Summary Review

Manager: Goldman Sachs
Fund: Goldman Sachs Custom Mandate
Date: April 2025

Market Background & Proposed Custom Mandate

Over the last decade, private market asset classes such as infrastructure, energy, and credit have seen an increase in the variety of financing solutions available to investors and general partners on the secondary market. Continuation vehicles and portfolio financings represent two of the more prominent of these developments. Continuation vehicles acquire the equity interest of a mature single portfolio company or multiple portfolio companies and move those investments into a separate fund, allowing a private equity sponsor to maintain control of a well-performing asset while providing liquidity to existing investors. Secondary fund investors typically acquire the exiting limited partner interests. Similar liquidity enhancements have occurred in private credit markets, where funds often provide portfolio financing to increase near term liquidity. These financings can take the form of a liquidity preference or contractual return. These market developments have occurred while traditional limited partner secondary activity has remained robust.

The Wyoming State Treasurer's Office ("Wyoming") is evaluating a custom account with Goldman Sachs XIG ("Goldman" or "the Firm"), where investment staff would elect to invest in private markets opportunities where there is excess capacity after Goldman's funds have approved an investment. Potential opportunities would include:

- Goldman's secondaries deal flow, including continuation vehicles and limited partner interests, in private equity natural resources and private infrastructure
- Portfolio financings and credit secondaries in private credit
- Opportunistic investments in mid-duration co-invest transactions in credit and special situations

The custom account would invest alongside Goldman's Vintage Secondaries Funds, which invest in private equity and private credit secondaries, and Union Bridge Funds, which invest in opportunistic mid-duration credit. Staff would have discretion to opt in to transactions they view as attractive, based on Goldman's due diligence and a call with Goldman's investment professionals. The following is a summary review of Goldman's expertise in these markets, the proposed terms of the custom fund, a summary performance review, and several portfolio construction considerations that RVK would highlight to assist in implementation.

Firm & Team

Goldman Sachs is a leading global investment banking, securities and investment management firm. Founded in 1869, the Firm provides a wide range of financial services to a client base that includes corporations, financial institutions, governments and individuals. These services include mergers and acquisitions, underwriting, asset management, and securities trading. The Firm has a presence in major financial centers around the world and has managed a series of private markets funds across private equity, private credit, and private real assets as well as custom client accounts in these market segments.

The Vintage Platform is Goldman Sachs Asset Management's secondary private equity investment arm. It has over 25 years of experience investing in the secondary market, with more than $75 billion invested across over 700 transactions. The platform offers investors access to traditional and non-traditional secondary investments diversified by sector and geography. Vintage has capabilities across various strategies including buyouts, growth/venture, secondaries, GP stakes, private credit, distressed & opportunistic investments, real estate, and infrastructure. The platform leverages Goldman Sachs' global network and resources to source and evaluate investment opportunities. Vintage aims to provide liquidity solutions to both limited partners and general partners in the private equity market.

Union Bridge is Goldman Sachs Asset Management's fund series that investments in higher risk mid-duration credits. These investments are typically capital solutions for stressed or distressed companies that are outside of the purview of traditional direct lending funds. Goldman expects these opportunities will present mid to high-teens gross IRRs. Goldman's first fund in this strategy, Union Bridge Partners I, started investing in 2022. Goldman manages two other custom accounts focused on this market segment and has a committed and reserved a total of $223 million in the Union Bridge strategy.

Summary of Key Terms

RVK views the proposed terms for the account as generally aligned with the purpose and structure of the vehicle, as well as at or below pricing for similar vehicles we have observed for other clients. The figure bellow summarized key terms for the proposed account.

Wyoming Custom Account – Terms Summary	
Mandate Summary	Private markets overage account focused on energy and infrastructure secondaries, private credit secondaries, and opportunistic mid-duration credit investments
Structure	Likely Delaware limited partnership
Targeted Commitments	Target of $150M deployed over 3 to 4 years
Expected Term	No stated term, investment duration will depend on the path to liquidity of the underlying investments, which is approximately consistent with the typical buyout in the target asset classes (4 to 6 years from investment if successful).
Portfolio Construction	4 to 6 investments per year across all mandates, with the potential for additional deal flow Estimated investment size of $15 to $100+ million, typically $25 to $50 million
Transaction Review Framework	For each investment, Wyoming will receive an email with information and be able to participate in a diligence call. Each investment will require an opt-in within 10 business days of receiving information at a minimum.
Management Fee	45 basis points annually on invested capital

Carried Interest & Preferred Return	10% carried interest over an 8% preferred return with full GP catch-up
Leverage	Use of a subscription line of credit to be determined

Track Record

The Vintage platform has committed capital to energy investments since 2008 and credit investments since 2009, with infrastructure secondaries and opportunistic credit investments occurring more recently and beginning in 2021 and 2022 respectively. The figure below summarizes investments across the categories proposed in the custom account.

