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## **Goldman, Sachs & Co. – Managed Account Strategies**

200 West Street  
New York, NY 10282  
877.GOLDMAN (465.3626)  
[www.gs.com](http://www.gs.com)

**This wrap fee program brochure provides information about the qualifications and business practices relating to the Managed Account Strategies program sponsored by Goldman, Sachs & Co. If you have any questions about the contents of this brochure, please contact your Private Wealth Management team at the number provided on your monthly statement or at (212) 902-1000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Investment adviser registration does not imply a certain level of skill or training.**

**Additional information about Goldman, Sachs & Co. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**March 30, 2012**

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This wrap fee program brochure (also referred to as Appendix 1) describes the Managed Account Strategies program sponsored by Goldman, Sachs & Co.

## **Item 2 - MATERIAL CHANGES**

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This wrap fee program brochure (“Brochure”) is dated March 30, 2012. The material changes since the last annual Brochure dated March 31, 2011, include adding Appendix B, Fee Schedule (for Retirement Accounts).

The foregoing is only a summary of the material changes to the Brochure. It does not purport to identify every change to the Brochure since the last annual update. This summary of material changes is qualified in its entirety by reference to the full discussion in this Brochure. Clients are encouraged to read the Brochure in detail and contact their Private Wealth Management team with any questions. For ease of reference, capitalized terms that are defined in the Brochure are also set forth in the Glossary.

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## **Item 4 - SERVICES, FEES AND COMPENSATION**

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### **Introduction**

This Brochure relates to the Managed Account Strategies program ("Program") sponsored by Goldman, Sachs & Co. ("GS&Co."). The Program is offered to clients of GS&Co.'s Private Wealth Management group ("PWM"). PWM provides advisory services to high net worth and institutional clients and helps clients build and preserve their financial wealth. PWM operates through offices located in Atlanta, Boston, Chicago, Dallas, Houston, Los Angeles, Miami, New York, Philadelphia, San Francisco, Seattle, Washington, D.C. and West Palm Beach. Unless otherwise specified, references in this Brochure to "clients" mean Program clients and references to the services provided by GS&Co. mean the services provided by GS&Co. as sponsor of the Program.

GS&Co.'s principal owner is The Goldman Sachs Group, Inc., a publicly traded bank holding company and financial holding company under the Bank Holding Company Act of 1956, as amended ("BHCA"), and a worldwide, full-service financial services organization. GS&Co. has been a registered investment adviser with the U.S. Securities and Exchange Commission ("SEC") since 1981. The Goldman Sachs Group, Inc., GS&Co. and their respective affiliates, directors, partners, trustees, managers, members, officers and employees are referred to collectively as "Goldman Sachs."

### **Overview of the Services Provided under the Program**

Clients investing in the Program pay a "wrap" fee for discretionary investment management services by affiliated or unaffiliated managers ("Managers") participating in the Program. This fee covers the compensation of GS&Co. as sponsor of the Program, as well as the Manager, and also generally covers the cost of brokerage execution through Goldman Sachs, custody at GS&Co., reporting and other administrative services.

### **Manager Selection**

Based upon information provided by the client, GS&Co. selects, or recommends that the client selects, one or more Managers in the Program to manage the client's assets in an account established for this purpose ("Program Account"). Where a client authorizes GS&Co. the client's relationship manager ("Private Wealth Advisor") may select, appoint and remove Managers and may allocate and reallocate assets in the client's Program Accounts without the client's prior approval or consent.

The Manager has full decision making authority over investments and transactions, subject to any reasonable restrictions imposed by a client and the investment style that the client has selected. The Manager may accept, or withdraw from the management of, a client's account based on the nature of the proposed restrictions or for any other reason. Restrictions regarding industry groups are determined by reference to an independent source, such as industry classifications in a well-recognized index, or by the Manager. Clients should be aware that the performance of Program Accounts with restrictions will differ from, and may be lower than, the performance of Program Accounts without restrictions. The Manager may, in its discretion, hold the amount that would have been invested in the restricted security in cash, invest in substitute securities or invest it across the other securities in the strategy that are not restricted.

The Manager also has exclusive responsibility to determine trades, select brokers and dealers and the markets on or in which trades will be executed. Please refer to each Manager's Form ADV brochure for information about its advisory business.

### **Manager Selection – Retirement Accounts**

Pension plans (including 401(k) plans) and other employee pension benefit plans subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), tax-qualified retirement plans (including Keogh plans) under Section 401(a) of the Internal Revenue Code of 1986 (the "IRC") and not covered by ERISA, and individual retirement accounts under Section 408 or 408A of the IRC (each such client, a "Retirement

Account”) have two different options for selecting Managers. Retirement Accounts may choose participating Managers either comprised exclusively of GS&Co. affiliated Managers (“Affiliated Manager Option”) or comprised exclusively of third-party Managers in which GS&Co. does not have an affiliated ownership interest (“Unaffiliated Manager Option”). GS&Co. does not provide advice, make recommendations or otherwise assist Retirement Accounts in deciding whether to select the Affiliated Manager Option or the Unaffiliated Manager Option. That selection will be the sole responsibility of the Retirement Account and no information provided by GS&Co. will form a primary basis for, or otherwise be considered in making, this selection. GS&Co. does not act as a “*fiduciary*” within the meaning of ERISA or have any responsibility or liability for the Retirement Account’s selection of either the Affiliated Manager Option or the Unaffiliated Manager Option. However, once a Retirement Account chooses an option, GS&Co. will assist the Retirement Account in identifying, evaluating, and selecting one or more potential Managers within the option selected.

If a client maintains both Retirement Accounts and Program Accounts that are not Retirement Accounts with GS&Co., any advice or recommendations made by GS&Co. for a Program Account that is not a Retirement Account cannot be relied on as a primary basis of, or otherwise be considered in making, any decision for a Retirement Account, which may present different considerations.

### Execution Services

Each Manager has the sole discretion to select broker-dealers, including Goldman Sachs, to execute trades for Program Accounts. The Manager is responsible for executing client trades in a manner consistent with its obligation to obtain best execution, and clients are encouraged to review the selected Manager’s Form ADV brochure concerning its brokerage practices.

Generally, the Manager selects Goldman Sachs to execute most equity trades. This is because the fee paid by each client, as described under “Fees for the Program” below, includes commissions on all agency trades effected through Goldman Sachs. When executing trades for Program Accounts, Goldman Sachs is not acting as investment adviser, but is acting exclusively as a broker-dealer in connection with such trades, and only executes trades for Program Accounts upon a Manager’s instruction. Transactions in Program Accounts will generally produce increased trading flow for Goldman Sachs. To the extent permitted by applicable law, Goldman Sachs may act as principal in executing trades for each client’s account, or as agent while also representing another client of GS&Co. on the other side of the trade (an “agency cross trade”). For more information about principal and agency cross trades, please refer to Item 9, Principal Trading and Cross/Agency Cross Transactions with Advisory Accounts. If the Manager executes trades in auction rate securities through Goldman Sachs, the client may obtain a written description of Goldman Sachs’ disclosures and considerations for investing in auction rate securities at <http://www.gs.com/ars> (a hard copy is also available upon request).

If a Manager selects a broker-dealer other than Goldman Sachs to execute trades for a Program Account, the client will pay the execution charges for trades executed by that third-party broker-dealer, and such execution charges will be in addition to the Program fee. For more information about the Program fee, please refer to Item 4, Fees for the Program.

### Custody and Administrative Services

GS&Co. handles some or all of the custody, clearance and settlement services, as well as certain other administrative services, provided under the Program at no additional fee. If a client elects a third party custodian, the client will bear the fees, costs, expenses or commissions charged by the custodian, including any custody and administrative fees.

