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EPISODE 89:

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# Inside GP Stakes Investing

*with Wafra*



**Robert Morier:** Welcome to The Dakota! Live Podcast. I'm your host, Robert Morier. The goal of this podcast is to help you better know the people behind investment decisions. We introduce you to Chief investment officers, manager research professionals, and other important players in the industry who will help you sell in between the lines and better understand the investment sales ecosystem. If you're not familiar with Dakota and our Dakota! Live content, please check out [dakota.com](https://dakota.com) to learn more about our services. Before we get started, I need to read a brief disclosure.

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**Gustavo Cardenas:** Thank you. Thanks for having me.

**Robert Morier:** Yeah, thank you for being here. It's really a pleasure. We are at the Tide Spark Conference in Dana Point, California. It's a little overcast out. Did you go surfing this morning?

**Gustavo Cardenas:** I did not go surfing. I haven't learned to surf yet.

**Robert Morier:** OK. That's OK. Well, it's a wonderful conference. It's been a really interesting opportunity, at least for me, to get a better understanding of what institutional investors are thinking about right now. So, thank you for taking time from that conference to be here with us today. We greatly appreciate it.

**Gustavo Cardenas:** Great.

**Robert Morier:** But we have a lot of questions to ask you. But before we do, we're going to share your background with the audience. Gustavo is a managing director at Wafra, a global investment firm based in New York and predominantly focused on three strategies:

strategic partnerships, real assets, and real estate. The firm has over \$30 billion in assets under management. Gustavo, who has worked at Wafra for close to seven years, specializes in strategic partnerships, also known as GP stakes investing. This asset class involving backing asset management businesses has garnered significant interest in the past few years. Although Wafra was one of its pioneers, it carried out its first GP stakes deal back in 2012. Wafra focuses on two different types of strategic partnership deals... seeding and staking. The firm backs both established firms, as well as the most promising next-generation alternative investment managers. Typically, it regards established firms as those with assets under management of more than \$5 billion. Anything below that would classify as an emerging business. Gustavo grew up in Nicaragua before moving to the United States to attend college. He earned a BA in economics from Harvard and an MBA from Wharton in Philadelphia, which is where our podcast is based. He began his career in investment banking, first with Bank of America, and subsequently moved into private equity with Mesoamerica Partners, a Central American Investment firm. He joined Hamilton Lane in 2011, where he worked on co-investments, as well as fund investments, before making the jump to Wafra. Gustavo, thank you for being here today. And congratulations with all your success.

**Gustavo Cardenas:** Thanks so much.

**Robert Morier:** So, at what point did you decide you wanted to pursue a career in finance?

**Gustavo Cardenas:** When I was growing up, I wanted to be a lawyer. And I thought that I was going to study law in Chile, and my mother convinced me otherwise. I'm the last of four, and I'm the only one who was an American citizen because I was born during the Civil War, and I was born in Texas. And she said, I paid three full tuitions in the United States, and you might be eligible for financial aid. So, let's try to change that. I was lucky enough to go to Harvard. And while I was there, I studied economics, but I could have studied poli sci or government, as they call it, but I was really drawn to the financial aspect of it. I did SEO when I was a junior to a minority program to help minorities get into finance and through that was placed at Bank of America's financial institutions group. And that was one of the best things that ever happened to me because I've then dedicated my career to the financial services space since then.

**Robert Morier:** That's wonderful. So, you began your career in investment banking. So, what did you learn from those early days? And what would help to shape your career as you moved more into this side of the industry?

**Gustavo Cardenas:** Investment banking was great in terms of the work ethic and the hard skills that you learn along the way. I was lucky enough to have been in a group that I also really enjoyed the culture at B of A. And I was able to work on several transactions that

have really shaped what I do today. I worked on the Blackstone IPO, the Fortress IPO; and through that, really started thinking about alternative asset management firms as businesses, which was incredibly innovative prior to the GFC. And obviously, this predates GP stakes and other things that I do today. So that set me off with thinking about things slightly differently. And the opportunity that I was granted at B of A was a great start to my career.