Goldman Segment Performance – as of 9/30/2024								
Investments	**Year**	**Committed Capital ($M)**	**Paid-In ($M)**	**Realized ($M)**	**Unrealized ($M)**	**Gross Net IRR[1]**	**Gross Net TVPI**	**Gross Net DPI**
Goldman Energy Secondaries Investments	2008 – 2024	5,531	4,415	4,482	2,696	15.5%	1.63x	1.02x
Goldman Infrastructure Secondaries Investments	2021 – 2024	1,358	1,099	328	1,373	31.4%	1.55x	0.30x
Goldman Credit Portfolio Investments	2009 – 2024	5,168	4,017	3,371	2,734	20.4%	1.52x	0.84x
Goldman Opportunistic Portfolio Investments	2022 – 2024	223	187	32	191	14.3%	1.20x	0.17x

The platform's energy and infrastructure investments span a diverse range of energy-related companies and funds, with transaction types including single manager LP portfolios, multiple manager LP portfolios, continuation vehicles, and other non-traditional investments. These are spread across the Vintage IV through Vintage IX fund series. The credit investment track record includes investments in hedge fund side pockets, portfolio finance for fund level financing, real estate fund financings, and other bespoke investments. Finally, the Union Bridge portion of the track record has invested in a variety of opportunistic financings, including preferred equity, convertible notes, and structure investments in mid-term opportunities in sectors such as services, aviation, and music royalites.

[1] Fund metrics are shown net of underlying fund / vehicle fees but gross of Goldman's commingled and separate account fees.

Summary Evaluation & Highlighted Considerations

Based on RVK's review, we believe Goldman Sachs has sufficient expertise in the target markets of energy, infrastructure, & credit secondaries, as well as opportunistic credit. With over 25 years of experience and more than $75 billion invested across 700+ transactions, the Vintage platform has demonstrated both longevity and scale. The Firm has been investing in energy secondaries since before the Global Financial Crisis. The platform's ability to navigate complex market conditions is evident in their diverse portfolio of transaction types and in the historical investments reviewed in detail by RVK. Moreover, Goldman Sachs' global reach and deep industry connections provide the Vintage and Union Bridge platforms with differentiated access to deal flow and market insights within secondaries and credit. We would note that RVK has not completed a full due diligence process on Goldman Sach's XIG group and Vintage Platform but has had a number of interactions with the group over time.

Given this backdrop, RVK would highlight several considerations that we believe can help refine the implementation of the proposed custom account:

- **Achieving sufficient diversification to limit idiosyncratic risk** – Goldman stated a target of four to six investments annually though the actual number of investments will depend on markets and staff's approval. RVK has observed that client co-investment programs can falter due to the volume of requests on staff's time and would encourage continued deployment in more moderate individual bite sizes. This would contribute to ultimately achieving fund-like levels of diversification in the continuation vehicle portfolio, with 12 to 20 assets over a multi-year deployment period. If sufficient investment pace to achieve reasonable diversification is not able to be maintained, RVK would recommend erring on the side of an undersized portfolio from a deployed capital perspective ents rather than an overly concentrated portfolio that meets the capital deployment targets of the program.

- **Differing expected risk and return profiles of private infrastructure, private credit, & opportunistic credit when compared to private equity energy –** RVK would note that private infrastructure, private credit, and opportunistic credit investments offer a more moderate risk-return profile while private energy is typically higher returning and higher risk. These asset classes cater to different portfolio goals. Infrastructure equity and credit investments typically provide more stable, predictable returns with lower risk, characterized by long-term contracts, steady cash flows, and the potential for inflation-linked revenues. In contrast, private equity energy investments tend to offer higher potential returns but with correspondingly higher risk. Private energy is subject to greater volatility due to factors such as commodity price fluctuations, regulatory changes, and technological disruptions. While infrastructure and credit investments provide a degree of downside protection and consistent yield, energy private equity investments offer the possibility of substantial capital appreciation but with a higher risk of loss. RVK would recommend honing the risk and return goals for capital deployment and targeting an allocation between market segments that reflects these goals.