Unless instructed otherwise, each Manager will be responsible for voting proxies associated with securities held in the Program Accounts in accordance with the Manager’s proxy voting policy. Where GS&Co. acts as custodian, it will forward to the Manager copies of all related proxies and shareholder communications. Clients who elect not to custody assets with GS&Co. are encouraged to contact their

third party custodians to ensure that they, or their selected Manager, receive such materials directly from their custodians.

Neither GS&Co. nor the Manager will render any advice or take any action with respect to securities or other property held in the Program Account or the issuers thereof that become the subject of any legal proceedings, including bankruptcies and class actions.

#### Cash Sweep

Generally, free credit balances in a Program Account may be automatically invested or “swept” daily, or at such other interval as determined by GS&Co., into bank deposit (“Bank Deposit”) accounts or one or more money market mutual funds. The Bank Deposit, which is offered through Goldman Sachs Bank USA (“GS Bank”), is generally used with eligible Program Accounts. Clients whose cash is swept to money market funds receive the prospectus for the applicable fund.

Clients who elect not to sweep cash may earn less than clients who elect to sweep or may earn nothing on their free credit balances. Clients should check their account statements for the applicable interest rate.

#### Special Notice for Cash Sweeps for Retirement Accounts.

GS&Co. will not charge any Program fees to Retirement Account assets in the Program that are invested in one or more money market funds advised by Goldman Sachs (“Financial Square Funds”) during the period they are so invested. However, Goldman Sachs may earn investment management, investment advisory or similar fees for its investment management or investment advisory services with respect to the services it provides to the Financial Square Funds. Please refer to the applicable Financial Square Fund prospectus for the current annual contractual management fee, which may be substantial.

As a result, the differential in fees to be paid to Goldman Sachs for Retirement Account clients invested in the Financial Square Funds will be the difference between the fees that would have otherwise been charged by GS&Co. for its investment management or advisory services under the Program fee, on the one hand, and the investment management, investment advisory and other similar fees for investment management or investment advisory services paid by Financial Square Fund to Goldman Sachs, on the other hand. Please note however, that there are also other Financial Square Fund expenses, as described in the prospectus, which are paid to Goldman Sachs as transfer agent or to third parties (e.g., fees paid to attorneys and accountants who render professional services to the Funds). These expenses will represent an additional expense to the Retirement Account.

Financial Square Funds are available as a cash sweep vehicle because GS&Co. believes that it is prudent to sweep all uninvested assets to a sweep vehicle, and the Program uses open-end investment companies managed by Goldman Sachs.

Program Accounts will not pay a sales commission in connection with the purchase or a sale of any Financial Square Fund and will not pay a redemption fee in connection with a sale by it to the Financial Square Fund.

For information on Bank Deposit, please see Item 4, Cash Sweep.

#### **Fees for the Program**

Clients pay GS&Co. an annual fee based on a percentage of the market value of the Program Account, as set forth on the fee schedule signed by the client at account opening. Actual fees paid may be negotiated and may vary from those in the fee schedule below. A client may pay more or less than the fees for similar clients depending on the particular circumstances of the client, including the size of the relationship and required service levels.

## Fee Schedule

Absent special circumstances, the fees set forth in Appendix A (for other than Retirement Accounts) and Appendix B (for Retirement Accounts) represent the maximum fees that may currently be charged for Program Accounts with assets within the indicated ranges invested in the indicated asset class, absent special circumstances.

GS&Co. pays a portion of the Program fee to the Manager. For Program Accounts other than Retirement Accounts, the Manager fee is currently 0.25% for fixed income accounts and between 0.25% and 1.00% for equity accounts (including Dynamic Equity) based on the value of the Program Accounts managed by the Manager. For Retirement Accounts, the Manager fee is between .30% and 1.00% for equity accounts (including Dynamic Equity).

As an accommodation, GS&Co. may permit clients to transfer separately managed accounts managed by an investment manager that does not participate in the Program from their current custodian to GS&Co. In these circumstances, GS&Co. charges clients an annual fee of up to 0.40% of the value of the client's assets managed by that investment manager. This fee is in addition to the investment management fee and other fees charged by the client's manager. The fee covers all charges (including brokerage commissions on agency transactions and commission equivalents (but not the spreads and certain mark-ups and mark-downs on principal transactions) for transactions executed through Goldman Sachs and GS&Co.'s administrative charges as well as fees for general asset allocation advice. GS&Co. does not recommend or monitor these managers, and each client is solely responsible for the selection, retention and termination of these managers.

## Payment of Fees

Fees paid by clients for Program Accounts are charged quarterly in arrears based on the average market value of the Program Account during the previous quarter. Average market value is generally determined using end-of-day quantities and an end-of-month market price for each security. Fees are prorated and due upon termination or for partial periods. Where GS&Co. acts as custodian, the Program fees are generally deducted from the client's Program Account. In the case of Program Accounts held at a third party custodian, clients generally direct their custodian to have their fees and expenses debited from the account for credit to GS&Co.

## Ability to Obtain Services Separately

Clients may be able to obtain some or all of the services offered through the Program separately from GS&Co. or from other firms, and the cost of obtaining the services separately may be more or less than the Program fee. Factors that bear on the cost of the Program in relation to the cost of the same services purchased separately include the range of investment strategies and managers selected, anticipated trading activity and the range of custodial, reporting and other ancillary services that are available. Clients should also understand that the combination of the Program services may not be available separately and certain Managers might not be willing or able to provide their services or particular investment strategies outside of the Program because of minimum account sizes or other factors.

## Other Fees and Expenses

The Program fee does not include certain execution costs that may be charged to the client, including broker-dealer spreads, certain broker-dealer mark-ups or mark-downs on principal transactions; auction fees; fees charged by exchanges on a per transaction basis; debit balances and margin interest; certain odd-lot differentials; transfer taxes; electronic fund and wire transfer fees; fees in connection with trustee and other services rendered by Goldman Sachs; fees on NASDAQ trades; certain costs associated with trading in foreign securities and other property; any other charges mandated by law; and certain fees in connection with trust accounting, or the establishment, administration, or termination of retirement or profit sharing plans.

The Program fees also do not cover execution charges (such as commissions, commission equivalents, mark-ups, mark-downs or spreads) on transactions a Manager places with broker-dealers other than Goldman Sachs. For example, Managers of fixed income strategies will generally execute trades through third party dealers and, therefore, the spread, mark-ups and mark-downs on those trades will be paid by clients to the third party dealer. Any such execution charges will be separately charged to the client's Program Account. Clients will pay the public offering price for any securities purchased from an underwriter or dealer involved in a distribution. If GS&Co. is a member of the underwriting syndicate from which a security is purchased, GS&Co. may, directly or indirectly, benefit from such purchase. In addition, the value of Program assets invested in shares of investment companies (closed-end or mutual fund companies, and unit investment trusts) is included in calculating the Program fee, to the extent permitted by law. These shares are also subject to investment advisory, administration, transfer agency, distribution, shareholder service and other fund-level expenses (some of which may be paid to Goldman Sachs) that are paid by the fund and clients, indirectly, as a fund shareholder. The Program fee will not be reduced by any of these fund-level fees unless required by law. Goldman Sachs may charge fees on cash swept into the Bank Deposit or held as free credit balances.

#### Compensation for Recommending the Wrap Fee Program

Private Wealth Advisors and GS&Co. receive compensation in connection with a client's participation in the Program. The amount of this compensation may differ from the compensation that might have been received by the Private Wealth Advisors and GS&Co. if the client had instead participated in another advisory program offered by GS&Co. or paid separately for the investment advice, brokerage and other services available through the Program.