**Robert Morier:** So, what was it about private equity then that ultimately attracted you?

**Gustavo Cardenas:** I started off my career with a relatively traditional path where I did two years of investment banking, two years of at a private equity firm, and then went to an MBA. And coming out of an MBA, one of my top goals was actually to buy furniture that I wouldn't have to dispose of every two years.

**Robert Morier:** And put together yourself?

**Gustavo Cardenas:** Yeah, exactly. But really, the long-term mentality where, with Hamilton Lane, I was focused on co-investments, as well as fund investments into emerging managers down in Florida, and really investing for the long-term, having the ability to look at various industries like health care, like technology. And I really thought that there were very few areas where you could do that and have that long-term mindset instead of just being an advisor to a company and moving on to the next thing, but really thinking about how things are going to pan out in five, seven, 10 years. And I really enjoy that.

**Robert Morier:** So, for our audience who are a little less familiar with GP stakes Investing, I was hoping, could you help us set the stage for our conversation? Can you share a bit of history on GP stakes Investing and its prevalence today?

**Gustavo Cardenas:** Yeah. So, as you mentioned, Wafra was a pioneer in the space. We closed our first GP stakes transaction in 2012 when we acquired part of Stone Point. And the rationale for that first transaction was our parent company knew that it was going to become a big consumer of private markets products, and they really wanted to align themselves with the ultimate GPs that they were going to be backing. And that allowed Wafra, which has always been the nimble arm of our parent and other large institutional sovereigns and pensions, to really execute on that strategy, which set off the early stage of GP Stake Investing. We were one of three or four early movers in that space. And what's really interesting is that while the industry has grown, and there have been a handful of new entrants, it's still relatively concentrated. This is a space that Wafra was a first mover, but I still think it's in the early innings of it because people are now starting to understand what it is and why they should consider allocating to it. But it's, in my opinion, where secondaries were in the '90s. So, a significant amount of upside from the growth of

the total addressable market, as well as the ability to deploy into really attractive opportunities despite the greater amount of capital coming into it.

**Robert Morier:** So why should LPs then be interested in investing in it?

**Gustavo Cardenas:** Our opinion is that this is one of the best risk returns in the market out there, where you are investing into private markets firms that have typically 10-year contracts with great end customers, like, pensions and endowments and the like, that have had really consistent returns over time. And you have the ability to generate, typically, on the more established side, a really attractive cash yield, as well as having a buyout upside in your investments. So that combination, as well as the fact that this is... I think of this as the largest area of founder and family-owned businesses that is under institutionalized, despite it being an institutional asset class, is what makes it really interesting. That you're helping drive best practices into firms that are doing very well already, but that haven't really started thinking about their firms as businesses. And that's where groups like Wafra are really coming in and helping make a difference.

**Robert Morier:** What is Wafra doing differently? So, if you think about your value-add, your competitive advantage, what is it about the strategy that interests you and that should interest people who are considering?

**Gustavo Cardenas:** So, I'd say it's twofold. On the one hand, we are representing not just our parent company, but other very large institutional asset owners that are partnering with Wafra to execute on a seeding or staking strategy in order to develop direct relationships with those GPs. So, we're creating a direct nexus so the ability to think like an asset owner but execute like a private equity firm on that time frame is a really unique combination. And that's something that I can say. But the references and the long-standing position of Wafra in the market has led so that we're now tallying up... those capital introductions that we're making have generated \$9 billion of incremental capital for the 20 to 30 GPs that we back. So that's a significant amount of upside to their revenues, number one. Number two... and our CEO really pushes us to think about not just what have we been doing in the last year or five years, but really be thinking about what we doing in the next five years? If you're doing something that is exactly the same as you were doing before, other people will replicate it. And whenever we're looking at a transaction, he says, what is different about this? Why is this a Wafra investment? But also, why is it something that we're really excited about? So, for example, typically a GP stakes transaction is when a GP is selling a 10% to 20% opportunity. They might hire an intermediary, and they might go to the five or six groups that execute on the strategy. One of our transactions was a pipe investment into a public company that rebranded along the way. So that was not an obvious situation. Or on the seating side, while we are a recurring backer of first-time vintages, we've had several situations where we've backed a later-stage vintage that might be clarifying their strategy into energy transition, financial

services, or health care. So, we've been able to accelerate the growth of earlier managers as well.

