
The Ayco Company, L.P.

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This Brochure provides information about the qualifications and business practices relating to the investment advisory business of The Ayco Company, L.P. If you have any questions about the contents of this Brochure, please contact your Ayco team or contact us at (518) 886-4000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Investment adviser registration does not imply a certain level of skill or training.

Additional information about The Ayco Company, L.P. is available on the SEC's website at www.adviserinfo.sec.gov.

March 31, 2017

Item 2 – MATERIAL CHANGES

This Brochure is dated March 31, 2017. There have been no material changes to the Brochure from the last annual update. However, Ayco has updated and expanded disclosures relating to its business operations, particularly in the following areas:

- Item 4 - Advisory Business
- Item 5 - Fees and Compensation
- Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss
- Item 10 - Other Financial Industry Activities and Affiliations
- Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

In addition, Ayco attached a new balance sheet as of December 31, 2016. See Item 18.

The foregoing is only a summary of the changes to the Brochure. It does not purport to identify every change to the Brochure since the last annual update. This summary of 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 Ayco representative 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 – ADVISORY BUSINESS

Introduction

This Brochure describes the investment advisory services offered by The Ayco Company, L.P. (“Ayco”). Ayco provides advisory services to clients and has been helping clients build and preserve their financial wealth since 1971. Ayco has been a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”) since 1994. Ayco is headquartered in Saratoga Springs, NY and operates through offices located in Albany, NY, Atlanta, GA, Canonsburg, PA, Cincinnati, OH, Dallas, TX, Deerfield, IL, Irvine, CA, Latham, NY, Vienna, VA, Minneapolis, MN, Parsippany, NJ and Troy, MI. Ayco offers certain advisory services through offices of its affiliate, Goldman, Sachs & Co. (“GS&Co.”), located in Atlanta, GA, Boston, MA, Chicago, IL, Houston, TX, Los Angeles, CA, Miami, FL, New York, NY, Philadelphia, PA, San Francisco, CA and West Palm Beach, FL. Unless otherwise specified, references in this Brochure to “clients” means Ayco clients.

Ayco's principal owner is The Goldman Sachs Group, Inc. ("GS Group"), a publicly traded bank holding company and financial holding company under the Bank Holding Company Act of 1956, as amended, and a worldwide, full-service financial services organization. GS Group, Ayco, and their respective affiliates, directors, partners, trustees, managers, members, officers and employees are referred to collectively as "Goldman Sachs."

Investment Advisory Services

Ayco's primary business is providing financial counseling services. Financial counseling services may include, but typically are not limited to, delivery of investment advice. Through Ayco Private Wealth Management ("Ayco PWM"), Ayco also offers investment accounts based on clients' stated investment objectives, risk tolerance and financial circumstances. Client accounts for which Ayco has expressly agreed to serve as investment adviser pursuant to a separate agreement are referred to as "Advisory Accounts," and include: (i) centrally managed accounts that are managed by teams of portfolio management personnel within Ayco who manage various investment strategies ("Portfolio Management Teams"); (ii) separately managed accounts that are managed on a discretionary or nondiscretionary basis either by Investment Professionals or Financial Investment Professionals (collectively "IPs") or by an investment committee for certain trusts established through Ayco Trust Advisory Service ("ATAS"); and (iii) Ayco Privileged Client Service ("APCS") nondiscretionary accounts. Associates who provide various advisory services described herein may be referred to as Account Managers, Wealth Advisors, Financial Counselors, Financial Coaches, Wealth Strategists, Portfolio Management Teams, IPs, Regional Investment Officers ("RIOs"), and the investment committee for certain trusts established through ATAS (collectively, "Advisory Personnel").

Ayco offers investment advice under the laws of the United States through the services and programs described below. Generally, Ayco's advisory services are provided to clients that are United States citizens or residents, or otherwise subject to United States tax laws. Ayco's services may be limited for clients residing outside the United States.

When Ayco acts in an investment advisory capacity, it undertakes a fiduciary obligation to act in its advisory client's best interests in accordance with the Investment Advisers Act of 1940 (the "Advisers Act") and applicable case law. Fiduciary status under the Advisers Act is different from fiduciary status under other laws, including the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or the Internal Revenue Code of 1986, as amended (the "IRC"); therefore, the fact that Ayco is acting as a fiduciary under the Advisers Act does not mean that it is a fiduciary under any other law.

Financial Counseling

Financial Counseling Overview. Ayco's primary business is providing financial counseling services. Financial counseling services may include, but typically are not limited to, delivery of investment advice. Financial counseling services are separate and apart from the investment advisory services offered to Advisory Accounts. The scope, duration, assigned Advisory Personnel, deliverables, and delivery channels through which financial counseling services are provided will vary among clients, depending on the service offering selected by the client, as well as facts, requests, circumstances, personal financial goals, net worth, complexity, and/or needs of each client. Financial counseling services will also vary among clients as a result of agreements between Ayco and client, and/or program parameters that may be established by Ayco and employer sponsors of financial counseling services. Financial counseling services will even vary among individuals participating within the same employer-sponsored financial counseling program. Notwithstanding such variations, in all cases in which Ayco is providing financial counseling services, the following apply:

- *Advisory Clients.* For purposes of financial counseling services, Ayco's advisory clients include individuals entering into financial counseling agreements directly with Ayco, as well as those receiving financial counseling services through employer-sponsored programs or such other arrangements as may be approved in writing by Ayco. Unless otherwise indicated by Ayco in writing, for purposes of financial counseling services, advisory clients do not include other

individuals or entities (e.g., spouses, partners, and other related parties that are neither signatories to counseling agreements nor sponsored by employer programs), and Ayco undertakes no investment advisory obligation and has no corresponding fiduciary duty with respect to such other individuals or entities by virtue of providing financial counseling services.

- *Joint Clients.* In cases in which Ayco agrees in writing to undertake a financial counseling engagement with more than one client (as used in this section, “joint clients”): (i) Ayco may, but is not required to, take direction from one joint client, without notice to others; (ii) Ayco may, in its sole discretion, require joint instruction from some or all joint clients before taking action; (iii) if Ayco receives instructions from a joint client that, in Ayco’s opinion, conflict with instructions received from other joint clients, comply with any of the instructions and/or advise each applicable joint client of the apparent conflict and/or take no action until Ayco receives instructions from any or all joint clients that are satisfactory to Ayco, in its sole discretion; (iv) notice to one joint client is deemed notice to all joint clients; and (v) subject to applicable law, there is no expectation of privacy as between joint clients.
- *Related Parties.* Ayco may, as an accommodation to and at the request of a client, meet with certain individuals related to the client, including the spouse, partner, and/or dependents of such client (as used in this section, “related parties”), to discuss financial counseling services provided to the client, and/or one or more financial planning topics applicable to such related party. Unless otherwise agreed by Ayco in writing or through separate notice to or from an Ayco affiliate: (i) clients remain Ayco’s primary point of contact for discussions with and delivery of documents and notices (if any) to related parties, (ii) such accommodations made by Ayco are not intended to result in a contractual or investment advisory relationship with related parties, and (iii) Ayco undertakes no corresponding fiduciary duty with respect to such related parties.
- *Implementation.* Clients are not required to implement their financial plans through Ayco or its affiliates, each in their capacity as asset manager, insurance agency or broker-dealer. Clients deciding to implement any portion of their financial plans through Ayco do so by entering into a separate investment management agreement with Ayco. Such clients direct Ayco to use the broker-dealer platforms made available by Ayco, which are currently the GS Platform and the Fidelity Platform (described below). Except in the case of Wealth Strategist Services and APAS (described below), clients are not required to maintain Advisory Accounts with or purchase insurance products or annuities through Ayco or its affiliates.
- *Financial Counseling Advisory Personnel.* Ayco may offer and provide the services described herein through Advisory Personnel deemed by Ayco to be appropriate for the particular services, in its sole discretion. Advisory Personnel providing financial counseling services do not provide discretionary management over client investments. Advisory Personnel providing financial counseling services (other than those providing Goldman Sachs Family Office services) are registered representatives of Ayco’s affiliate, Mercer Allied Company, L.P. (“Mercer Allied”), a broker-dealer registered with the SEC. Such Advisory Personnel may refer clients to Fidelity and Ayco affiliates, including GS&Co., for investment and brokerage accounts, and The Ayco Services Agency, L.P. (“ASA”) and Mercer Allied, for sales of variable life insurance policies and variable annuity contracts (together, “Variable Products”). Such Advisory Personnel may also be licensed insurance agents and sub-agents of Ayco’s affiliates, ASA and/or The Ayco Services Insurance Agency, Inc. (“ASIA”), may be appointed as agents of insurance companies, and may refer clients to ASA and/or ASIA for placement of insurance products and annuities.
- *Scope of Financial Counseling Services.* Advisory Personnel providing financial counseling services do not provide discretionary management over client investments. Certain activities may fall beyond the scope of Ayco’s financial counseling services, including, for example, implementation or development of strategies to address risks arising from exposure to concentrated “single stock positions”, such as employer stock. While Ayco may, if appropriate, provide asset allocation and diversification advice or education, Ayco will not recommend specific

securities or other transactions to mitigate single stock risk. In addition, Ayco's financial counseling services may not address every aspect of a client's financial life. Omission of one or more financial planning topics from discussions with Advisory Personnel may be the result of, among other things: (i) scope of services specifically agreed to between Ayco and client; (ii) program parameters that may be established by Ayco and employer sponsors of financial counseling services; or (iii) insufficient data provided by or on behalf of client. Such omissions do not indicate that the topic is not applicable to the client's financial situation, and clients are encouraged to consult with their other professionals regarding such topic (e.g., tax and legal counsel). Ayco does not undertake an obligation to provide ongoing financial planning advice with respect to any reports delivered to clients. Advice contained in such reports is current as of the date of the report, and is completed upon delivery of the reports. Preliminary discussions or recommendations that occur prior to delivery of reports are not intended as investment advice and should not be relied on as such.