The amount of the compensation received also may vary based on the selection of a Manager, asset class or investment strategy. Goldman Sachs will generally benefit from the selection of an affiliated Manager, as the amount of compensation received from a Program Account advised by an affiliated Manager may be more or less than the compensation received from a traditional separate account (that is, an account with an advisory fee that does not include execution charges, custodial and other fees) also advised by Goldman Sachs. Except in the case of Retirement Accounts, the Private Wealth Advisors and GS&Co. also may recommend or select certain Managers based on the nature of the compensation arrangement with each Manager. These arrangements may include fee break points that GS&Co. has negotiated with the Managers that reduce the fee paid to Managers (and correspondingly increase the portion of the fee retained by GS&Co.) as assets managed by a particular Manager in the Program increase. Any such difference in compensation may create a financial incentive for the Private Wealth Advisors and GS&Co. to recommend or select an advisory program, Manager, asset class or investment strategy over another.

Clients who grant GS&Co. discretionary authority to select and remove Managers and allocate and reallocate assets in Program Accounts should understand that any changes made by GS&Co. may result in changes to the overall asset allocation and selection of investment strategies for the Program Accounts. Because the fees for each investment strategy vary by asset class, GS&Co.'s discretionary actions may result in a client paying a higher aggregate fee for the Program.

In addition to the disclosures contained in this Brochure, these and other potential conflicts of interest are disclosed in the GS&Co. Form ADV brochure and other disclosure documents provided to clients from time to time and in GS&Co.'s investment advisory agreement with the client.

#### **Item 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

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##### **Types of Clients**

Many of GS&Co.'s clients are individuals who may invest their assets with us directly as individuals or through private investment vehicles, trusts, estates or privately held companies, each of which is considered an entity. GS&Co. also provides investment advisory services to institutional clients, including charitable organizations, pension plans, corporations and other business entities.

## **Account Minimums**

GS&Co. generally requires clients to open a Program Account with a minimum account value of \$100,000. Clients seeking to invest in the Municipal Fixed Income strategy generally must open a Program Account with a minimum account value of \$250,000 and clients seeking to invest in the Dynamic Equity strategies must open a Program Account with a minimum account value of \$500,000 or \$2,500,000, depending on the Manager. Program Accounts may be terminated by GS&Co. in its discretion if the value of the accounts fall below certain minimum thresholds established by GS&Co. from time to time.

## **Funding and Liquidation**

The client may open an account with cash, marketable securities, or a combination of both. When initially funding an account with securities, a client should bear in mind that the Manager selected may decide to sell all or a substantial portion of the client's existing portfolio of securities and that the client is responsible for tax liabilities that may result from those transactions. Alternatively, a Manager may return the securities to the client if the Manager is not able to accept or sell the securities for regulatory or other reasons.

Clients may choose to liquidate assets from the Program and transition them to another product offering with specific entry or subscription periods and liquidity features, or to another Manager. Clients may choose to authorize GS&Co. to select Exchange Traded Funds ("ETFs") on a discretionary basis and to instruct a Manager (if the Manager has agreed to accommodate these requests) to purchase each selected ETF using the proceeds of the liquidated securities from the Program Account. Clients are not charged an investment advisory fee on those assets, but may be charged commissions and/or execution charges for such transactions, even if the transactions are executed through Goldman Sachs.

## **Item 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION**

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### **Evaluation of Managers**

The selection and evaluation process for unaffiliated Managers is provided by Global Manager Strategies ("GMS"), which is part of the Alternative Investments & Manager Selection group within Goldman Sachs Asset Management, L.P. ("GSAM"). GMS has developed a due diligence process focused on identifying and evaluating the investment merits of each unaffiliated Manager.

Prior to including unaffiliated Managers in the Program, GMS undertakes a review that focuses on a number of quantitative and qualitative factors, generally including:

- Performance relative to benchmarks and peers;
- Investment philosophy and process;
- Portfolio manager experience, qualifications and reputation;
- Investment style and performance attribution;
- Portfolio construction; and
- Evaluation of risk and volatility.

Each factor may have different weight in the decision-making process and generally no one factor determines the outcome of any selection.

Although GMS reviews the performance history of the Managers participating in the Program, none of GS&Co., GMS, or any third-party calculates or audits the information for accuracy, verifies the appropriateness of the methodology on which the performance is calculated or verifies whether the



performance complies with GIPS or any other standard for performance calculation. The methods for calculating performance and forming composites may differ among Managers and performance information may not be calculated on a uniform and consistent basis. Past performance may not be indicative of future results and, as such, prospective clients should not place too much emphasis on Manager performance information.

GMS periodically reviews the unaffiliated Managers through quarterly calls and annual on-site meetings designed to help understand the evolution of their views and portfolio risk and to monitor various considerations, including capacity, primary performance drivers and organizational and operational changes. GMS also monitors risk by evaluating relevant risk metrics (e.g., tracking error, volatility, beta, correlation and concentration), monitoring realized risk versus expected risk to evaluate whether a Manager's risk profile is within expectations, correlation with other managers and compliance with stated investment guidelines. If GMS identifies actual or potential concerns regarding a Manager that, in its view, need to be addressed, GMS may request that the Manager take appropriate action. In certain circumstances, GMS may request certain modifications to a Manager's operations (including staffing of personnel). For particularly severe concerns, GMS may recommend that GS&Co. suspend or cancel the Manager's participation in the Program.

Clients should carefully review the Form ADV brochure for each of the Managers they consider under the Program, including information about best execution, trade rotation and order of execution, investment allocations, conflicts of interest, and any other policy or issue that could potentially impact the management of client assets under the Program. To the extent a Program Account regularly trades behind other types of accounts in a Manager's rotation system, for example, it is possible that the Program Account may suffer adverse effects depending on market conditions.

### **Affiliated Managers**

Except in the case of Retirement Accounts that have selected the Unaffiliated Manager Option, GSAM or another affiliate of GS&Co. may be selected by or recommended to clients investing in the Program. Affiliated Managers are not reviewed by GMS, but instead undergo a different review process. GS&Co. considers the addition of a new strategy managed by an affiliated Manager through a process that reviews the specific strategy, asset class, performance and relative fees in the context of making the strategy available to clients. In the case of affiliated Managers, the operational infrastructure and internal controls are well understood and are currently in place for other strategies offered to clients. As a result, the review process generally focuses on the specifics of the investment strategy and any unique characteristics, risks or eligibility criteria of the investment strategy.

For information about the conflicts associated with the selection and recommendation of affiliated Managers, please see Item 4, Compensation for Recommending the Wrap Fee Program and Item 9, Receipt of Compensation from Investment Advisers. GS&Co. seeks to address these potential conflicts relating to the selection and recommendation of affiliated Managers by disclosing the affiliation to clients so that they may consider the potential conflict.

### **Removing Managers**

Clients may request in writing that the Manager for their Program Account be changed at any time, and GS&Co. will implement such requests as soon as is reasonably practicable.

If GS&Co. removes a Manager from the Program, GS&Co. generally attempts to reach each affected client so the client may select a replacement Manager. With the exception of Retirement Accounts, clients grant GS&Co. the authority to replace a removed Manager with a Manager of a comparable strategy (if available) without prior approval. In these cases, GS&Co. will select a replacement Manager and notify the client of the selection. If GS&Co. is not able to find a replacement Manager, securities previously managed by that Manager will be held by GS&Co. in a brokerage account for the client and the client will be responsible for directing transactions in those securities. If a client wishes to continue to retain a Manager that has been removed, the client will need to make other arrangements with GS&Co. outside the Program.

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**Item 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

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Each Manager is provided with certain information concerning the client's investment objectives, financial goals, risk tolerance, investment time horizon, reasonable restrictions and such other information as a Manager reasonably requests to satisfy its own policies and procedures. Each client is responsible for providing accurate and complete information to GS&Co., as the failure to do so could affect the recommendation or selection of a Manager and that Manager's acceptance and management of the client's assets. GS&Co. will periodically notify the Manager of updates or changes to any of the information previously provided that could affect the management of the client's account.