**Robert Morier:** Taking a step back, when people hear Wafra, they tend to think LP or sovereign wealth fund. So, can you clarify just quickly how Wafra kind of sits in terms of the organization, and then where your team resides within it?

**Gustavo Cardenas:** We are a US-based registered investment advisor that is regulated by the SEC here in the United States. So, while we are wholly owned by our parent company in Kuwait, they are a client that we have to raise capital from in the same way that any other GP would raise capital from them. So that's part of why we've created three key areas where we think we have a right to win around strategic partnerships, real estate, and real assets. And we think that that's compelling, not just for our parent; but over time, we are now developing relationships with global institutions here in North America and Western Europe, other Gulf sovereigns as well. So that's what's really exciting about where Wafra is, where we have the asset owner DNA, but we're really a direct investment firm.

**Robert Morier:** And how about your team?

**Gustavo Cardenas:** Our team is 70 folks, all of us based in New York. We have a marketing presence in London. But the folks that work at Wafra tend to be experts in their field at the senior level. And we have a kind of shared resource of juniors that are executing across mandates. And over the growth of their time at Wafra, they then tend to specialize into one of the three verticals.

**Robert Morier:** And in terms of deal sourcing, how does that process work within the team as well? Who's responsible? And how has it been... how has it been playing out?

**Gustavo Cardenas:** The way that I think about sourcing is twofold. There's a lot of inbound, because as I've mentioned, there's only a handful of firms that do this. So either GPs directly are approaching us, looking for catalytic capital. Sometimes it might be a placement agent or an intermediary that is working through a process of how they are going to find the right partner for that GP. But we don't just rest on our laurels. We also have a very thematic approach where there might be areas that we think are going to be interesting to invest from a GP stakes perspective or a seeding perspective, and we will do an outbound search. So, for example, a couple of years ago, we were getting a lot of questions around energy transition. And we had backed an energy transition manager back in 2018. We had helped them launch a \$400 million fund one in energy transition, which was new at the time. They then got to a close to \$3 billion third vintage. Several of our institutional asset owners backed their funds along the way. And ultimately, we sold that GP Stake in October of last year. So, it was a great outcome for our investors. They

were very happy for the partnership that they had created, but they kept asking us, who's the next energy transition manager? This is quite unique. I'd like to add more of this to the portfolio. So what we did is that we met with 70 managers in that space, ranging from venture firms to infrastructure firms, but really looking for that next energy transition buyout-oriented manager, which ultimately resulted in us working with a firm called Greenbelt that was spinning out from their prior firm that we helped clarify that spin-out and backed their third vintage, but really first independent institutional firm. So, a non-obvious situation that was the result of 70 different meetings that our team took on.

**Robert Morier:** I'm just curious, how would you define catalytic capital?

**Gustavo Cardenas:** So typically, what we are doing on the capital constellation side is that we're providing \$100 to \$200 million of capital towards a specific vintage that the GP is raising. Now, that may or may not be in the form of fee-paying LP capital or helping them increase GP commitments so that they can build out their team, or really show true alignment with their end investors as well. And for that, we're either granted a permanent participation in the firm, or we can attribute some value to these firms along the way as well.

**Robert Morier:** So, can you talk to us about the approach you take in examining some of the... or I should say, the two types of GPs that you look at? The established firms and the emerging managers. Is there one playbook that you apply to one? Or is it both across the board?

**Gustavo Cardenas:** No, it's quite different, because on the capital constellation side, what we do is that we're trying to reduce complexity in a situation where if it's a first-time fund, there's several reasons why an allocator might decline that opportunity. I don't understand the track record. I have to do 40 references. I don't know if they're going to get to their target fund size. They have not built out the team.

