alternative Investment are highly illiquid and generally are not transferable without the consent of the sponsor, and applicable securities and tax laws will limit transfers.

Disclosures

This information discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice. This material has been prepared by Goldman Sachs Asset Management and is not financial research nor a product of Goldman Sachs Global Investment Research (GIR). It was not prepared in compliance with applicable provisions of law designed to promote the independence of financial analysis and is not subject to a prohibition on trading following the distribution of financial research. The views and opinions expressed may differ from those of Goldman Sachs Global Investment Research.

Supplemental Risk Disclosure for All Potential Direct and Indirect Investors in Hedge Funds and other private investment funds (collectively, “Alternative Investments”)

In connection with your consideration of an investment in any Alternative Investment, you should be aware of the following risks:

Alternative Investments are subject to less regulation than other types of pooled investment vehicles such as mutual funds. Alternative Investments may impose significant fees, including incentive fees that are based upon a percentage of the realized and unrealized gains, and such fees may offset all or a significant portion of such Alternative Investment's trading profits. An individual's net returns may differ significantly from actual returns. Alternative Investments are not required to provide periodic pricing or valuation information. Investors may have limited rights with respect to their investments, including limited voting rights and participation in the management of the Alternative Investment.

Alternative Investments often engage in leverage and other investment practices that are extremely speculative and involve a high degree of risk. Such practices may increase the volatility of performance and the risk of investment loss, **including the loss of the entire amount that is invested.**

Alternative Investments may purchase instruments that are traded on exchanges located outside the United States that are “principal markets” and are subject to the risk that the counterparty will not perform with respect to contracts.

Past performance does not guarantee future results, which may vary. The value of investments and the income derived from investments will fluctuate and can go down as well as up. A loss of principal may occur.

Alternative Investments are offered in reliance upon an exemption from registration under the Securities Act of 1933, as amended, for offers and sales of securities that do not involve a public offering. No public or other market is available or will develop. Similarly, interests in an Alternative Investment are highly illiquid and generally are not transferable without the consent of the sponsor, and applicable securities and tax laws will limit transfers.

Alternative Investments may themselves invest in instruments that may be highly illiquid and extremely difficult to value. This also may limit your ability to redeem or transfer your investment or delay receipt of redemption or transfer proceeds.

Alternative Investments are not required to provide their investors with periodic pricing or valuation information.

Alternative Investments may involve complex tax and legal structures and accordingly are only suitable for sophisticated investors. You are urged to consult with your own tax, accounting and legal advisers regarding any investment in any Alternative Investment.

Prospective investors should inform themselves as to any applicable legal requirements and taxation and exchange control regulations in the countries of their citizenship, residence or domicile which might be relevant.

The portfolio risk management process includes an effort to monitor and manage risk, but does not imply low risk.

This material is provided at your request solely for your use.

Past performance does not guarantee future results, which may vary. The value of investments and the income derived from investments will fluctuate and can go down as well as up. A loss of principal may occur.

Confidentiality

No part of this material may, without Goldman Sachs' prior written consent, be (i) copied, photocopied or duplicated in any form, by any means, or (ii) distributed to any person that is not an employee, officer, director, or authorized agent of the recipient.

© 2024 Goldman Sachs. All rights reserved. Date of first use: 8/xx/2024. Seal ID xx