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**Item 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS**

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At a client's request, GS&Co. will make available the appropriate Goldman Sachs personnel or a representative of the Manager to respond to a client's inquiry about the management of the client's Program Account.

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**Item 9 - ADDITIONAL INFORMATION**

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**Disciplinary Information**

The following legal or disciplinary events relate to Goldman, Sachs & Co.:

The SEC brought a civil action in the U.S. District Court for the Southern District of New York against GS&Co. and one of its employees in connection with a single collateralized debt obligation transaction made in early 2007. On July 14, 2010, the SEC and GS&Co. entered into a consent agreement settling this action against GS&Co. On July 20, 2010, the United States District Court entered a final judgment approving the settlement. GS&Co. has made applications with the Financial Industry Regulatory Authority for the continuation of certain self-regulatory organization memberships from which it would otherwise be disqualified as a result of the final judgment.

On August 21, 2008, GS&Co. entered into a settlement in principle with state regulators regarding auction rate securities (ARS). Under the settlement, GS&Co. agreed to offer to repurchase at par approximately \$1 billion of ARS that were still held by its eligible Private Wealth Management clients and that were purchased through the firm prior to February 11, 2008. GS&Co. also paid a penalty of \$22.5 million and made certain related undertakings. Subsequently, GS&Co. entered into several consent orders with different states to accomplish this settlement in principle.

On September 23, 2004, GS&Co. consented to the entry of final judgment pursuant to which GS&Co. was permanently restrained and enjoined from violating Rule 101 of Regulation M.

On April 28, 2003, GS&Co. entered into a global settlement relating to investment analysts' alleged conflicts of interest and involving various of the leading securities firms operating in the United States. GS&Co. was permanently restrained and enjoined from violating certain self-regulatory organization rules relating to investment research activities. GS&Co. agreed to pay an aggregate of \$25 million as penalties; to pay an aggregate of \$25 million as disgorgement of commissions and other monies; to

contribute an aggregate of \$50 million over 5 years to provide independent research to clients; to contribute an aggregate of \$10 million over 5 years for investor education; and to adopt various additional policies, systems, procedures and other safeguards to ensure further the integrity of Goldman Sachs research.

Additional information about GS&Co.'s advisory affiliates is contained in Part 1 of GS&Co.'s Form ADV.

For information relating to other Goldman Sachs entities, please visit [www.gs.com](http://www.gs.com) and refer to the public filings of The Goldman Sachs Group, Inc.

### **Other Material Relationships with Affiliated Entities**

GS&Co. may use or recommend its own services or those of affiliated Goldman Sachs entities in connection with its advisory business. GS&Co. may delegate certain of its trading, advisory and other activity for clients to businesses within GS&Co. or to GS&Co.'s affiliates. Particular relationships may include, but are not limited to, those discussed below.

#### **Broker-Dealer**

GS&Co. is registered with the SEC as a broker-dealer. Certain of GS&Co.'s management persons may also be registered representatives of GS&Co. to the extent necessary or appropriate to perform their responsibilities. GS&Co. may use, or suggest or recommend that clients use, the securities, futures execution or custody services offered by GS&Co. or its affiliates. These may include, but are not limited to, Goldman Sachs International ("GSI"), Goldman Sachs (Asia) Securities Limited, Goldman Sachs Japan Co., Ltd., Goldman Sachs Execution & Clearing, L.P. ("GSEC"), and Goldman Sachs Financial Markets, L.P.

PWM client accounts, including Program Accounts ("Advisory Accounts") will generally execute all transactions through Goldman Sachs (as further described in Item 4, Execution Services). Subject to client consent, as required by applicable law, GS&Co. or its affiliates, including GSI, may engage in principal transactions with Advisory Accounts. For additional information about principal trading, please see Item 9, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading. Goldman Sachs may earn execution charges in connection with transactions executed as agent or principal. Goldman Sachs may share all or a portion of any execution charges with its affiliates and Goldman Sachs employees, including with the client's Private Wealth Advisor.

GS&Co. and its broker-dealer affiliates that provide custodial services may benefit from the use of cash in Advisory Accounts, subject to the limitation set forth in SEC Rule 15c3-3 under the Securities Exchange Act of 1934. GS&Co. may receive recordkeeping, administrative and support services from its affiliates. GS&Co., in its advisory capacity, may also obtain research ideas, analyses, reports and other services (including distribution services) from them.

In addition, Goldman Sachs may have ownership interests in trading networks, securities or derivatives indices, trading tools and settlement systems.

#### **Investment Companies and Other Pooled Investment Vehicles**

GS&Co. has affiliates, including GSAM, that act in an advisory or subadvisory capacity, including as adviser, administrator and/or distributor to a variety of U.S. and non-U.S. investment companies as well as other pooled investment vehicles including collective trusts and alternative investment funds. Certain personnel of GS&Co. are also directors, trustees and/or officers of these investment companies and other pooled investment vehicles. Clients may invest in these investment companies and other pooled investment vehicles offered by Goldman Sachs.

### Other Investment Advisers

GS&Co. has investment advisory affiliates in and outside of the United States that are registered with the SEC as investment advisers. These affiliates include, but are not limited to GSAM, Goldman Sachs Asset Management International ("GSAMI"), The Ayco Company, L.P. ("Ayco"), Goldman Sachs Hedge Fund Strategies LLC ("HFS") and GS Investment Strategies, LLC ("GSIS"). GS&Co. has or intends to have co-advisory or subadvisory relationships with its investment advisory affiliates, as may be required for proper management of particular Advisory Accounts and in accordance with applicable law. GS&Co. may receive compensation in connection with such relationships. For additional information on compensation earned when clients select other investment advisers, please see Receipt of Compensation from Investment Advisers, below.

### Financial Planner

GS&Co.'s affiliate, Ayco, provides financial counseling and planning services, investment management, financial education and other services to publicly traded companies and privately held firms and their respective executives and employees and high net worth individuals. Ayco's personnel may recommend GS&Co.'s investment advisory services to its clients and may receive fees from GS&Co. Ayco has an individual counseling practice that is primarily offered to clients of GS&Co. called Wealth Strategist Services (the "WS Service"). Through the WS Service, Ayco contracts with GS&Co. clients or prospective clients to provide certain comprehensive wealth counseling services selected by the client. Ayco Wealth Strategist clients may select from a variety of services offered for an asset-based fee or a specific dollar amount. As part of such program, Ayco shares office space with GS&Co. In certain cases, the services offered under the program may be provided to clients at no additional fee.

### Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor

GS&Co. is registered with the Commodity Futures Trading Commission ("CFTC") as a futures commission merchant ("FCM"), a commodity pool operator ("CPO") and a commodity trading advisor ("CTA"). Certain of GS&Co.'s management persons may also be registered as associated persons of GS&Co. to the extent necessary or appropriate to perform their responsibilities. GS&Co. also has affiliates registered with the CFTC as an FCM, CPO and CTA. These firms include: GSAM, GSAMI, HFS, Goldman Sachs Management Partners, L.P., GSIS, GSEC, Goldman Sachs Investment Partners GP LLC, Liberty Harbor I GP LLC, GS Distressed Opportunities Advisors LLC, GS Distressed Opportunities Offshore Advisors Inc. and GS Distressed Opportunities Offshore Holdings Inc. If permitted by applicable law, GS&Co. may buy or sell futures on behalf of its Advisory Accounts through itself or its CFTC-registered affiliates and these affiliates may receive commissions.

### Banking or Thrift Institution

#### *Banks*

The Goldman Sachs Group, Inc. is a bank holding company under the Bank Holding Company Act of 1956 ("BHC"). As a bank holding company, The Goldman Sachs Group, Inc., is subject to supervision and examination by the Federal Reserve Board.