These are all different things that we can help take off the table. By providing a catalytic commitment in the order of \$100 million plus, we're then providing them with the ability to hire that team that other investors are looking for. We're providing them with the ability to close on the first, second, and third transaction that might also have a co-investment opportunity so that others can then attach to that. And through that, they then can get to their target fund size. So, people... when they're starting to think about fund 1s, they come to us. But the work that we do is, those 40 to 50 references, the validating of that track record, the kind of storyboarding of how are you really going to approach the market? Who are the right investors for this fund? So that's some of the work that we do on this end. On the more established side, we are looking for somebody who already has an incredibly attractive business that is a lot easier to understand. And what we might be helping them along the way is introductions to different asset owners that we might have in our network. But we're doing the work to make sure that this is the

best investor in their space. So, examples of that are... we are a minority owner of the best financial services firm. We're a minority owner of the best consumer private equity firm, or the best digital infrastructure firm. So, we're really looking for market leaders in their space that are worthy of the asset owner capital that our parent and other institutions are going to back with.

**Robert Morier:** So, you get to see both ends of the spectrum.

**Gustavo Cardenas:** We are a life cycle investor in GP stakes.

**Robert Morier:** Can you take us through quickly... with the emerging manager, one of the questions that I ask often... and it may or may not be difficult to answer. But it's, when you're being approached with a fund 1 opportunity, most of the time the team is really the business, so the people behind the process. How do you get to the people? How do you better understand who they are, so you trust that commitment that you're making is going to be going into the direction that you're hoping for?

**Gustavo Cardenas:** It's a good question because at the end of the day, we're investing in people. And that also applies to the established manager side, where we need to understand the dynamics between the team. And a big term that we use at Wafra is the investor entrepreneur. So, there's a lot of folks that might be a very good investor, but we're investing in asset management firms, so that they really need to be focused on building their firm, hiring the right people that will then be the people that are ideally going to take over the firm that this individual has started to build. So, it's not just the people that are in front of us today, but we think about where the people are going to come behind that? It tends to be from... taking the first meeting, that might be more of a prototypical kind of fund pitch. But that tends to happen a couple of times with us where they might meet me. But then I say, hey, this is interesting. You should meet Lauren. You should meet Jordan. You should meet other members of the team. And then once there's conviction, we then take it up the ranks. And our CEO and CIO are highly involved in our strategy. It's the largest vertical at Wafra. So, when we take it to them, that means that there's some kind of clarity of purpose in terms of what we're trying to execute. And they have their own lens. And you see whether people are kind of answering questions the same way. But also really, it's not about the fund 1 offering. We're a long-term investor that's really thinking about fund 2, fund 3, and so on. So sometimes that might be hosting them in New York for a dinner, doing an on-site in their offices, and really spending time with their next layer of individuals. So, it's a long process, but it's exciting to get to know these amazing individuals that are building private equity firms.

**Robert Morier:** How about building your own talent? So how do you build out the staff, the people that are going to be part of your team?



**Gustavo Cardenas:** Yeah. What's interesting is that when I joined Wafra back in 2018... this was in the early stages of building out the GP stakes platform... I think a total of 15 or 20 transactions had been executed in the market. Today, we've tracked close to 250 transactions in the space. And I'm on a podcast today. There're individuals that are tracking every single transaction on LinkedIn. So now, it went from us having to find folks that would understand what a GP Stake was, and that they would want to dedicate some of their time to do this; to now, we're getting approached by folks that have relevant experience that want to dedicate their careers to GP stakes. This year, we've hired three to four individuals that have the right backgrounds for it. And we have a deep talent pool behind that, in my opinion.

**Robert Morier:** We talked a little bit, and you touched on, investment criteria, but what are some of those must-haves that you're looking for in both established managers, as well as emerging managers? What are those criteria that really make a good Wafra partner?