- *Reliance On Information.* Ayco relies on the accuracy and completeness of information provided by or on behalf of clients when performing services, and may not independently verify the accuracy or completeness of such information.
- *Asset Allocation.* In providing any of the financial counseling services, Ayco may provide education and make recommendations to its clients guided by the overall personal objectives of the client. Ayco may provide a recommendation to clients concerning asset allocation among certain asset groups. The fact that Ayco may consider a client's brokerage account assets or Variable Subaccount (defined in Item 8) options available through Variable Products in providing asset allocation advice or that a client may implement Ayco's advice in a brokerage account or through Variable Products does not mean that a client's brokerage accounts or Variable Products are advisory. Clients may choose for Ayco to include assets held at institutions other than GS&Co. or Fidelity in asset allocation, target allocation or other financial exhibits. Ayco does not verify or ensure the accuracy of information regarding such assets. Ayco does not assume any liability for clients' activities with respect to assets held at other institutions. Ayco has no obligation to revise any financial planning report previously prepared, including when an allocation model changes in the future.
- *Financial Counseling Services Not Specific to Investment Account(s).* Unless otherwise specifically agreed to by Ayco, financial counseling services are not designed to be specific to any particular investment account. Any asset management services provided to clients are governed by a separate investment management agreement (as may be applicable). In no case will financial counseling services or the terms of an employer-sponsored program modify the terms and conditions governing a client's investment accounts. Those terms and conditions, unless otherwise amended, control for all purposes under such investment accounts.
- *Client's Obligation to Take Action.* Except as otherwise expressly agreed in writing, Ayco does not assume any duties to take action pursuant to recommendations, advice or financial planning strategies that Ayco may provide to clients, which ultimately remain the client's obligation. It is the client's responsibility to determine if, and how, the suggestions made in connection with Ayco's financial counseling services should be implemented or otherwise followed. Clients should carefully consider all relevant factors in making these decisions, including consulting with other professionals (e.g., tax and legal counsel). Ayco may, from time to time, provide a referral to other professionals to assist with recommendations, advice or financial planning strategies provided to clients. Ayco does not undertake to, nor does it perform, specific due diligence regarding other professionals and such referrals do not constitute recommendations by Ayco of the professional or their firm's services.
- *Investment Education.* Ayco's financial counseling services are consistent with investment education described in 29 CFR 2509.96-1, and not "investment advice", as such term is used in Section 3(21) of ERISA. As a result, for purposes of its financial counseling services, Ayco is not

intended to be considered a “fiduciary” under Section 3(21) of ERISA with respect to any “employee benefit plan” under Section 3(3) of ERISA or “plan” under Section 4975(e)(1) of the IRC maintained or contributed to by a counseled client’s employer or such employer’s affiliates or in which any counseled client participates. Ayco’s financial counseling services are not intended to and will not constitute a primary basis for any investment decision by, or with respect to the assets of, any such plan.

- *Retirement Accounts.* As part of its financial counseling services, Ayco does not provide advice, make recommendations or otherwise assist (i) pension plans (including 401(k) plans) and other employee pension benefit plans subject to ERISA, (ii) tax qualified retirement plans (including Keogh plans) under Section 401(a) of the IRC and not covered by ERISA, and (iii) individual retirement accounts under IRC Section 408 and 408A (collectively, “Retirement Accounts”) with investment decisions, including whether to invest in investment companies for which affiliated persons of Ayco, including GS&Co. and Goldman Sachs Asset Management, L.P. (“GSAM”), serve as adviser, sub-adviser, and/or distributor and receive fees for the services provided. See Item 8 for further details.
- *Digital Services.* Digital services (e.g., Ayco360, Aycofn[®], etc.) are web-based financial planning tools that allow clients to collaborate with their designated Advisory Personnel in addressing their financial needs. Digital services may offer clients the option of accessing a secure client website to view financial reports, access certain planning tools and financial information, and maintain copies of documents in an electronic storage system. Ayco does not assume responsibility to review, respond to, or incorporate into its services or advice any materials uploaded by, or on behalf of, the client to any electronic storage system made available to clients, including Ayco360. Clients must consult with their designated Advisory Personnel regarding any specific materials they would like to include in Ayco’s services.
- *Non-Investment Advisory Services.* Ayco and its affiliates offer certain non-investment- advisory services, such as tax preparation (which may also include certain tax planning services), as well as certain insurance, personal accounting, and bookkeeping services, and various administrative services. Such non-investment-advisory services may be available to financial counseling advisory clients and related parties. Unless otherwise indicated by Ayco or its affiliates in writing, neither Ayco nor its affiliates undertake any investment advisory obligation or corresponding fiduciary duty with respect to such individuals and entities by providing such non-investment-advisory services. Ayco does not provide attest or compilation services and does not prepare, present, audit, review or examine prospective financial information or express any opinion as to the accuracy or validity of that information. Ayco does not provide legal or accounting advice to its clients. While clients may consult with Ayco concerning real estate purchases, special asset purchases and their business ventures, Ayco does not undertake to, nor does it perform, due diligence regarding any such investments or ventures and may not have any expertise in these areas.
- *Ayco Technical Specialists and Benefits and Compensation Group.* Ayco maintains internal technical specialists dedicated to supporting its Advisory Personnel by providing ongoing research, training and technical support in various technical disciplines, including estate and tax planning and employee compensation matters. Ayco periodically may produce charts, graphs and other publications with respect to financial planning and tax matters. These publications may be made available at no cost to certain clients and are not intended to be specific to a client’s individual circumstances, but rather only to provide general information.

Ayco’s Benefits and Compensation Group may, as part of employer-sponsored financial counseling services, or for a separate annual fee which is negotiable, provide general information on tax and benefits and compensation matters. However, unless otherwise agreed by Ayco in writing, Ayco does not provide tax, benefits consulting services or investment advice to employer

sponsors of financial counseling services with respect to such sponsor's benefits and compensation plans, nor does Ayco act as a fiduciary with regard to such plans.

Financial Counseling Service Offerings. Ayco's financial counseling service offerings include: (i) Executive Counseling; (ii) Foundational counseling, including MyMoney, and event-based programs such as TransitionalSupportSM, and SurvivorSupport[®]; (iii) Family Office (sometimes referred to as Ayco Family Office); (iv) Goldman Sachs Family Office; and (v) Wealth Strategist Services. Services may be offered and/or provided on a customized basis, either alone or in combination with one or more components of various other services, all as may be deemed appropriate by Ayco in its sole discretion. The description of and fees associated with services are disclosed to clients and sponsors of service programs prior to entering into any agreement(s) related to financial counseling services. Service descriptions follow below:

	Service Description
Executive Counseling	<p>Executive Counseling is designed to assist clients in developing comprehensive financial plans intended to maximize the benefits of employers' compensation and benefit programs, preserve clients' assets, manage income on a long-term basis, and integrate tax, retirement, and estate plans. In order to develop a comprehensive financial plan, Ayco analyzes a number of factors, including, as may be applicable, counseled client's financial status, sources of income, assets, personal obligations and debts, objectives, commitments, cash flow, family responsibilities and the effect of the existing income and estate tax structure on client's sources of income and accumulation of wealth.</p> <p>Executive Counseling services may include, but not be limited to, benefits and compensation, estate, insurance, tax, retirement, cash flow, investment, and charitable planning, together with availability of certain non-investment-advisory services (e.g., tax preparation).</p>
Foundational	<p>Foundational counseling programs focus on the fundamentals of financial planning and include financial planning content, tools and calculators, the ability to develop personal financial reports, financial planning publications delivered through e-mail subscription, and the ability to maintain copies of documents in an electronic storage system. Foundational counseling programs can be designed to address specific events, such as benefit changes, workforce reductions, or changes-in-control.</p> <p>Ayco generally delivers Foundational counseling services through telephone consultations between program participants and Advisory Personnel, and/or through web-based electronic platforms. Advisory Personnel responsible for providing Foundational counseling services may conduct in-person planning sessions with participating individuals from time to time. In addition, seminars offering general financial education on various topics, including an employer sponsor's employee benefits, are also available and may be delivered in person or via the internet or various recorded media.</p> <p>Participants in Foundational counseling programs vary depending on the particular program, but may consist of broad-based employee populations, groups of mid-level executives, and/or individuals who are experiencing a life event such as a serious illness or family member death. Certain programs may include discussions of investments and insurance, and Advisory Personnel providing Foundational counseling services may refer participants to other Ayco business units for investment and insurance sales. Certain Advisory Personnel providing Foundational counseling services may receive payments for successful referrals to Ayco PWM for investment advisory services.</p>