Goldman Sachs Bank USA ("GS Bank") is an FDIC-insured New York State-chartered Federal Reserve member bank. GS Bank accepts brokered and omnibus deposits, lends to individuals and corporate clients, transacts in certain derivatives, and provides securities lending, custody and hedge fund administration services. GS Bank offers deposit sweeps to Private Wealth Management clients, where free balances are swept into GS Bank on an omnibus basis. The Goldman Sachs Bank Deposit ("Bank Deposit") operates as a cash sweep account for clients for whom the Bank Deposit has been designated as the sweep option for available cash. GS Bank may benefit from the use of cash swept from Advisory Accounts. GS&Co. establishes, maintains and keeps the books and records for the Bank Deposit and provides other related services.

### *Trust Companies*

The Goldman Sachs Trust Company, N.A., a national bank limited to fiduciary activities ("GSTC"), and The Goldman Sachs Trust Company of Delaware, a Delaware limited purpose trust company ("GSTD"), may provide personal trust and estate administration and related services to GS&Co.'s clients. Goldman Sachs may provide a variety of services to GSTC and GSTD, including investment advisory, distribution, marketing, operational, infrastructure, financial, auditing and administrative services. Goldman Sachs may receive fees from GSTC and GSTD according to the fee schedules agreed upon between the parties in arm's-length service agreements.

### Insurance Company or Agency

The Ayco Services Agency, L.P. and the Ayco Services Insurance Agency, Inc., may sell insurance contracts, including, but not limited to, variable life and variable annuity insurance contracts. GS&Co. may refer clients to these related affiliates and may receive referral fees subject to applicable law.

### Sponsor or Syndicator of Limited Partnerships

Goldman Sachs may create and/or distribute unregistered privately placed vehicles in which clients may invest and for which it receives fees.

### Management Persons; Policies and Procedures

Certain of GS&Co.'s management persons also hold positions with one or more of the affiliated entities listed above. In these positions, they may have some responsibility with respect to the business of these affiliated entities and may receive compensation based, in part, upon the profitability of other divisions within Goldman Sachs. Consequently, in carrying out their roles at GS&Co. and these other entities, the management persons of GS&Co. may be subject to the same or similar potential conflicts of interest that exist between GS&Co. and these affiliates.

GS&Co. has established a variety of restrictions, policies, procedures and disclosures designed to address potential conflicts that may arise between GS&Co., its management persons and its affiliates. These policies and procedures include: information barriers designed to prevent the flow of information between GS&Co., its personnel and certain other affiliates; policies and procedures relating to brokerage selection, trading with affiliates or investing in products managed or sponsored by affiliates; and allocation policies applicable to Advisory Accounts and Accounts (as defined below).

Additional information about these conflicts and the policies and procedures to address them is available in Item 9, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

## **Receipt of Compensation from Investment Advisers**

GS&Co. may select, or recommend that clients allocate assets to, one or more managed accounts or funds managed by one or more affiliated or unaffiliated managers. GS&Co. receives compensation in connection with clients' investments in, and selection of, such managed accounts or funds, and such compensation creates a potential conflict of interest. Goldman Sachs may receive various forms of compensation, including commissions, payments, remuneration, or other benefits from unaffiliated managers. Except for Retirement Accounts, the amount of such compensation, commissions, payments, remuneration or other benefits to Goldman Sachs may vary by manager and may be greater if GS&Co. selects certain managers over other managers. Payments to Goldman Sachs (either directly from such managers or in the form of fees or allocations payable by client accounts) generally increase as the amount of assets that such managers manage increases. Therefore, investments by Advisory Accounts with such managers (where Goldman Sachs participates in the fee and/or profit sharing arrangement or other interest in the equity or profits of such managers) may result in additional revenues to Goldman Sachs. The relationship Goldman Sachs has with such managers may also result in an incentive for GS&Co. to increase client investments with such managers or to retain their investments with such managers. Except to the extent required by applicable law, GS&Co. may not offset any compensation received by Goldman Sachs against fees and expenses the client may otherwise owe Goldman Sachs.

Because Goldman Sachs, on an overall basis, receives higher fees, compensation and other benefits if client assets are allocated to managed accounts or investment funds managed by Goldman Sachs, GS&Co. may have an incentive to allocate the assets of Advisory Accounts to managed accounts or investment funds managed by Goldman Sachs, including GSAM and GSAMI.

Goldman Sachs may have interests in managers or business relationships with unaffiliated managers, including in its prime brokerage, trade execution and investment banking businesses. In addition, Goldman Sachs may have investments in selected managers. As a result, GS&Co. faces potential conflicts of interest in making determinations as to whether Advisory Accounts should invest with or withdraw funds from managers with which Goldman Sachs has interests or other business relationships.

Goldman Sachs may receive notice of, or offers to participate in, investment opportunities from third party managers or their affiliates. The managers or their affiliates may offer Goldman Sachs investment opportunities for various reasons including Goldman Sachs' use of the services provided by such managers and their affiliates for Goldman Sachs and client investments. Therefore, investment (or continued investment) by particular Advisory Accounts with such managers may result in additional investment opportunities to Goldman Sachs or other accounts.

In addition, the fee structure of certain accounts (pursuant to which GS&Co. must compensate managers from the fee it receives from the client) other than Retirement Accounts may provide an incentive for GS&Co. to recommend or select managers with lower compensation levels including managers that discount their fees based on aggregate account size or other relationships instead of other managers which might also be appropriate for the Advisory Accounts. Except for Retirement Accounts, the amount of the fee retained by Goldman Sachs may also be affected by Goldman Sachs' business relationships and the size of accounts other than a particular Advisory Account, and may directly or indirectly benefit Goldman Sachs and other client accounts. Clients are not entitled to receive any portion of such benefits received by Goldman Sachs or other client accounts.

GS&Co. addresses these potential conflicts of interest in a manner that is consistent with its fiduciary duties.

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### Code of Ethics and Personal Trading

GS&Co. has adopted a Code of Ethics ("Code") under Rule 204A-1 of the Investment Advisers Act of 1940, as amended ("Advisers Act") designed to provide that GS&Co. personnel involved in decision-

making for clients (“Advisory Personnel”), and certain additional personnel of Goldman Sachs (“Personnel”) who support GS&Co, comply with applicable federal securities laws and place the interests of clients first in conducting personal securities transactions. The Code imposes certain restrictions on securities transactions in the personal accounts of covered persons to help avoid conflicts of interest. Subject to the limitations of the Code, covered persons may buy and sell securities or other investments for their personal accounts, including investments in pooled investment vehicles that are sponsored, managed or advised by Goldman Sachs, and may also take positions that are the same as, different from, or made at different times than, positions taken for Advisory Accounts. GS&Co. provides a copy of the Code to clients or prospective clients upon request.

Personnel, including Advisory Personnel, are also subject to firmwide policies and procedures regarding confidential and proprietary information, information barriers, private investments, outside business activities and personal trading. In addition, GS&Co. prohibits its employees from accepting gifts and entertainment that could influence, or appear to influence, their business judgment. This generally includes gifts of more than \$100 or meals and other business-related entertainment that may be considered lavish or extraordinary and therefore raise a question or appearance of impropriety.

#### Participation or Interest in Client Transactions

GS&Co. acts as investment adviser under the Advisers Act in accordance with fiduciary standards. Goldman Sachs is a worldwide, full-service investment banking, broker-dealer, asset management and financial services organization and a major participant in global financial markets. As such, Goldman Sachs provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high net worth individuals. Goldman Sachs acts as an investment banker, research provider, investment manager, financier, advisor, market maker, prime broker, derivatives dealer, lender, counterparty, agent and principal. In those and other capacities, Goldman Sachs advises clients in all markets and transactions and purchases, sells, holds and recommends a broad array of investments, including securities, derivatives, loans, commodities, currencies, credit default swaps, indices, baskets and other financial instruments and products for its own accounts and for the accounts of clients and of its Personnel, through client accounts and the relationships and products it sponsors, manages and advises (such Goldman Sachs or other client accounts, relationships and products collectively, the “Accounts”). Goldman Sachs has direct and indirect interests in the global fixed income, currency, commodity, equities, bank loan and other markets, and may have an interest in the securities and issuers in which Advisory Accounts may directly and indirectly invest. As a result, Goldman Sachs’ activities and dealings may affect Advisory Accounts in ways that may disadvantage or restrict Advisory Accounts and/or benefit Goldman Sachs or other Accounts (including Advisory Accounts). The following are descriptions of certain conflicts of interest and potential conflicts of interests that may be associated with the financial or other interests that Goldman Sachs may have in transactions effected by, with, and on behalf of, Advisory Accounts.

