TO: Investment Funds Committee
FROM: Patrick Fleming, Kalib Simpson and Robin Preston
SUBJECT: Goldman Sachs Wyoming Fo1
DATE: April 9th, 2025

Asset Class: Opportunistic, Infrastructure and Private Credit
Fund Target: Initial target of $150mm to be deployed over 3 years. Ability to increase size depending on the opportunity.
Fund Term: Evergreen; WSTO termination right with 30 days' notice
Opt-In Right: No new investment made unless WSTO opts in within 10 business days
Leverage: Target leverage of ~ 15-25% (typically Subscription Line) with a 50% cap
Deal size: ~ $10-30mm
Target returns: Upper single digit to mid-teens (Depends on the asset class)
Management Fee: 0.45% on invested capital
Performance Fee: 10.0% with an 8% preferred return; 100% GP catch-up; European waterfall; Organizational Fee est. $500k-1mm
Restrictions: Once a single name stock is public and in control by the WSTO, it will be sold within three months of this event.

Executive Summary:

WSTO recommends an investment in the Goldman Sachs Wyoming Fo1. The Fo1 represents a best-ideas portfolio focused on opportunistic investments, infrastructure, and private credit secondaries, as well as single-name co-investments.

Goldman Sachs will source opportunities through two key channels: Union Bridge and the Vintage Team, both operating within the External Investing Group (EIG), which manages $340 billion in assets. The Vintage Team, GSAM's dedicated secondary investing platform, has raised nine vintage funds since 1998, with $75 billion invested across more than 700 secondary transactions. Union Bridge, launched in 2023, targets mid-duration, high-conviction co-investments in public and private markets sourced from private asset managers and hedge funds across the U.S. and Europe.

Private Credit:

The intention of the inclusion of a private credit series within the fund is to provide optionality to increase exposure to one of the best risk-adjusted returns that currently exists in market. Secondaries and co-investments offer compelling value relative to more traditional direct lending. Goldman and WSTO believe that the opportunity set will continue to expand as market volatility and disruption will cause economic and non-economic agents to sell their fund ownership as well as single names. Since 2010, GSAM has very strong credit secondaries results generating a net IRR of 21.4% and 1.72x net ROI on 52 realized deals. GSAM has generated disappointing returns on a few deals over the last 15 years (7 of the 66 deals have a multiple of less than 1 with 4 having multiples less than 0.95 on a net basis). However, the annual loss rate of less than 30bps is very low for the strategy type. Some additional merits of the platform include GSAM's unconstrained sourcing, banking and investment management relationships with thousands of GP's and very detailed valuation insights derived from their direct platform. The deal sizes will range from $15mm-$30mm. GSAM anticipates bringing 2-4 private credit deals per year for review and approval.

Opportunistic:

This segment will focus on short-duration (≤ 3 years), high-conviction investments designed to outperform the State of Wyoming's 70/30 reference portfolio with lower risk. The strategy will closely align with WSTO's existing opportunistic fund approach.

In accordance with the Investment Funds Committee's guidance, any public stock positions acquired through this strategy will be exited within three months once WSTO obtains control of the issue.

Infrastructure:

This vehicle will focus on investments with an infrastructure-thematic to enhance the returns of what is otherwise a very low-risk/return infrastructure portfolio. Many of these investments are expected to be single-asset continuation vehicle deals. Structured very much like our existing Grosvenor E portfolio, this vehicle will add to our pool of potential investments from which we hope to select those with most attractive risk-return characteristics.

Although we did not interact, Goldman was the lead investor in the successful Meritage pipeline investment.

Why Goldman Sachs?

When we began our search for an FO1, our goal was to establish a long-term partnership—similar to the one we've built with GCM. We were specifically looking for a firm with deep expertise across all three asset classes, supported by a robust organizational structure and a long-standing track record.

It was important for us to partner with a team that included a broad bench of analysts and specialists—professionals capable of conducting thorough due diligence and accessible enough to engage with us directly whenever questions or concerns arose regarding an investment.

In addition, we prioritized firms with strong global relationships in banking and finance, as we believe this connectivity is essential to unlocking opportunities and navigating complex markets.

Finally, we were looking for a fee structure that was equitable and aligned with the interests of both parties. After extensive discussions and evaluations with a range of potential partners, we ultimately felt that Goldman Sachs offered the best overall fit for our objectives and approach.

Other firms that were reviewed:

(1) Alpinvest (Carlyle)
(2) Apogem
(3) Arclight
(4) Ardian
(5) Blackstone
(6) Brookfield
(7) Coller Capital
(8) Energy Capital Partners
(9) Global Infrastructure Partners (Black Rock)
(10) Hamilton Lane
(11) Harbourvest
(12) IFM
(13) LS Power
(14) Macquarie
(15) IFM
(16) Riverstone
(17) Stone Peak
(18) Partners Group
(19) Quantum Capital Group
(20) White Deer