Family Office	<p>Family Office is designed to help individuals and families with significant wealth manage their complex financial affairs.</p> <p>Family Office services may include, but not be limited to, benefits and compensation, estate, insurance, tax, retirement, cash flow, investment, and charitable planning services, together with availability of certain non-investment advisory services (e.g., tax preparation, personal accounting services, financial reporting, and foundation services).</p> <p>Advisory Personnel responsible for providing Family Office services often work with several generations within one client family and coordinate with the individual or family's other advisors (as may be directed). In many cases, Ayco's Family Office services offer wealthy families an alternative to creating their own family office.</p>
Goldman Sachs Family Office	<p>Ayco provides financial counseling services to select current and former executives of GS Group through the Goldman Sachs Family Office in consultation with the client's GS&Co. representative (if any).</p> <p>Goldman Sachs Family Office services may include, but not be limited to, benefits and compensation, estate, insurance, tax, retirement, cash flow, investment, and charitable planning services, together with availability of certain non-investment advisory services (e.g., tax preparation and financial reporting services).</p> <p>Ayco is not responsible for providing investment and/or brokerage services related to investment accounts of current and former Goldman Sachs executives through the Goldman Sachs Family Office.</p>
Wealth Strategist Services	<p>Wealth Strategist Services is an individual financial counseling service delivered by an Ayco Wealth Strategist, in consultation with the client's GS&Co. representative, and is primarily offered to current and prospective clients of Ayco's affiliate, GS&Co. Ayco Wealth Strategists provide services in coordination with the client's GS&Co. representative and other outside advisors, as may be applicable.</p> <p>Wealth Strategist Services may include (as elected by and applicable to each client): benefits and compensation, estate, insurance, tax, retirement, and cash flow planning services.</p> <p>Ayco is not responsible for providing investment and/or brokerage services related to investment accounts of clients participating in the Wealth Strategist Services program. Unless otherwise agreed to by Ayco, such clients are required to maintain GS&Co. accounts in order to receive Wealth Strategist Services.</p>

Investment Management

Ayco PWM Overview. For clients deciding to implement any portion of their financial plan with Ayco, designated Advisory Personnel can, at the client's request, make specific recommendations to help the client develop an investment strategy. Advisory Personnel's recommendations will be limited to investment services and accounts offered through Ayco PWM. Ayco has arrangements with GS&Co. (the "GS Platform"), Fidelity Brokerage Services LLC and National Financial Services LLC (together, "Fidelity" and the "Fidelity Platform") through which services including, among others, brokerage, custodial, administrative support, record keeping and related services are provided, and such services may benefit Ayco. Ayco is not affiliated with Fidelity but has a Custodial Support Services Agreement with Fidelity which is described in Item 5. Ayco may, in its sole discretion, impose limitations on the investment services and strategies that are available to Retirement Accounts.

Ayco PWM Advisory Personnel includes Portfolio Management Teams, IPs, RIOs, and Wealth Advisors. IPs, among other things, are registered representatives of GS&Co. and may manage Desktop Advisory Accounts, in some cases based on model portfolios, and provide clients with asset allocation recommendations for assets on the GS Platform and Fidelity Platform. RIOs are assigned to particular Ayco regional offices and responsible for assisting other Advisory Personnel and helping clients further understand investment products and/or services. Ayco PWM also offers investment management services to institutional clients such as endowments, public charities and private foundations, and other nonprofit organizations through Ayco Institutional Client Solutions ("Ayco ICS"), including through Ayco ICS accounts managed by Portfolio Management Teams.

Ayco Personal Advisor Service. Ayco Personal Advisor Service ("APAS") is available to clients with Advisory Accounts who generally have the potential to have at least \$250,000 held in discretionary advisory accounts managed by Ayco and/or its affiliates, or by affiliated and unaffiliated managers through a wrap program sponsored by Ayco or GS&Co. (collectively, "Qualifying Accounts"). APAS focuses on investment planning with respect to investment accounts opened through, and assets managed by, Ayco PWM. APAS may include certain aspects of Ayco's financial counseling services. In such cases, all information provided herein relating to Ayco's financial counseling services applies to APAS as well.

For clients with at least \$1,000,000 held in Qualifying Accounts, APAS (sometimes "Traditional APAS") is typically provided by a designated Wealth Advisor who assists clients by providing them with a proposed investment plan. At the request of a client, Wealth Advisors may also assist with financial planning by integrating investment portfolio management and strategies with estate plans, tax planning, and long-term cash flow and retirement planning. For clients with between \$250,000 and \$1,000,000 held in Qualifying Accounts, APAS (sometimes "APAS AdvisorLine") is typically provided by Wealth Advisors who assist clients by providing them with a proposed investment plan. In some cases, Wealth Advisors may partner with additional Advisory Personnel to assist with financial planning related matters.

The offering and provision of APAS, including the number and manner of client meetings, deliverables, and Advisory Personnel, vary among APAS clients as a result of several factors, including clients' needs and requests. Advisory Personnel responsible for providing APAS are determined by Ayco based upon, among other things, the amount of assets held in Qualifying Accounts. As a result, the number of meetings among APAS clients will vary. In addition, while in-person meetings with Wealth Advisors are offered to APAS clients with at least \$1,000,000 held in Qualifying Accounts, telephone meetings are conducted as part of APAS AdvisorLine. Unless otherwise agreed to by Ayco, clients are required to maintain Advisory Accounts in order to receive APAS. APAS Wealth Advisors are registered representatives of Mercer Allied and do not have discretionary authority over client assets.

Investment Accounts – Managed by Ayco Portfolio Management Teams. Ayco PWM Portfolio Management Teams provide clients with investment advisory services on a discretionary basis through centrally managed Advisory Accounts. The various strategies available include fixed income taxable bonds (government, agency and/or corporate bonds), municipal bonds, equities, affiliated and unaffiliated mutual funds, and exchange traded funds ("ETFs"). Ayco may, in its sole discretion, impose limitations on the investment services and strategies that are available to Retirement Accounts. Certain clients with Advisory Accounts may also receive access to certain Foundational counseling services, including certain digital services.

Investment Accounts – Managed by Ayco Affiliates or Unaffiliated Managers. Advisory Personnel may recommend that clients select an Ayco affiliate, such as GSAM or GS&Co., to directly manage all or a portion of a client's assets. Advisory Personnel also may recommend that clients invest in managers through the GS&Co. Managed Account Strategies wrap fee program or the Ayco Private Access Account Strategies wrap fee program, including managers that are affiliated with Goldman Sachs ("Affiliated Managers") and managers that are unaffiliated with Goldman Sachs ("Unaffiliated Managers," and together with Affiliated Managers, "Managers"). The number of Managers available in the Ayco Private Access Account Strategies program is more limited than in the Managed Account Strategies program. GSAM, GS&Co., and Managed Account Strategies accounts are established under separate written

account agreements between the client and GSAM or GS&Co., as applicable. For more information, please refer to the GSAM brochure, the GS&Co. brochure, the Managed Account Strategies brochure, or the Ayco Private Access Account Strategies brochure. Information about Unaffiliated Managers participating in Managed Account Strategies and Ayco Private Access Account Strategies is available in the Form ADV brochure for the applicable manager.

Investment Accounts – Managed by Ayco – Other. Other Ayco managed Advisory Accounts include Desktop Advisory Accounts, The Ayco Charitable Foundation (“ACF”) account, and ATAS accounts.

Desktop Advisory Accounts are designed by an IP through consultation with the client to develop an account with suitable investment objectives and risk tolerance relative to the client’s financial circumstances and asset allocation strategy. Ayco IPs may invest on a discretionary basis in one or multiple asset classes and types of investments, which may include certain equity and fixed income securities, structured investments, options, mutual funds, ETFs, and other securities or investments. For Desktop Advisory Accounts that are Retirement Accounts, the investment options will be limited to investments in ETFs, affiliated mutual funds (subject to the satisfaction of the conditions of Department of Labor Prohibited Transaction Class Exemption 77-4), and cash or cash-equivalents.

The ACF account is advised by Ayco and administered through the Ayco Charitable Services Group, a division of Ayco that provides administrative services to charitable foundations, including ACF. ACF is a 501(c)(3) public charity that sponsors donor advised fund accounts (“DAF Accounts”). DAF Accounts are established for accounting purposes only to track the assets of ACF from which each donor has a limited right to recommend that charitable grants be made to 501(c)(3) public charities, certain private operating foundations, and certain qualified governmental units).

ATAS Advisory Personnel provide investment advice to trusts and, in certain limited circumstances, estates. Where appropriate for a client’s estate plan, Ayco may recommend that the client appoint Wilmington Trust Company (“WTC”), Fidelity Personal Trust Company, FSB (“FPTC”), Royal Bank of Canada (“RBC”), Reliance Trust Company of Delaware (“RTC”), Goldman Sachs Trust Company, N.A. (“GSTC”), Goldman Sachs Trust Company of Delaware (“GSTD”) or another third-party trustee as a fiduciary with the direction or delegation that the trust engage Ayco, pursuant to a separate express written advisory agreement, as an investment advisor for the cash and securities owned by the trust. Where appropriate for a client’s estate plan, Ayco may also recommend that the client appoint GSTC or GSTD as a fiduciary, without the intent that the trust engage Ayco as an investment advisor. Further, Ayco may provide consultation to the trustee for the trustee’s consideration concerning tax, distributions and estate planning. Ayco may meet with one or more of the beneficiaries of the trust on a periodic basis. In certain limited circumstances, a trustee (rather than the trust) may engage Ayco to provide investment advisory services under a separate written advisory agreement.