### *Principal Trading and Cross/Agency Cross Transactions with Advisory Accounts*

When permitted by applicable law and GS&Co. policy, GS&Co., acting on behalf of its Advisory Accounts, may enter into transactions in securities and other instruments with or through Goldman Sachs or in Affiliated Products (defined below), and may cause Advisory Accounts to engage in cross transactions. There may be potential conflicts of interest or regulatory issues relating to these transactions that could limit GS&Co.'s decision to engage in these transactions for Advisory Accounts. A principal transaction occurs if GS&Co., on behalf of an Advisory Account, engages in a transaction in securities or other instruments with Goldman Sachs or in Affiliated Products acting as principal. Goldman Sachs may earn compensation (such as a markup) in connection with principal transactions. Cross transactions occur if GS&Co. causes an Advisory Account to buy securities or other instruments from, or sell securities or other instruments to, another Advisory Account of GS&Co. or its investment advisory affiliates. An agency cross transaction occurs when Goldman Sachs acts as broker for, and receives a commission from, an Advisory Account on one side of the transaction and a brokerage account on the other side of the transaction in connection with the purchase or sale of securities by the Advisory Account. Goldman Sachs may have a potentially conflicting division of loyalties and responsibilities to the parties to such transactions, and has developed policies and procedures in relation to such transactions and conflicts. Any principal, cross or agency transactions are effected in accordance with fiduciary requirements and applicable law (which may include providing disclosure and obtaining client consent).

### *Effects of Goldman Sachs' Activities on Advisory Accounts*

The extent of Goldman Sachs' activities in the global financial markets may have potential adverse effects on Advisory Accounts. Goldman Sachs, the clients it advises, and its Personnel may have interests in and advise Accounts including Advisory Accounts that have investment objectives or portfolios similar to or opposed to those of particular Advisory Accounts, and/or which engage in and compete for transactions in the same types of securities and other instruments in which particular Advisory Accounts are invested. These interests may involve the same or related securities or other instruments as those in which particular Advisory Accounts invest, and such Accounts may engage in a strategy while an Advisory Account is undertaking the same or a differing strategy, any of which could disadvantage the Advisory Account. For example, an Advisory Account may buy a security and Goldman Sachs may establish a short position in that same security or in similar securities. This short position may result in the impairment of the price of the security that the Advisory Account holds or may be designed to profit from a decline in the price of the security. To the extent Accounts (including Advisory Accounts) engage in transactions in the same types of securities as particular Advisory Accounts, transactions by Accounts may dilute or otherwise negatively affect the investments of such Advisory Accounts. Moreover, a particular Advisory Account on the one hand, and Goldman Sachs or an Account (including an Advisory Account) on the other hand, may also vote differently on, or take or refrain from taking different actions with respect to, the same security, which may be disadvantageous to the Advisory Account. In addition, Goldman Sachs or Accounts (including Advisory Accounts), on the one hand, and a particular Advisory Account, on the other hand, may invest in different classes of securities of the same issuer or different parts of the capital structure of the same issuer and as a result one may take actions that adversely affect the other.

In addition, Goldman Sachs may advise clients with respect to different parts of the capital structure of the same issuer and classes of securities that are subordinate or senior to, securities in which an Advisory Account invests. As a result, Goldman Sachs may pursue or enforce rights or activities on behalf of Accounts (including Advisory Accounts), or refrain from pursuing or enforcing rights or activities with respect to a particular issuer in which the Advisory Account has invested. For example, Goldman Sachs (on behalf of Accounts, including Advisory Accounts) may seek a liquidation of an issuer in respect of which it holds debt securities, whereas if a particular Advisory Account may prefer a reorganization of the issuer. Advisory Accounts may be negatively affected by these activities and decisions, and Advisory Account transactions may be effected at prices or terms that may be less favorable than would otherwise have been the case. Particular Advisory Accounts could sustain losses during periods in which Goldman Sachs and other Accounts (including Advisory Accounts) achieve profits. The negative effects described



above may be more pronounced in connection with transactions in, or Advisory Accounts utilizing, small capitalization, emerging market, distressed or less liquid strategies.

Goldman Sachs may make loans to clients or enter into asset-based or other credit facilities or similar transactions with clients, that are secured by a client's assets or interests in securities issued by Goldman Sachs, including structured products, and separately managed accounts and pooled vehicles managed by Goldman Sachs ("Affiliated Products"). In connection with its rights as lender, Goldman Sachs may take actions that adversely affect an Advisory Account, including by causing an Advisory Account to default, liquidate its assets or redeem positions more rapidly (and at significantly lower prices) than might otherwise be desirable. Such transaction may adversely affect the borrower Advisory Account and may in turn adversely affect other Advisory Accounts (e.g., if an Advisory Account holds the same type of security or other asset that is serving as collateral for a loan, the Advisory Account may be disadvantaged when the borrower Advisory Account liquidates assets in response to an action taken by Goldman Sachs). Subject to applicable law, Goldman Sachs or Accounts (including Advisory Accounts and Accounts formed to facilitate investment by Personnel) may also invest in or alongside particular Advisory Accounts that are interested in Affiliated Products. Such investments may be on terms more favorable than those of an investment by other Advisory Accounts in the Affiliated Products and may constitute substantial percentages of such Affiliated Products. Unless provided otherwise by agreement to the contrary, Goldman Sachs or Accounts may redeem its interests in these Affiliated Products at any time without notice or regard to the effect on the portfolios of Advisory Accounts invested in the Affiliated Product, which may be adverse. Goldman Sachs may create, write, sell, issue, invest in or act as placement agent or distributor of derivative instruments related to Affiliated Products such as pooled investment vehicles, or with respect to underlying securities or assets of Affiliated Products, or which may be otherwise based on, or seek to replicate or hedge, the performance of Affiliated Products. Such derivative transactions, and any associated hedging activity, may differ from, and be adverse to, the interests of Advisory Accounts.

Goldman Sachs and its Personnel, when acting as an investment banker, market maker, investor, broker, advisor or research provider, may make investments or recommendations, provide differing investment views or have views with respect to research or valuations that are inconsistent with, or adverse to, the interests and activities of Advisory Accounts. Similarly, Advisory Personnel may have differing investment views in respect of an issuer or a security, and the positions Advisory Personnel take in respect of an Advisory Account may be inconsistent with, or adverse to, the interests and activities of Advisory Accounts advised by other Advisory Personnel. Moreover, research, analyses or viewpoints may be available to clients or potential clients at different times. Goldman Sachs will not have any obligation to make available to the Advisory Accounts any research or analysis prior to its public dissemination. Goldman Sachs, on behalf of one or more Accounts, may implement an investment decision or strategy ahead of, or contemporaneously with, or behind similar investment decisions or strategies made for particular Advisory Accounts (whether or not the investment decisions emanate from the same research analysis or other information). The relative timing for the implementation of investment decisions or strategies among Accounts and Advisory Accounts may work to the disadvantage of Advisory Accounts. Certain factors, for example, market impact, liquidity constraints or other circumstances, could result in Advisory Accounts receiving less favorable trading results or paying increased costs associated with implementing such investment decisions or strategies, or being otherwise disadvantaged.