**Gustavo Cardenas:** Number one is the investor entrepreneur piece that I mentioned because we want somebody who is thinking about the overall institution where if you're only focused on the deal side of it, that's incredibly important in the lifeblood of an investment firm. But I think that the two most difficult things to do in private equity are, number one, sourcing transactions; but the other one is sourcing capital. So, somebody that is either able to do that themselves or is building the right talent so that they can withstand difficult markets like the one that we are in today. So, the individuals are a big place of where we start. The second is, understanding what are the investment processes, and what is the edge that this GP has? Earlier, I was talking about the sector specialism that we sometimes try to focus on. But a big question that we ask ourselves is, why does the world need another mid-market private equity firm? And if you can't answer that, well, we probably won't have a next meeting. But in general, it's wanting to understand, what is the differentiation facing the people that are going to sell businesses to you, as well as people that are going to allocate capital to you. So those are the two key things beyond obviously strong track record or a history of executing good transactions is table stakes.

**Robert Morier:** Kind of taking another step back, looking at the industry, according to a recent white paper from Meketa, a large consultant who actually has an office not too far from here in Carlsbad, GP stakes investment funds often require longer holding periods than typical private equity funds due to this open-ended nature of the investment. So how do you address the challenge of managing these long-term investments? And what strategies do you employ then that ensure liquidity and exit options for your investors?

**Gustavo Cardenas:** So, I think both of these strategies have a fair bit of liquidity along the way, which is what has started to pique the interest of a lot of investors in the space.

However, it remains the biggest question... how will you exit these GPs? We are not yet at a point in the space where... we never think about exit when we're underwriting, but we do think about the ability for a firm to grow. And across our 20 to 30 investments, we've had in over 10 situations, either full realizations, partial realizations, or follow-on transactions for other GP stakes players. What's really interesting about that is that we are, particularly on the capital constellation side, creating the next generation of GPs that new entrants to the GP stakes market can partner with. And the way that I think about the GP stakes investment from the GP side is that it's growth capital. These are very capital-intensive businesses that when you're raising your next vintage you have to allocate at least 2% of the fund yourself. But then, ideally, you're actually investing in 5% or 10% of your own fund. And on the GP stakes side, the more established side, one of the biggest mistakes that people say they've made is not investing enough in their funds. And that's a big reason why people are doing it so they can put \$100, \$200 million of their own money into the fund. So that means that, on the seed side, there's going to be a situation where they're going to get to a certain point and say, hey, we should consider GP Stake as a solution. So, the fact that we've put a lot of folks in business will then result in them thinking about how to continue growing their business. So particularly, on the capital constellation side, we've seen full exits where people have sold their business to a strategic player that's looking to enter the infrastructure space or the energy transition space. We've also had situations where people have sold part of their business. So, for example, one of our GPs sold to one of the funds that was looking to really access some of the fintech specialism that the GP provided. And then we've also had some of the other great GP stakes peers of ours come into our GPs and provide them with incremental capital to invest in their own funds or provide liquidity for a founder that might have gotten to the later stages of their career. And they want to take a step back.

**Robert Morier:** Your panel here at TIDE SPARK focused on the LP GP dynamic in today's environment, specifically with a focus on the state and the virtual private markets. I keep going further back in this conversation, meaning we're taking a very top-down view. But as you think about everything that we've discussed so far... these recent challenges in private markets in particular, as it relates to exits, financing, fundraising... what's your view on the private equity industry as you sit in your seat today talking with some of your peers? And I'm going to add a little something to that, if you don't mind, because it's a big question, but also the democratization of private markets, which is a topic here at the conference. So, if you could think about the future, where you see it going, I'd appreciate it, based on that panel.