Investment Accounts – APCS Nondiscretionary Advisory Accounts. Ayco offers APCS nondiscretionary Advisory Accounts on the Fidelity Platform. Ayco receives a custodial support services fee from Fidelity through an agreement with Fidelity whereby Ayco provides custodial support services to these accounts. Ayco PWM accepts nondiscretionary authority for mutual fund trading in APCS accounts. Certain Advisory Personnel may provide investment and asset allocation advice and education to clients related to assets held in APCS accounts, and APCS clients may receive The Ayco List of Mutual Funds and other investment materials prepared by Ayco’s Investment Planning Group (“IPG”). Ayco does not monitor or review securities that are held within an APCS account that have not been recommended by Ayco and purchased through APCS, including the review and disclosure of material event notices and other material information about municipal securities transactions and holdings.

Investment Accounts – Discretionary Manager Allocation Program. If a client elects to participate in the Discretionary Manager Allocation Program (“DMA”), IPs will have discretionary authority to allocate, rebalance and reallocate client assets among Advisory Accounts. If a client receives financial counseling services from Ayco, the client’s Account Manager may discuss Advisory Accounts, including DMA with the client, the RIO, and/or the IP or other GS&Co. registered representative assigned to the client; however, Advisory Personnel, other than IPs, do not have discretion to allocate, rebalance and reallocate

client assets among Advisory Accounts, including pursuant to DMAP. Goldman Sachs will send clients written confirmation of any new Advisory Account, including the applicable fee schedule. DMAP is not available for Retirement Accounts.

Investment Accounts – Comprehensive Advisory Services Program. If a client elects to participate in the Comprehensive Advisory Services Program (“CASP”), IPs will have full power and discretionary authority to: (i) invest and reinvest Advisory Account assets consistent with the investment objective and subject to any client guidelines; (ii) select and appoint affiliated and unaffiliated investment advisers, including Ayco, its affiliated investment advisers and managers participating in the Managed Account Strategies program; (iii) invest Advisory Account assets in funds managed by such investment advisers; (iv) allocate and reallocate the management of Advisory Account assets among Ayco, affiliated and unaffiliated advisers and funds; and (v) remove or replace any previously selected or appointed investment advisers and funds. If a client receives financial counseling services from Ayco, the client’s Account Manager may discuss CASP with the client, the RIO, and/or the IP or other GS&Co. registered representative assigned to the client; however, Advisory Personnel, other than IPs, do not have the discretion described above related to CASP. CASP is not available for Retirement Accounts. Generally, CASP is more appropriate for clients who will invest across a number of asset classes rather than investing in one or two managed strategies.

Investment Accounts – Verbal Manager Selection. If a client completes the Verbal Manager Selection Opt-In Form, Ayco Client Service Group team members and other GS&Co. registered representatives will have authority to accept a client’s verbal instruction to open certain new Advisory Accounts without the need to complete additional account opening documentation. Advisory Personnel will not, by virtue of a client’s verbal instruction, have discretionary authority to select strategies or managers or to deposit, withdraw or transfer client funds or securities into or out of an Advisory Account. Goldman Sachs will send clients written confirmation of their verbal authorization to open a new Advisory Account that includes the fee schedule that will apply to the new Advisory Account. Verbal Manager Selection is not available for Retirement Accounts.

Investment Restrictions

Subject to Ayco’s policies, clients may impose certain reasonable restrictions or investment policy guidelines on the management of their Advisory Accounts, including restricting particular securities or types of investments provided that Ayco or its affiliates, as applicable, accepts such restrictions. Any accepted restrictions will be documented by Ayco or its affiliates, as applicable, and Ayco will seek to adhere to these restrictions on a reasonable basis. Restrictions do not apply to underlying investments in pooled investment vehicles, structured notes, or other similar investments. Clients should be aware that the performance of Advisory Accounts with restrictions will differ from, and may be lower than, the performance of Advisory Accounts without restrictions. Ayco does not assume responsibility for investment restrictions that are imposed by any non-client individual or entity, including clients’ employers, or that are not communicated in writing to Ayco. Ayco may, in its discretion, hold the amount that would have been invested in the restricted security in cash/cash equivalents, invest in substitute securities, or invest it across the other securities in the strategy that are not restricted.

Wrap Fee Programs

Ayco is the sponsor of a wrap fee program on the Fidelity Platform known as the Ayco Private Access Account Strategies program (“Private Access Account Strategies”); however, Ayco does not act as a portfolio manager for wrap fee programs. Clients investing in the Private Access Account Strategies pay a “wrap” fee for discretionary investment services provided by Managers participating in the program. Information about the program is available in the Ayco Private Access Account Strategies brochure. Private Access Account Strategies accounts must be held in custody at Fidelity.

Clients investing in Private Access Account Strategies generally are not permitted to invest through the GS Platform in accounts managed by GSAM, GS&Co. or through the GS&Co. Managed Account Strategies program. Clients investing through the GS Platform in accounts managed by GSAM, GS&Co.

or through the GS&Co. Managed Account Strategies program generally are not permitted to invest in Private Access Account Strategies.

Retirement Accounts may choose participating Managers either comprised exclusively of Affiliated Managers ("Affiliated Manager Option") or Unaffiliated Managers ("Unaffiliated Manager Option"). Goldman Sachs 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 Goldman Sachs will form a primary basis for, or otherwise be considered in making, this selection. Goldman Sachs 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, Ayco may assist the Retirement Account in identifying, evaluating and selecting one or more potential Managers within the option selected.

Assets Under Management

As of December 31, 2016, Ayco managed approximately \$30,002,633,800 of client assets, of which approximately \$23,266,188,400 was managed on a discretionary basis and approximately \$6,736,445,400 was managed on a nondiscretionary basis.

Item 5 – FEES AND COMPENSATION

Unless otherwise indicated below, fees that are specified herein are negotiable or may be waived in Ayco's discretion. Lower fees for comparable services described below may be available from other sources. Clients can agree to have fees, including fees for financial counseling services, debited directly from their Advisory Accounts.

Fees for Advisory Services – Financial Counseling

Financial Counseling Fees Overview. Fees for financial counseling services will vary as services themselves vary (factors described in detail above). In addition, fees are subject to agreement between Ayco and client, and/or Ayco and employer sponsors. Ayco's fees related to employer-sponsored program services may be paid, in whole or in part, by the employer sponsor or individual to whom services are being provided. Employer sponsors of financial counseling programs are responsible for determining the amount of income to impute to individual participants. Ayco does not provide any advice regarding such imputation of income.

Financial Counseling Fees By Service Offering

	Fee Description
Executive Counseling	<p><i>Employer-Sponsored Programs.</i> Ayco typically charges a counseling fee for each individual participating in an Executive Counseling program. Counseling fees may be adjusted in subsequent years to account for cost of living increases. Fees and fee adjustments are negotiable and may vary significantly based on service variations cited in Item 4 above. In addition, Ayco reserves the right to make exceptions, on a case by case basis, to current fee ranges. Ayco may add a surcharge of 15% to its annual counseling fee per individual for services provided by Ayco's California office.</p> <p>There are generally two fee models used by employer sponsors: annual fee model and first year/continuing service model (currently offered on a limited basis). In the case of both models: Executive Counseling is offered at an annual counseling fee that generally ranges between \$11,000 and \$32,000 for individuals participating in the top service tier of the employer-sponsored program, and \$8,000 and \$13,000 for individuals participating in the second tier of the employer-sponsored program. Continuing service fees for the first year/continuing service fee model typically represent a percentage of the first year fees.</p> <p>Employer-sponsored Executive Counseling programs may also include an annual account maintenance fee which is separate from counseling fees (described above). Account maintenance fees and adjustment to same are negotiable and may vary significantly based on service variations cited in Item 4 above. The account maintenance fee covers collection and analysis of the employer sponsor's benefits and compensation plans for the purpose of counseling individuals participating in the Executive Counseling program, direct access to services offered by Ayco's Benefits and Compensation Group and ongoing administration of the Executive Counseling program.</p> <p><i>Individual/Direct.</i> Ayco typically charges a fee for each individual receiving Executive Counseling through a program other than an employer-sponsored program. Ayco currently offers Executive Counseling to individuals for an annual fee that generally ranges between \$10,000 and \$30,000. The annual fee may be adjusted in subsequent years to account for cost of living increases or as may be agreed upon by Ayco and the client. Fees and fee adjustments are negotiable and may vary significantly based on the factors cited in Item 4 above. In addition, Ayco reserves the right to make exceptions, on a client by client basis, to the current fee ranges.</p> <p>Ayco may offer its financial counseling services on an hourly fee basis. The current range for hourly engagements is between \$70 and \$570 depending on the service variations cited in Item 4 above.</p>