Goldman Sachs has established certain information barriers and other policies to address the sharing of information between different businesses within Goldman Sachs and within GS&Co. As a result of information barriers, GS&Co. generally does not have access, or has limited access, to information and Personnel in other areas of Goldman Sachs, and generally is not able to manage the Advisory Accounts with the benefit of information held by these other areas. Goldman Sachs, due to its access to, and knowledge of, funds, markets and securities based on its prime brokerage and other businesses, may make decisions based on information or take (or refrain from taking) actions with respect to interests in investments of the kind held by Advisory Accounts in a manner that may be adverse to Advisory Accounts and Goldman Sachs will not have any obligation to share information with GS&Co. In addition, Goldman Sachs will not have any obligation to make available any information regarding its trading activities, strategies or views, or the activities, strategies or views used for other Accounts for the benefit of Advisory

Accounts. To the extent that Advisory Personnel have access to fundamental analysis and proprietary technical models or other information developed by Goldman Sachs and its Personnel, Advisory Personnel will not be under any obligation to effect transaction on behalf of the Advisory Accounts in accordance with such analysis and models. Different Advisory Personnel within GS&Co. may make decisions based on information or take (or refrain from taking) actions with respect to Advisory Accounts they advise in a manner that may be adverse to other Advisory Accounts.

GS&Co., in its capacity as investment adviser and subject to applicable law, may cause Advisory Accounts to invest, directly or indirectly, in securities, bank loans or other obligations of companies affiliated with Goldman Sachs, advised by Goldman Sachs or in which Goldman Sachs or Accounts (including Advisory Accounts) have an equity, debt or other interest, or to engage in investment transactions that may result in other Accounts (including Advisory Accounts) being relieved of obligations or otherwise divested of investments. For example, an Advisory Account may acquire securities or indebtedness of a company affiliated with Goldman Sachs directly or indirectly through syndicate or secondary market purchases. These activities may enhance the profitability of Goldman Sachs' or other Accounts' (including Advisory Accounts') investments in and activities with respect to such companies.

Goldman Sachs may provide various services to Advisory Accounts or to companies or affiliated or unaffiliated investment funds in which Advisory Accounts have an interest, which may result in fees, compensation and remuneration, as well as other benefits to Goldman Sachs. In addition, Goldman Sachs may act as broker, dealer, agent, lender or advisor or in other commercial capacities for Advisory Accounts or companies or affiliated or unaffiliated investment funds in which Advisory Accounts have an interest. For example, a company in which an Advisory Account has an interest may hire Goldman Sachs to provide underwriting, merger advisory, placement agency, foreign currency hedging, research, asset management services, brokerage services or other services to the company. In connection with providing such services, Goldman Sachs may take commercial steps in its own interests, which may have an adverse effect on Advisory Accounts. Goldman Sachs may derive benefits from providing investment advisory, distribution and other services to Advisory Accounts, and providing such services to the Advisory Accounts and Affiliated Products may enhance Goldman Sachs' relationships with various parties, facilitate additional business development and enable Goldman Sachs to obtain additional business and generate additional revenue. Goldman Sachs may also derive benefits from portfolio, investment, service provider or other decisions made by GS&Co., including those resulting in fees, compensation and remuneration and other benefits to Goldman Sachs.

GS&Co. performs certain valuation services related to securities and assets in Advisory Accounts according to its valuation policies and may value an identical asset differently from another division or unit within Goldman Sachs, or differently from another Account or Advisory Account. GS&Co. may face a conflict with respect to such valuations as they affect GS&Co.'s compensation.

Advisory Accounts will generally not be provided investment opportunities sourced by Goldman Sachs businesses other than GS&Co. Opportunities not allocated to Advisory Accounts may be undertaken by Goldman Sachs or other Accounts.

GS&Co.'s decisions and actions on behalf of an Advisory Account may differ from those on behalf of other Advisory Accounts. Advice given to, or investment decisions made for, one or more Advisory Accounts may compete with, affect, differ from, conflict with, or involve timing different from, advice given or investment decisions made for other Advisory Accounts.

#### *Firm Policies and Regulatory Restrictions Affecting Advisory Accounts*

GS&Co. may restrict its investment decisions and activities on behalf of an Advisory Account in various circumstances, including as a result of applicable regulatory requirements, information held by Goldman Sachs, Goldman Sachs' internal policies and/or potential reputational risk in connection with Accounts (including Advisory Accounts) and Goldman Sachs. As a result, GS&Co. might not engage in transactions for, or recommend transactions to, an Advisory Account, or may reduce an Advisory Account's position in an investment with limited availability to create availability for an Advisory Account

managed in the same strategy, in consideration of Goldman Sachs' activities outside the Advisory Account. For example, GS&Co. may restrict or limit the amount of an Advisory Account's investment where exceeding a certain aggregate amount could require a filing or a license or other regulatory or corporate consent, which could, among other things, result in additional costs and disclosure obligations for Goldman Sachs, including GS&Co. GS&Co. may also reduce a particular Advisory Account's interest in an investment opportunity that has limited availability so that other Advisory Accounts that pursue similar investment strategies may be able to acquire an interest in the investment opportunity. In addition, GS&Co. is not permitted to obtain or use material nonpublic information in effecting purchases and sales in public securities transactions for Advisory Accounts. Restrictions may be imposed on particular Advisory Accounts and not on other Accounts (including other Advisory Accounts). GS&Co. may also limit its activities, transactions and its exercise of rights on behalf of, or in respect to, an Advisory Account for reputational or other reasons, including where Goldman Sachs is providing, or may provide, advice or services to a company, or to another client that is, or may be, engaged in a transaction related to such company or is, or may be, involved in a transaction that could affect Goldman Sachs, GS&Co. or their activities.

## **Review of Accounts**

### Account Reviews

GS&Co. is not obligated to monitor transactions directed by each Manager for conformity with each client's stated investment objectives, risk tolerance, financial circumstances or investment restrictions, if any. In addition, GS&Co. will not evaluate each transaction executed by a Manager for compliance with the Manager's disclosed policies or style.

Region Heads, or their delegates, in consultation with the responsible Private Wealth Advisors, conduct periodic reviews of Program Accounts to monitor for various factors that may affect the management of the Program Account, including changes to the client's investment objectives, financial circumstances, portfolio performance, investment guidelines and investment concentrations. Additionally, Private Wealth Advisors periodically contact clients to ascertain whether there have been any changes in the client's financial circumstances or objectives that warrant a change in the management of the client's assets.

### Client Reports

GS&Co. provides clients with written reports regarding their Program Accounts on a periodic (generally monthly) basis. These reports generally include a summary of all activity in the accounts, including all purchases and sales of securities and any debits and credits to the account, a summary of holdings including a portfolio valuation, and the change in value of the Program Account from the end of the prior month.

## **Client Referrals and Other Compensation**

From time to time, GS&Co. may make cash payments for client referrals to third parties, consistent with applicable laws, including Rule 206(4)-3 under the Advisers Act. The compensation arrangements generally are based on a percentage of the advisory fees paid to GS&Co. by the referred clients and are disclosed to clients. In addition, from time to time, GS&Co. may also compensate employees of GS&Co. and its affiliates for client referrals pursuant to applicable laws.

## **Financial Information**

Not applicable.

## GLOSSARY

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As used in this Brochure, these terms have the following meanings.

**"1940 Act"** means the Investment Company Act of 1940, as amended.

**"Accounts"** means Goldman Sachs' own accounts, accounts in which Personnel have an interest, Goldman Sachs' clients and Affiliated Products Goldman Sachs sponsors, manages and advises.

**"Advisers Act"** means the Investment Advisers Act of 1940, as amended.

**"Advisory Accounts"** means PWM client accounts, including Program Accounts, for which PWM serves as investment adviser.