**Gustavo Cardenas:** There's a lot there. Let me kind of split it out a little bit. In terms of the overall perspective on the future of private markets, I'm quite bullish on the growth, but, more importantly, the performance capability of buyout of credit of all these different spaces. So, I think that even though we're going from a period of very low interest rates, I don't think that we're going to be in a situation where private equity will not deliver

strong returns. If you look at the public markets, there are seven stocks that are driving a significant portion of the return. So now, to your second point around who is investing in the space, I think public pensions have done a great job of investing into private markets, have increased their allocation to private markets. I think that there's a growing number of global investors like the Middle East, like Asia, that are starting to come into the market. But I'm very excited about where the high-net-worth channel is because if you look at some of the Bain reports around the forward-looking expectation, it's still a double-digit growth profile from the TAM of private markets. A large part of that growth is coming from the segment of folks that... large family offices are already used to investing in private markets. It's just used to be their own businesses that they might have been running. So, as they're thinking about what they're investing in, they want to have some, they're able to think about the long-term prospects of their own investments. And the illiquidity of private markets is something that there's a lot of solutions that are being provided. But I think that people are starting to understand why you would be able to put your capital in a vehicle for a certain amount of time, as well as... I mentioned, the growth of the secondaries market... I think it's a misnomer to say that every single private equity investment will need to have a 10- to 12-year duration. I think that if people want to exit their investments, there are different ways in which they can do it without having to rely on the GP itself.

**Robert Morier:** The third, Swedish National Pension Fund for those who are familiar with it, AP 3 and Wafra announced at the end of 2023 the formation of an investment platform called Covalent. The platform is focused on pursuing a new approach to private equity co-investments, harnessing the capabilities, networks, and experience of a small number of large forward-thinking global asset owners like Wafra. So, can you talk a little bit about the importance of strategic partnerships as it relates to investing in private markets? You've touched on it a little bit, but it would be great to hear whether it be GP Staking, or as noted with some examples, co-investing, how you see strategic partnerships going forward.

**Gustavo Cardenas:** Yeah. If you think about what we're doing in Covalent with AP 3, and what we've done in capital constellation with AP 3, and Railpen, and Alaska and other asset owners in our space, we are really creating partnerships with institutional investors, as well as with GPs themselves. So, we sit in this really interesting space where we have the high-value trust of both groups. And what we're doing in Covalent is that we're providing the ability for the GP to understand where their co-investing capital is really coming from. So, the partnership of knowing that this is a co-investment that Wafra is executing, but that you're then able to develop a relationship with the end capital. That's a big part of our brand. I mentioned in the Capital Constellation and the GP stake side, but I think that this will also translate to co-investment. So, we're taking a slightly different approach to that, and, at this point, prioritizing the stable of 30 GPs that we have

permanent partnerships with to then... as well as some of the relationships that our parent and AP 3 have directly in terms of who we're co-investing with.

**Robert Morier:** As you think about GP Stake investing, as it relates to some of the competitors that are coming online, how quickly do you think people are going to start adopting the GP stakes philosophy investment? Do you feel that there is a potential or a risk for oversaturation?

**Gustavo Cardenas:** That's one of the biggest misnomers that I think people have about GP stakes, where typically people are saying, well, if I look at my portfolio, a lot of my GPs have already sold the stake. Therefore, that means that there's a high penetration of this. We actually did a study where we didn't start with the handful of data points that are out there, but rather kind of thought about it from the ground up. So, we think that there are at least 2,500 targets for GP Stake opportunities. And particularly around our Capital Constellation strategy, we are helping create new GPs every day. So, people have a static view of the market that because a GP sold a 10% or 20% participation in 2018, that is the last transaction that they will have. However, Wafra has sold GP stakes, and Wafra has actually also acquired GP stakes from other firms. So, the fact that somebody has sold a minority participation in their firm only tells me that is the start of their journey of thinking of their firm as a valuable firm that will have enterprise value over time. So that gets me really excited in terms of buyout tends to be one of the most penetrated areas of GP stakes, and it's about a 9% penetration in the 2,500 GPs that I referenced. The highest penetration, I want to say, is credit in the 15% level. So, when I think about the total addressable market, I think that the fact that there are other people that are coming to provide solutions to GPs and GPs having options, I think that's going to make us be a better investor and have more liquidity in the market. So, people tend to say, there's not a liquid market, but then there's a lot of entrants into the market. Those two things actually go hand-in-hand in terms of there might be something that we can help a GP with that their prior GP stake owner wasn't helping them with. And we've done that several times.