	Fee Description
Foundational	<p>Fees for Foundational programs are generally charged on a per participant basis for annual terms. Project management and development fees and annual administration fees may also be charged from time to time.</p> <p>Generally, fees are non-refundable once an initial session is provided, or the program is developed or implemented, or as negotiated between Ayco and the employer sponsor. In all instances, the termination and any associated refund will be effected as specifically negotiated in the contract. The basic fees set forth below represent the fees that may be charged for Foundational programs, absent special circumstances.</p> <p><i>Phone counseling and web-based services (sometimes referred to as Ayco AnswerLine® and Aycofn®).</i> Fees for phone counseling and web-based programs generally range from \$20 to \$3,500 per participant annually for employer sponsored programs (and \$200 to \$2,500 per participant annually for employee-paid programs). Ayco may also negotiate alternative fee arrangements for phone counseling based on a specified number of calls anticipated over a certain period of time depending on a number of factors including the eligible population, scope of topics addressed and timing of the program, with initial call blocks generally ranging from \$50,000 to \$450,000. Minimum fees and fee ranges may be charged based upon: (i) the number of eligible employees, (ii) the volume of calls, (iii) usage rates, (iv) scope of services, or (v) other negotiated factors. Project management and development fees for the phone counseling and web-based services generally range between \$15,000 and \$500,000.</p> <p><i>Seminars.</i> Seminar fees vary depending on the number of days of the seminar program, the number of participants involved, and the customization of the program. Fees generally range from \$3,000 to \$3,750 per day.</p> <p><i>Mid-level executive programs.</i> Fees for mid-level executive programs generally range from \$2,500 to \$5,250 per participant.</p> <p><i>Life event programs.</i> Fees for life event programs range from \$750 to \$7,500 per participant.</p>
Family Office	<p>Ayco Family Office clients pay an annual fee and a one-time integration fee for new clients. The minimum annual fee for new clients is \$65,000. The one-time integration fee is equal to 15% of the annual fee for new clients in the first year of service. Ayco reserves the right to make exceptions, on a client by client basis, to the minimum annual fee and the one-time integration fee.</p>
Goldman Sachs Family Office	<p>Ayco does not charge active Goldman Sachs executives a separate fee for its Goldman Sachs Family Office counseling services. Former Goldman Sachs executives generally pay an annual or hourly fees (consistent with the hourly rates set forth above under Executive Counseling) for counseling services.</p>

	Fee Description
Wealth Strategist Services	Ayco's Wealth Strategist Services program is typically offered by Ayco to GS&Co. clients (actual or prospective, as the case may be) with greater than \$25 million in assets under management held at GS&Co. (actual or prospective, as the case may be). Wealth Strategist Services are provided for no fee for a limited period of time generally not exceeding one year. Wealth Strategist Services may also be offered by Ayco for an annual fee of between \$15,000 and \$35,000 or 0.100 to 0.150 percent of assets under management held at GS&Co.

Fees for Advisory Services – Investment Management

Please note that, with respect to any Retirement Accounts, Ayco's ability to collect certain fees and other compensation (including certain fees described in Underlying Fund Fees and Compensation for the Sale of Securities and Other Investments below), engage in certain transactions (including principal trades), and provide certain services may be limited by ERISA, the IRC, and regulations promulgated thereunder.

For investment advisory services provided to Advisory Accounts (other than nondiscretionary Advisory Accounts on the Fidelity Platform), clients generally pay Ayco a fee based on a percentage of assets in the Advisory Account. Depending on the strategy selected, clients also may pay any other advisory fees charged by the investment managers of the individual investments in their managed accounts, and broker-dealer execution charges, including commissions, commission equivalents, mark-ups, mark-downs and spreads (collectively, "Execution Charges"), as applicable.

The advisory fee paid by each client is set forth on the applicable fee schedule agreed to by the client. Actual fees may be negotiated and may vary from those in the fee schedule below. A client may pay more or less than other clients invested in similar strategies or products. Amounts may vary as a result of negotiations, discussions, and / or factors that may include the particular circumstances of the client, such as the pricing model, size of the relationship, required service levels, or as otherwise agreed with specific clients.

Certain Advisory Personnel, including Account Managers, Wealth Advisors and IPs receive compensation related to the investment advisory fees charged by Ayco and its affiliates. Advisory Personnel providing Foundational counseling services do not receive such compensation but may receive payments for successfully referring Foundational counseling program participants to Ayco PWM for investment advisory services. Unless otherwise indicated below, Ayco does not charge a separate Ayco investment advisory fee on portions of portfolios comprised of mutual funds managed by Ayco affiliates.

Unless otherwise noted herein, Advisory Accounts can be held on either the GS Platform or Fidelity Platform. Commission schedules and available managers may vary depending on the investment platform. Mutual funds managed by Ayco's affiliates are not available in certain Ayco centrally managed strategies on the Fidelity Platform, but those mutual funds may be available for the same Ayco centrally managed strategies held on the GS Platform.

Advisory Account assets invested in certain mutual funds and ETFs are subject to Ayco's advisory fees as well as advisory and various other fees and expenses paid to the service providers of each fund. Mutual fund and ETF fees and expenses, including any redemption fees for liquidating any fund shares, are described in the relevant fund prospectuses and are paid by the funds but are ultimately borne by clients as shareholders in the funds. Mutual fund and ETF fees and expenses will result in a client paying multiple fees with respect to mutual funds and ETFs held in an Advisory Account and clients may be able to obtain these services elsewhere at a lower cost. For example, if a client were to directly purchase a no-load mutual fund, the client would pay neither a transaction fee nor an Ayco advisory fee. If a client were to purchase an ETF directly in a brokerage account, the client would not pay an Ayco advisory fee.

Unlike the strategy-based fee generally applied to Advisory Accounts, including DMAP Advisory Accounts, if a client has a CASP fee arrangement for advisory services, portfolio manager fees and execution charges, where applicable, will apply in addition to the single advisory fee.

APAS. APAS clients pay investment advisory fees based on the market value of assets in their managed account, as well as any Execution Charges, as applicable. Generally, there is no other additional advisory fee charged for APAS; however, Ayco reserves the right to charge annual counseling and account maintenance fees in cases where APAS is provided to clients that do not have Advisory Accounts. Investment advisory fees will vary depending upon the strategies employed and the assets under management that a client has with Ayco and its affiliates. Ayco reserves the right to make exceptions to investment advisory fees and may establish accounts that have less than the stated minimums. Ayco, in its sole discretion, may terminate, transfer or modify an APAS client relationship and corresponding account if the value of such accounts falls below certain minimum thresholds as established by Ayco from time to time, including reassigning an APAS account from a Wealth Advisor to Advisory Personnel from one or more of Ayco's other counseling groups. Notice is provided to clients transferring among APAS service offerings.

Investment Accounts – Managed by Portfolio Management Teams. Absent special circumstances, the advisory fees set forth below represent the maximum advisory fee clients may currently be charged for Advisory Accounts. Fees may be negotiable based on account objectives, level of service, the distribution channel, other assets under management or other relationships that the client has with Ayco and its affiliates and other relevant facts and circumstances. Certain strategies may be available to Ayco's affiliates or employees of Ayco and its affiliates at lower rates or on a fee free basis and at lower minimums than clients currently invest. Minimum balances or minimum fees may be waived in the sole discretion of Ayco or its affiliates, as applicable. Advisory fees plus Execution Charges apply for each account described below, with the exception that Ayco is currently waiving mark-ups and mark-downs (described below) on fixed income accounts. Ayco may, in its discretion, elect to charge (or reinstate) mark-ups or mark-downs on fixed income accounts at any time. Accounts may be terminated by Ayco in its sole discretion if the value of such accounts falls below certain minimum thresholds as established by Ayco from time to time. Ayco receives a custodial support services fee from Fidelity for certain accounts on the Fidelity Platform.

The Execution Charge Waived Strategies (defined below) are subject to the fee schedule set forth herein. However, the presence of the waiver may make it less likely that Ayco would be willing to negotiate below its standard fee schedule. Clients may be able to obtain the same investment advisory and brokerage services that are offered for the Execution Charge Waived Strategies separately through Ayco or other firms, and the cost of obtaining the services separately may be more or less than the investment advisory fees charged for the Execution Charge Waived Strategies depending on the anticipated trading activity.

Advisory Account assets invested in mutual funds for which an Ayco affiliate serves as investment adviser, other than money market funds, will not be included in calculating Ayco's advisory fees. Although Ayco does not charge a fee for assets invested in affiliated mutual funds, other than affiliated money market funds, such assets are subject to advisory and various other fees and expenses paid to the service providers of each affiliated mutual fund, who are affiliates of Ayco, and such affiliates as well as Ayco and Advisory Personnel may receive compensation with respect to a portion of such fees.

Fixed Income – Government More than \$250,000 of assets	Annual Fee 0.350%
Fixed Income – Liquidity Plus More than \$500,000 of assets	Annual Fee 0.250%
Fixed Income – Blended More than \$500,000 of assets	Annual Fee 0.500%

Fixed Income – Municipal More than \$250,000 of assets	Annual Fee 0.500%
Fixed Income – Corporate Intermediate Duration More than \$500,000 of assets	Annual Fee 0.500%
Fixed Income – Corporate Short Duration More than \$500,000 of assets	Annual Fee 0.350%
Ayco Portfolio Solution® – Traditional ⁺ More than \$100,000 of assets <i>⁺Traditional strategies include Equity Growth; Growth; Moderate; Conservative</i>	Annual Fee 0.850%
Ayco Portfolio Solution® – Alternative More than \$100,000 of assets	Annual Fee 1.000%
Ayco Portfolio Solution® – Income Opportunity More than \$100,000 of assets	Annual Fee 0.600%
Ayco Portfolio Solution® – Foreign Opportunity More than \$100,000 of assets	Annual Fee 0.850%
Core Satellite More than \$100,000 of assets	Annual Fee 0.850%
Core Complement – Moderate More than \$500,000 of assets*	Annual Fee 0.850%
Core Complement – Growth More than \$750,000 of assets*	Annual Fee 0.850%
Core Complement – Conservative More than \$750,000 of assets* <i>* Strategies holding individual corporate fixed income securities are subject to higher minimum requirements</i>	Annual Fee 0.800%
Core Complement – Equity More than \$500,000 of assets	Annual Fee 1.100%
Managed ETF Strategies More than \$100,000 of assets^ <i>^ Strategies holding individual fixed income securities are subject to higher minimum requirements</i>	Annual Fee 0.500%
Ayco Institutional Client Solutions More than \$100,000 of assets	Annual Fee 0.600%

Investment Accounts – Managed by Ayco Affiliates or Unaffiliated Managers. Advisory fees for accounts managed by GS&Co. and GSAM, either directly or through Private Access Account Strategies and Managed Account Strategies, are described in each of the GS&Co., GSAM, Private Access Account Strategies and Managed Account Strategies Form ADV brochures, which Ayco or its affiliates will deliver to clients prior to the client entering into a contract for such an account. In addition, investment advisory fees for accounts managed by Unaffiliated Managers are described in the respective Unaffiliated

Managers' Form ADV brochures, which Ayco or GS&Co. delivers prior to offering the opening of such an account.