**"Advisory Personnel"** means collectively Private Wealth Advisors and Portfolio Management Teams.

**"Affiliated Manager Option"** means the option for Retirement Accounts to choose participating Managers comprised exclusively of GS&Co. affiliated Managers.

**"Affiliated Products"** means securities issued by GS&Co. or its affiliates, including structured products, and separately managed accounts and pooled vehicles managed by Goldman Sachs.

**"Ayco"** means The Ayco Company, L.P.

**"Bank Deposit"** means the bank deposit accounts offered through GS Bank, which operate as a cash sweep account for certain clients.

**"BHCA"** means the Bank Holding Company Act of 1956, as amended.

**"Brochure"** means Appendix 1 to GS&Co.'s Form ADV Part 2A.

**"CFTC"** means the Commodity Futures Trading Commission.

**"Code"** means the GS&Co. Code of Ethics.

**"Commissions"** means the amount charged by a broker for purchasing or selling securities or other investments as an agent for the client, as disclosed on client's trade confirmations.

**"Commission Equivalents"** means the amount charged by a dealer for purchasing or selling securities or other investments in certain riskless principal transactions.

**"CPO"** means commodity pool operator.

**"CTA"** means commodity trading advisor.

**"ERISA"** means the Employee Retirement Income Security Act of 1974.

**"ETF"** means exchange traded funds.

**"Execution Charges"** means Commissions, Commission Equivalents, Markups, Markdowns or Spreads.

**"Execution Charge Waived Strategies"** means eligible fixed income strategies and any other investment

strategies managed by Advisory Personnel for which GS&Co. has determined, or may in the future determine, to waive Execution Charges from time to time.

**“FCM”** means futures commission merchant.

**“FDIC”** means Federal Deposit Insurance Corporation.

**“Financial Square Funds”** means the money market funds advised by Goldman Sachs in which free credit balances for Retirement Accounts may be invested

**“FINRA”** means the Financial Industry Regulatory Authority.

**“Fund Strategies”** means Advisory Mutual Fund Strategies program.

**“GOAS”** means Goldman Sachs Options Advisory Services.

**“GMS”** means Global Manager Strategies, which is part of the Alternative Investments & Manager Selection group within GSAM.

**“Goldman Sachs”** means The Goldman Sachs Group, Inc., GS&Co. and their respective affiliates, directors, partners, trustees, managers, members, officers and employees.

**“GSAM”** means Goldman Sachs Asset Management, L.P., an investment adviser registered with the SEC and a GS&Co. affiliate.

**“GSAMI”** means Goldman Sachs Asset Management International, a registered investment adviser with the SEC and an affiliate of GS&Co.

**“GS&Co”** means Goldman, Sachs & Co., a registered broker-dealer and investment adviser with the SEC and sponsor of the Program.

**“GS Bank”** means Goldman Sachs Bank USA.

**“GSEC”** means Goldman Sachs Execution & Clearing, L.P.

**“GSI”** means Goldman Sachs International.

**“GSIS”** means GS Investment Strategies, LLC.

**“GSTC”** means The Goldman Sachs Trust Company, N.A.

**“GSTD”** means The Goldman Sachs Trust Company of Delaware.

**“HFS”** means Goldman Sachs Hedge Fund Strategies LLC.

**“IRC”** means the Internal Revenue Code of 1986.

**“Managed Account Strategies”** means GS&Co.'s wrap fee program.

**“Manager”** means an investment manager that manages client assets on a discretionary basis under one or more investment strategies offered through the Program.

**“Markups”** means the price charged to a client, less the prevailing market price, which is included in the price of the security.

**“Markdowns”** means the prevailing market price of a security, less the amount a dealer pays to purchase the security from the client, which is included in the price of the security.

**“Personnel”** means personnel of Goldman Sachs, including Advisory Personnel.

**“Portfolio Management Teams”** means the teams of portfolio management personnel within PWM.

**“Principal Transactions”** means transactions where GS&Co., on behalf of Advisory Accounts, engages in a transaction with Goldman Sachs, in its own name.

**“Private Wealth Advisor”** means PWM personnel responsible for managing client relationships.

**“Retirement Account”** means pension plans (including 401(k) plans) and other employee pension benefit plans subject ERISA, tax-qualified retirement plans (including Keogh plans) under Section 401(a) of the IRC and not covered by ERISA, and individual retirement accounts under Section 408 or 408A of the IRC.

**“PWM”** means the Private Wealth Management group of GS&Co.

**“Program”** means the Goldman, Sachs & Co. Managed Account Strategies (formerly known as GMS Separate Account Strategies) program.

**“Program Account”** means accounts for which Managers have been selected or appointed to manage the client assets invested through the Program.

**“SEC”** means the U.S. Securities and Exchange Commission.

**“Unaffiliated Manager Option”** means the option for Retirement Accounts to choose Managers comprised exclusively of third-party Managers in which GS&Co. does not have an affiliated ownership interest

**“WS Service”** means the Wealth Strategist Services.

## Appendix A

### Fee Schedule (for other than Retirement Accounts)

<u>Active Core*</u>	<u>Annual Fee</u>
Up to \$10 million	1.750%
\$10 million up to \$25 million	1.200%
\$25 million up to \$50 million	1.100%
\$50 million up to \$100 million	1.000%
\$100 million up to \$250 million	0.950%
\$250 million up to \$500 million	0.900%
\$500 million or more	0.085%

<u>Active Satellite**</u>	<u>Annual Fee</u>
Up to \$10 million	1.900%
\$10 million up to \$25 million	1.350%
\$25 million up to \$50 million	1.250%
\$50 million up to \$100 million	1.150%
\$100 million up to \$250 million	1.100%
\$250 million up to \$500 million	1.050%
\$500 million or more	1.000%

<u>All Small and Mid-Cap, Real Estate</u>	<u>Annual Fee</u>
Up to \$10 million	2.175%
\$10 million up to \$25 million	1.625%
\$25 million up to \$50 million	1.525%
\$50 million up to \$100 million	1.425%
\$100 million up to \$250 million	1.375%
\$250 million up to \$500 million	1.325%
\$500 million or more	1.275%

<u>Dynamic Equity</u>	<u>Annual Fee</u>
Up to \$10 million	2.400%
\$10 million up to \$25 million	1.850%
\$25 million up to \$50 million	1.750%
\$50 million up to \$100 million	1.650%
\$100 million up to \$250 million	1.600%
\$250 million up to \$500 million	1.550%
\$500 million or more	1.500%

<u>Municipal Fixed Income</u>	<u>Annual Fee</u>
Up to \$10 million	1.050%
\$10 million up to \$25 million	0.750%
\$25 million up to \$50 million	0.650%
\$50 million up to \$100 million	0.550%
\$100 million up to \$250 million	0.500%
\$250 million up to \$500 million	0.500%
\$500 million or more	0.500%

\* "Active Core" refers to those strategies with "Core," "U.S. Responsible Equity" and "Strategic" in the strategy name.

\*\* "Active Satellite" refers to Non-U.S. Equity and Large Cap strategies (other than Active Core).

## Appendix B

### Fee Schedule (for Retirement Accounts)

<u>Equity Strategies*</u>	<u>Annual Fee</u>
Up to \$10 million	2.450%
\$10 million up to \$25 million	1.900%
\$25 million up to \$50 million	1.800%
\$50 million up to \$100 million	1.700%
\$100 million up to \$250 million	1.650%
\$250 million up to \$500 million	1.600%
\$500 million or more	1.550%

\*Includes Active Core (which refers to those strategies with “Core,” “U.S. Responsible Equity” and “Strategic” in the strategy name), Active Satellite (which refers to Non-U.S. Equity and Large Cap strategies, other than Active Core), All Small and Mid Cap, Real Estate, and Dynamic Equity.