**Robert Morier:** We're getting close to the top of the hour, and we usually like to ask a couple of questions at the end more about you. As much as we appreciate learning about Wafra's investment process and the success you've had in GP staking, we greatly appreciate the insights, but a student asked me recently and I was surprised by the question is, a professional or personal decision that I've made that I'm most proud of. Do you have one that you're most proud of, a professional or personal decision?

**Gustavo Cardenas:** I thought that after doing this more traditional career path, I'd find the widget that I'd feel very excited about. And when I was doing co-investments with Hamilton Lane, I got to a point where I said, this is really interesting because I get to see great investment opportunities with great GPs and have access to the private markets in a way that is unparalleled, in my opinion, in terms of other firms. But I'd still hadn't found

that widget. And it was really because I was working with a lot of emerging managers in Florida, helping them think through how to grow with Hamilton Lane or grow with the Florida pension system, which was the reason why I was down in Florida. And with Wafra and with Capital Constellation, I get to have that be my day job. So, what gets me up in the morning is that I help people grow their firms, and I tend to be a trusted call that they can call at o'clock in the morning at 10:00 PM about, hey, I'm really having trouble with this. How should I think about this? How can I be most aligned with my investors so that they continue to grow with me? And that's the most exciting thing that I get to do every day, from a professional perspective. So, I'm pretty proud of that because I still have a lot to go in my career. And I'm partnering with people at the top of their game, and I'm helping them still.

**Robert Morier:** So, a little bit of investment, a little bit of therapy maybe in there as well.

**Gustavo Cardenas:** Yes.

**Robert Morier:** A quote I like to share with some of our guests is, "What you are is an expression of history." Where does your history show up in your life today?

**Gustavo Cardenas:** A bit of history on the Nicaragua side is that my whole family has been in Nicaragua for the last 200 years. When I met my father-in-law, he said, oh, but where are you from? I said, [SPANISH] I'm from Nicaragua, you know this. But he said, no, but where is your family from? I can't trace it out of Nicaragua. And there's always been a big involvement in public service. My dad did a tour of duty as a public servant, and he was incredibly proud of that as kind of big moment in his career and then went back to the private sector. So, I think that folks that are involved in public service, like a lot of the clients that I help serve and the underlying beneficiaries of those institutions, that's what is kind of, at the end of the day, what hopefully everybody's working for.

**Robert Morier:** You mentioned your mother and your father. Any other people in your life who have been important to you in terms of your career, those mentors that have helped you along the way?

**Gustavo Cardenas:** My mother and my father are both very influential in my career. I'm the youngest of four. So, the learnings from my two sisters and my brother are just what helped me be who I am. And my wife pushes me every day to be a better person as well. So that's a great kind of background for who has inspired me along the way. I'd say that my current CEO, his perspective around how we serve our clients and the long-term nature of not having to do something today because we're really thinking about this not just for the next decade, but for a generational time frame is something that he has taught me. And then my direct supervisor at Hamilton Lane was a former football player. He had played for the Dolphins. He had played at Stanford at the highest levels. And his

perspective was always, listen, I might be smart, but I want to surround myself with the smartest people in the room. And as I think about what I do today around private markets, I'm trying to build a team around me, as well as a set of asset owners and GPs that are really going to contribute more as a sum of its parts than any single individual. So that's something that Greg taught me as well, that I take to heart every day.

**Robert Morier:** That's wonderful. Thank you for sharing all of that. I greatly appreciate it. Thank you for being here today. Thanks for taking time out of the conference schedule to sit with us, to sit with our audience, and to learn more about you and Wafra and your investment strategies. Congratulations on all your success. We wish you nothing but more. If you want to learn more about Gustavo and Wafra, please visit their website at [www.wafra.com](http://www.wafra.com). You can find this episode and past episodes on [Spotify](#), [Apple](#), or your favorite podcast platform. We are also available on [YouTube](#) if you prefer to watch while you listen.

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