Investment Accounts – Managed by Ayco – Other

- *Desktop Advisory Accounts*

For Desktop Advisory Accounts managed by IPs on the GS Platform only, the maximum annual advisory fee charged by Ayco is 0.500%. The account minimum is \$100,000.

- *ACF account*

For the account managed for ACF, advisory fees are calculated on a quarterly basis in arrears based on the daily average fair market value of each DAF Account during the preceding quarter, and are negotiable with regard to the assets attributable to DAF Accounts that exceed \$7.5 million. Annual advisory fees charged are: 0.350% on assets invested in individual fixed income securities; 0.500% on assets invested in mutual funds and ETFs; and 0.750% on assets invested in equities. Ayco waives its advisory fee of 0.500% with respect to assets invested in affiliated mutual funds and does not charge an advisory fee with respect to assets invested in money market funds. However, Ayco may receive a portion of advisory and various other fees and expenses paid to the service providers of each affiliated mutual fund held within such portfolios. In addition, with respect to assets invested in affiliated money market funds of Ayco affiliates, Ayco may receive a portion of advisory and various other fees and expenses paid to the service providers of each affiliated money market fund.

Ayco also receives a fee for certain administrative services ("Administration Fee") provided to ACF which is calculated on a quarterly basis in arrears based on the daily average fair market value of each DAF Account during the preceding quarter. Unless otherwise negotiated, the Administration Fee is: 0.700% on the first \$500,000 in assets; 0.400% on the next \$500,000 in assets; 0.300% on the next \$2 million in assets; 0.250% on the next \$7 million in assets; 0.100% on the next \$10 million in assets; and 0.050% on assets over \$20 million. Ayco reserves the right to allocate a minimum charge of \$100 to each DAF Account (\$25 per quarter). Ayco also receives a custodial support services fee from Fidelity for certain accounts on the Fidelity Platform, including the ACF account.

- *ATAS accounts*

For ATAS accounts, the advisory fee charged by Ayco ranges from 0.200% to 1.650% of trust assets under management, depending on the corporate trustee selected, the amount of assets under management and the investment strategy. Ayco reserves the right to charge ATAS accounts a minimum annual investment advisory fee of \$4,900. WTC, FPTC, RBC, RTC, GSTC, GSTD and other third-party trustees also charge a fee for their trustee and administrative services and provide their own fee schedules. The trustee fees charged by corporate trustees to ATAS accounts are determined by the corporate trustees and, unless otherwise indicated to clients, generally range from 0.210% to 0.650% of assets under management, depending on the corporate trustee selected and the amount of assets under management.

- *CASP*

For CASP Advisory Accounts, the advisory fee charged by Ayco is calculated as a percentage of assets under management in accordance with the tiered pricing schedule set forth below. There is a minimum annual advisory fee of \$50,000 to participate in CASP.

<u>Asset Level</u>	<u>Annual Fee</u>
First \$10 million	1.000%
Next \$15 million	0.800%
Next \$25 million	0.700%
Next \$50 million	0.600%

Next \$150 million	0.500%
Next \$250 million	0.450%
More than \$500 million	0.400%

In addition to the CASP advisory fee, clients who participate in CASP are subject to portfolio manager fees for strategies managed by Ayco or its affiliates as set forth below. Clients who also invest in Managed Account Strategies through an unaffiliated portfolio manager pay fees outlined in the Managed Account Strategies brochure.

<u>Strategy</u>	<u>Annual Fee</u>
GS&Co. Index Oriented - Tax Advantaged Strategies	0.450%
GS&Co. Fixed Income	0.400%
GS&Co. Non-Investment Grade Debt	0.600%
GS&Co. Large Cap Equity	0.600%
GS&Co. Mid Cap Equity	0.650%
GS&Co. Small Cap Equity	0.900%
GS&Co. Dynamic Equity	1.000%
GS&Co. Real Estate Equity	0.650%
GS&Co. Master Limited Partnerships	0.850%
GS&Co. Structured Investment Strategies	0.500%
GS&Co. GOAS	0.500%
Ayco Fixed Income Strategies	0.200%
Ayco Managed ETF Strategies	0.250%
Ayco Core Complement Strategies	0.250%

Absent special circumstances, the CASP advisory and affiliated portfolio manager fees for strategies managed by Ayco or its affiliates set forth above represent the maximum advisory or portfolio manager fees that clients in CASP may currently be charged.

Investment Accounts – Nondiscretionary Advisory Accounts – Mutual Funds – APCS. Ayco does not charge any advisory fee on APCS accounts, although the client will pay its proportionate share of the standard expenses of any mutual funds in which it invests through the Fidelity Platform. APCS accounts are available only on the Fidelity Platform. Fidelity makes available mutual fund share classes on its platform at its sole discretion. Different mutual funds with similar investment policies, and different share classes within those funds will have different expense levels. Generally, a fund or share class with a lower minimum investment requirement has higher expenses, and therefore a lower return, than a fund or share class with a higher minimum investment requirement. Ayco receives a custodial support services fee from Fidelity for certain accounts on the Fidelity Platform.

Calculation and Deduction of Fees

Advisory fees paid by clients for Advisory Accounts on both the GS Platform and the Fidelity Platform are charged quarterly in arrears based on the average market value of the assets in the account during the previous quarter. However, there may be differences between the GS Platform and the Fidelity Platform in how advisory fees are calculated. For example, for Advisory Accounts on the GS Platform, average market value is generally determined using average end-of-day quantities and end-of-month market prices for each security. For Advisory Accounts on the Fidelity Platform, average month-end values are adjusted for significant cash flows (contributions and withdrawals). In addition, cash and cash equivalents are included in the advisory fee calculation for Retirement Accounts on the Fidelity Platform only. Fees are prorated and due upon termination or for partial periods. Notwithstanding the foregoing, certain Advisory Accounts may be billed quarterly in advance based on previously negotiated billing arrangements which are no longer available.

Where GS&Co. is the custodian, advisory fees are automatically deducted from the client's Advisory Account unless other arrangements have been agreed upon between the client and GS&Co. Where

Fidelity or another third-party is custodian, clients generally direct their custodian to have their fees and expenses debited from the Advisory Account for credit to Ayco and its affiliates, as applicable.

Pursuant to a signed letter of authorization signed by the client to whom financial counseling services are provided, counseling fees may be paid from investment accounts held through Ayco or GS&Co.

Other Fees and Expenses

Employer sponsors of financial counseling services, may be charged an account maintenance fee or annual retainer for financial counseling services, as well as administrative fees, customization fees and project management fees (as may be applicable). For investment accounts, clients may pay broker-dealer Execution Charges in addition to paying Ayco advisory fees. Clients may also pay fees for custody, administrative services and consolidated reporting, as well as underlying mutual fund, ETF and private investment fund fees and expenses. Ayco also receives a custodial support services fee from Fidelity for certain accounts on the Fidelity Platform.

Execution Charges. A description of the different types of Execution Charges that clients may pay is provided below.

Execution Charge	Description and Applicability
Commissions	The amount charged by a broker for purchasing or selling securities or other investments as an agent for the client, as disclosed on the client's trade confirmations. Commissions may be charged in connection with transactions involving equities, fixed income securities, master limited partnerships, exchange-traded funds, listed options on equities and any other securities traded as agent.
Commission Equivalents	The amount charged by a dealer for purchasing or selling securities or other investments in certain riskless principal transactions (that is, transactions in which a dealer, after having received an order to buy or sell from a client, purchases or sells the security from another person to offset the client transaction). Commission equivalents may be charged in connection with transactions involving equities, listed options on equities and master limited partnerships.
Spreads	The difference between the current purchase or bid price (that is, the price someone is willing to pay) and the current ask or offer price (that is, the price at which someone is willing to sell). The spread is included in the price of the security. The difference or spread narrows or widens in response to the supply and demand levels of the security. Spreads may be included in transactions involving fixed income securities, structured products and currencies. Transactions may include a spread in addition to other execution charges such as mark-ups/mark-downs.
Mark-ups/Mark-downs	A mark-up is the price charged to a client, less the prevailing market price, which is included in the price of the security. A mark-down is 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. Mark-ups/mark-downs may be included in transactions involving fixed income securities, structured products and currencies.

For Advisory Accounts on the GS Platform, clients who pay Execution Charges will do so at rates determined by GS&Co. These rates may be negotiated, and clients may pay more or less in Execution

Charges than similar clients for identical transactions, including those effected through GS&Co. Execution Charges paid by similar clients may differ depending on the particular circumstances of the client, including the size of the relationship and required service levels. GS&Co. generally charges clients commissions according to the commission schedules agreed to between them. However, there may be circumstances where GS&Co. may charge commissions for investments or transactions that are not covered by the commission schedule. In addition, GS&Co. retains the right to waive commissions and mark-ups/mark-downs for certain clients or investment strategies in its discretion. GS&Co. generally executes transactions in certain non-U.S. equities and pooled investment vehicles, including ETFs, on a principal basis and charges a commission equivalent for such transactions.

For Advisory Accounts on the Fidelity Platform, Fidelity may impose Execution Charges for equities, fixed income and other securities, in addition to the advisory fees charged by Ayco listed herein. Ayco and its affiliates do not share in Execution Charges imposed by Fidelity and clients may pay more or less than similar clients are charged for identical transactions executed at GS&Co. Fidelity may also offer discounted commission rates to its employees who are advisory clients of Ayco. Ayco's fixed income Advisory Accounts on the Fidelity Platform are not single fee or wrap accounts and trades made for fixed income Advisory Accounts are not charged a commission or mark-up. However, fixed income securities purchased for Advisory Accounts may include spreads or other charges and fees that may be earned by Fidelity on each transaction executed with Fidelity.

For fixed income Advisory Accounts managed by Advisory Personnel on the GS Platform, GS&Co. may execute transactions on a principal basis and charges a mark-up/mark-down that appears as part of the net price confirmed to the client. GS&Co. executes a significant volume of fixed income trades through third-party broker-dealers and may execute certain fixed income trades for certain strategies on an agency basis ("Agency Trading"). In the case of Agency Trading, clients may be charged an explicit commission that is disclosed on their trade confirmations rather than a mark-up/mark-down. Agency Trading is available to clients that express a preference not to trade with GS&Co. as principal for certain fixed income strategies. Notwithstanding this client preference, GS&Co. retains the right to continue to trade as principal (to the extent permitted by law) in order to provide eligible clients with access to new issues or for best execution.

Ayco is currently waiving the commissions and/or mark-ups/mark-downs for transactions in certain fixed income strategies managed by Advisory Personnel on the GS Platform. These fixed income strategies and any other investment strategies for which Ayco may in the future determine to waive commissions and mark-ups/mark-downs are collectively referred to as "Execution Charge Waived Strategies." Accordingly, clients that invest in Execution Charge Waived Strategies (including through the Agency Trading option) pay investment advisory fees and all other fees and expenses that typically apply to the strategies, except for commissions and mark-ups/mark-downs. These other fees and expenses include spreads and charges for custody and administrative services, consolidated reporting services and the underlying fund fees discussed below. Ayco may, in its discretion, elect to charge (or reinstate) commissions and mark-ups/mark-downs for the Execution Charge Waived Strategies at any time. In addition, Ayco may elect to waive commissions and mark-ups/mark-downs for other investment strategies in the future.

GS&Co., like any other broker-dealer executing a transaction, may have commercial interests in transactions that are not always aligned with the interests of Advisory Accounts, such as obtaining favorable rates on Execution Charges. As described in Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, personnel of Goldman Sachs ("Personnel"), including Account Managers, Wealth Advisors and IPs, receive referral or brokerage compensation in connection with transactions effected for Advisory Accounts custodied with GS&Co. For information about Ayco's brokerage practices, please refer to Item 12, Brokerage Practices.

Custody and Administrative Services. Clients may pay custody fees for operational and administrative support for their Advisory Accounts. The amount of the custody fee varies based on whether the account is on the GS Platform or Fidelity Platform, the client's relationship with GS&Co. and the amount of assets

under management. For accounts on the GS Platform, the amount of the custody fee appears on the client's statement for the period in which the fee is charged.

Consolidated Reporting Services. For Advisory Accounts on the GS Platform, in certain circumstances, clients may pay an additional fee to GS&Co. for providing reporting on assets held away from GS&Co. at unaffiliated custodians, as well as assets custodied with GS&Co.

Underlying Fund Fees. Clients invested in pooled investment vehicles on the GS Platform or the Fidelity Platform pay all fees and expenses applicable to an investment in the funds, including fixed fees, asset-based fees, performance-based fees, carried interest, incentive allocation, and other compensation, fees, expenses and transaction charges payable to the managers in consideration of the managers' services to the funds and fees paid for advisory, administration, distribution, shareholder servicing, subaccounting, subtransfer agency, and other related services, or "12b-1" fees. All or a portion of these fees may be paid to Goldman Sachs as described in Item 10, Other Material Relationships with Affiliated Entities. All of these fees and expenses are generally in addition to the advisory fees each Advisory Account pays to Ayco and any applicable Execution Charges. In addition, a manager of a private investment fund may receive deal fees, sponsor fees, monitoring fees or other similar fees for services provided to portfolio companies. The fees and expenses imposed by a private investment fund may offset trading profits and, therefore, reduce returns. An investor in a fund-of-funds vehicle also bears a proportionate share of the fees and expenses of each underlying investment fund. These fees and expenses may differ depending on the class of shares or other interests purchased.

Generally, compensation received by Goldman Sachs related to various services to pooled investment vehicles is retained by Goldman Sachs. Except to the extent required by applicable law, Ayco and its affiliates are not required to offset such compensation against fees and expenses the client may otherwise owe Goldman Sachs.

Prepaid Fees

Ayco's clients may pay fees in advance and certain services may require prepayment of fees. Unless otherwise agreed, if an advisory contract or relationship is terminated before prepaid services are rendered, Ayco will refund fees that have been prepaid to, but unearned by, Ayco.

Compensation for the Sale of Securities and Other Investment Products

Fidelity pays Ayco a custodial support services fee for certain accounts on the Fidelity Platform based on total client assets in the custody of Fidelity. Ayco does not receive a custodial support services fee for assets held on behalf of Retirement Accounts for which Ayco manages assets for a fee and assets in certain donor advised funds, but does receive this fee for the ACF account. Ayco and Fidelity have agreed that no custodial support services fee payments will be made with respect to investments in transaction fee funds and Fidelity sponsored funds or cash and cash-equivalents. The receipt of this custodial support services fee, which includes compensation to Ayco not only for the provision of custodial support, back-office, administrative and clerical services, but also includes a profit to Ayco, may create an incentive for Ayco to recommend that its clients invest their assets in funds available through the Fidelity Platform for which (i) Fidelity is not a sponsor or manager, and (ii) transaction fees are not imposed (together, "NTF Funds"). It would not be unusual for the majority of investments made through the Fidelity Platform to be in NTF Funds, for which Ayco would receive custodial support services fees. Ayco personnel are not compensated based on the custodial support services fee.

Ayco and certain Advisory Personnel, including Account Managers, Wealth Advisors and IPs, receive compensation based upon the sale of securities, banking products and other investments and services to clients. Advisory Personnel providing Foundational counseling services do not receive such compensation but, in certain limited circumstances, may receive payments for referring Foundational counseling program participants to Ayco PWM for investment advisory services. Such compensation creates a potential conflict of interest that gives Ayco and certain Advisory Personnel an incentive to recommend such securities, banking products and other investments services, or refer Foundational

counseling program participants to Ayco PWM, based on the compensation received. Fees may be higher for some products or services, and the compensation paid to Goldman Sachs and certain Advisory Personnel, including Account Managers, Wealth Advisors and IPs, may be greater in certain cases. Clients are not entitled to receive any portion of such additional compensation.

As discussed above, Goldman Sachs may receive fees in connection with the sale of mutual funds, and may receive “12b-1” fees or other compensation from affiliates of a mutual fund in connection with the sale of those products. Ayco’s recommendation of securities and other investment products where Goldman Sachs shares in the fees and profits may result in additional compensation to Goldman Sachs. In such arrangements, compensation to Goldman Sachs generally increase as the amount of assets invested by clients in such securities and other investment products increases. This may create an incentive for Ayco to recommend or select investment products that are advised, managed or sponsored by Goldman Sachs. Ayco has attempted to limit the potential conflicts of interest associated with selecting between the certain mutual funds that are managed, sponsored or advised by investment managers or organizations that are not affiliated with Ayco or its affiliates and affiliated mutual funds by implementing a compensation structure where the compensation paid to Account Managers, Wealth Advisors and IPs does not vary based on whether the Advisory Account invests in an unaffiliated or an affiliated fund in the same asset class.

Goldman Sachs also may have a variety of banking, financial, or service relationships with regard to securities and other investments, including relationships with principal underwriters, investment advisers, sponsors, or other service providers. These relationships may include acting as a broker or a dealer, engaging in foreign exchange transactions or directing the sale of securities or other financial instruments. In some instances, investment managers to particular investment products, or their affiliates, may have relationships with Goldman Sachs, including serving as an investment manager in programs sponsored by GS&Co. As a result, Ayco may have an incentive to recommend these securities and other investment products. Ayco may also have a financial incentive to allocate Advisory Account assets to Affiliated Products, rather than to External Products.

Clients may allocate assets to traditional separate accounts managed by Advisory Personnel or an affiliate, or to “wrap fee” accounts, that is, accounts for which the client’s advisory fee covers all fees or charges of GS&Co. or Fidelity, including brokerage commissions and commission equivalents on agency transactions executed through GS&Co. and custodial and administrative charges. Wrap fee accounts may be managed by Affiliated Managers or Unaffiliated Managers. Because Ayco is currently waiving the commissions and mark-ups/mark-downs to which it would otherwise be entitled for transactions in Execution Charge Waived Strategies, clients that invest in such strategies (including through the Agency Trading option) similarly are charged a single asset-based fee that covers investment advice as well as commissions and mark-ups/mark-downs.

Ayco may also offer clients the opportunity to allocate assets to traditional separate accounts managed by Personnel or an affiliate. The advisory fee paid for traditional separate accounts does not include Execution Charges, custodial and other fees, which instead are paid separately by the client. If the wrap fee or the investment advisory fee charged to Execution Charge Waived Strategies is not priced to account for the total cost of Execution Charges expected to be generated in a traditional separate account, the client may pay more for the traditional separate account. The amount of compensation received by Goldman Sachs, including its Personnel, in connection with a “wrap fee” account advised by Goldman Sachs may differ from the compensation received by Goldman Sachs and Personnel in connection with a traditional separate account also advised by Goldman Sachs or Advisory Accounts investing in Execution Charge Waived Strategies (including through the Agency Trading option). Any such differentials in compensation may create a financial incentive on the part of Ayco and Advisory Personnel, including Account Managers, Wealth Advisors and IPs to recommend or, if applicable, select one advisory program, Manager, asset class or investment strategy over another.

Ayco’s affiliated broker-dealer, Mercer Allied, and Ayco’s affiliated insurance agencies, ASA and ASIA, may receive insurance commissions from insurers for the sale of insurance policies and annuities, including Variable Products, which inure to the benefit of Ayco. Ayco personnel licensed as insurance

agents, including Account Managers, Wealth Advisors, IPs, and certain Goldman Sachs' affiliates may refer their clients to ASA and ASIA and may receive referral fees, subject to applicable law. Such compensation creates a potential conflict of interest that gives Ayco and certain Advisory Personnel an incentive to recommend such insurance policies and annuities, based on the compensation received.

In addition to the disclosures contained in this Brochure, other potential conflicts of interest may be disclosed in strategy and transaction specific documents provided to clients from time to time and in Ayco's investment management agreement with the client.

Availability of Securities and Other Investments

Certain of the securities and investment products that Ayco recommends or selects for Advisory Accounts may be available for purchase through a GS&Co. brokerage account or an unaffiliated financial institution, including Fidelity. Clients who purchase securities and investment products outside of their Advisory Accounts will not incur the advisory fees described in this Brochure, and any other fees and expenses may differ from those Goldman Sachs charges to Advisory Accounts. In those circumstances, however, such clients do not receive the investment advice and other services that Goldman Sachs provides to clients with Advisory Accounts.

Fee Offset for Execution Charges

Ayco does not reduce its advisory fees to offset Execution Charges except to the extent required by applicable law.

Item 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Ayco may receive an allocation for performance fees for accounts managed by its affiliates or advisers although Ayco does not charge such pricing at the Advisory Account level.

Item 7 – TYPES OF CLIENTS

Types of Clients. Many of Ayco's clients are individuals who may invest their assets with us directly as individuals or through private investment vehicles, such as privately held corporations, partnerships, limited liability companies, profit sharing plans, and trusts and estates. Ayco also provides investment advisory services to institutional clients, including charitable organizations.

Account Requirements. To open or maintain an Advisory Account with Ayco, clients are required to sign an investment management agreement that, among other things, describes the nature of the investment management authority granted to Ayco. All clients also select an investment objective for all accounts held in the same name, which reflects their investment goals and risk tolerance for that account holder's portfolio on either the GS Platform or the Fidelity Platform. Under delegated authority from an affiliate, Ayco may manage accounts of its affiliates' clients and will receive a portion of the fee or other compensation paid by the client from the affiliate for such services. In such cases, the client will have entered into an agreement with Ayco's affiliate and not Ayco, and Ayco's affiliate retains responsibility for analyzing the financial needs of each particular client and determining that Ayco's portfolio management services are suitable for that client.

Ayco generally accepts discretionary authority to manage accounts of a minimum size of between \$100,000 and \$750,000, depending on investment strategy. In addition, certain accounts may be subject to minimum annual fees as detailed above. Ayco ICS generally requires institutional clients to have assets with Ayco of at least \$3,000,000. Ayco may waive account minimums in its sole discretion.

Various investment advisers to whom Ayco may refer clients, including affiliates of Ayco, also impose various minimum dollar values of assets as a condition for starting or maintaining accounts.

Item 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Significant Investment Strategies, Methods of Analysis and Material Risks

Advisory Accounts and advisory clients may choose to invest in multiple asset classes. Different Advisory Personnel may use different tools, analysis and other inputs to manage Advisory Accounts and advise advisory clients. In formulating investment advice as part of financial counseling services and services to Advisory Accounts, Advisory Personnel may rely on strategic and tactical asset allocation models or securities recommendations prepared by IPG and the Goldman Sachs Private Wealth Management Investment Strategy Group, teams of Ayco and GS&Co. investment professionals, respectively, as a resource. However, there is no guarantee that any Advisory Account will in fact track these recommendations. When managing Advisory Accounts and advising advisory clients, Advisory Personnel may also use research, research lists and model portfolios provided by GSAM or a variety of other investment analysis tools. Manager selection and ongoing due diligence of certain unaffiliated mutual funds and ETFs generally are performed by the AIMS Long Only Group, which is part of the Alternative Investments & Manager Selection group within GSAM ("AIMS"). Investment selections generally available on the GS Platform may not be available to Ayco clients.

Portfolio Management Teams manage strategies investing in particular asset classes and investments, including, but not limited to, taxable fixed income (government and/or corporate), municipal fixed income, equities, mutual funds and ETFs. Depending on the strategy selected, there may be embedded leverage in options, futures, and other securities. Ayco may impose limitations on the investment services and strategies that are available to Retirement Accounts in its sole discretion.

The methods of analysis vary by Portfolio Management Teams and are described under the applicable strategy type. The risks described below for strategies investing in particular asset classes that are managed by Portfolio Management Teams may apply to Advisory Accounts managed by IPs (which may also include foreign bonds and currency) or advised by other Advisory Personnel and invested in those asset classes. IPs responsible for managing multiple Advisory Accounts and other Advisory Personnel advising multiple advisory clients may make different investment decisions or recommendations for each Advisory Account or advisory client based on, among other things, different client characteristics, including investment objectives and financial circumstances. As a result, the management of or advice to Advisory Accounts and advisory clients with similar investment strategies may differ among Advisory Personnel based on different methodologies, asset allocation implementation by the client and client investment goals.

Clients should understand that all investment strategies and the investments made when implementing those investment strategies involve risk of loss and clients and investors should be prepared to bear the loss of assets invested and, in the case of uncovered option strategies, beyond the amount invested. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a client's or an investor's investments fluctuates due to market conditions and other factors. The investment decisions and recommendations made and the actions taken for Advisory Accounts and advisory clients are subject to various market, liquidity, currency, economic and political risks, and will not necessarily be profitable. Past performance of Advisory Accounts is not indicative of future performance.

Single Stock and Bond Positions. While Ayco may, as part of its financial counseling services, provide recommendations to clients concerning participation in corporate benefit plans and changes in investment elections under their corporate benefit plans, Advisory Personnel (other than IPs or Portfolio Management Teams) do not make single stock or bond recommendations with respect to any positions held within such corporate benefit plans or any other accounts. With respect to a client's single stock or bond positions, investment services provided by Advisory Personnel other than IPs and Portfolio Management Teams, including Account Managers, Wealth Strategists, and Wealth Advisors, are limited to addressing asset allocation issues, and do not include any other investment advice related thereto. Ayco does not offer initial public offerings to Advisory Accounts.

ETFs. Advisory Personnel may recommend ETFs for which Ayco's affiliates act as investment adviser, as well as ETFs reviewed and approved by AIMS and selected by IPG based on a review of such ETFs' daily trading volume, tracking error and fit within Ayco's asset allocation models. Clients should understand that ETFs have certain unique risk factors. For example, (i) ETFs may trade at a discount or premium to their underlying net asset value ("NAV"), (ii) ETFs may not fully replicate the construction of their benchmark index, resulting in performance that differs from expectations, and (iii) investors purchasing an ETF at a premium may underperform the ETF NAV, while the redemption of shares may result in the ETF trading at a discount to NAV.

Retirement Accounts. As part of its financial counseling services, Ayco does not, provide advice, make recommendations or otherwise assist Retirement Accounts with investment decisions, including whether to invest in investment companies for which affiliated persons of Ayco serve as adviser, sub-adviser, and/or distributor and receive fees for the services provided. Any investment decisions will be the sole responsibility of the Retirement Accounts and no information provided by Ayco will form a primary basis for such investment. If a client is presented with allocation materials where Goldman Sachs only has one vehicle available, that vehicle may be identified; however, clients should understand that other investments may also be appropriate for that client and may be available through Goldman Sachs or other financial institutions. There are a number of factors, including tax efficiency that clients may wish to consider in determining how to invest Retirement Account assets. If a client maintains both Retirement Accounts and non-Retirement Accounts, the client should understand that any advice or recommendations made by Ayco with respect to a non-Retirement Account may not be relied on as advice or as a primary basis for any decision with respect to a Retirement Account, which may present different considerations.

Tax Loss/Gain Realization. Ayco may grant client requests to engage in tax loss/gain realization trades in discretionary managed Advisory Accounts. Such trades are subject to Ayco's requirements regarding minimum trade size and request format, and in all circumstances are subject to and made at Ayco's discretion. Tax loss/gain realization trades will receive a lower priority than cash flow trades, new account openings, account terminations and block trades. As such, there may be a significant delay between a client's tax loss/gain realization request and its execution.

The Ayco List of Mutual Funds. Based on AIMS' or Ayco's review of certain unaffiliated mutual funds, IPG maintains and periodically updates The Ayco List of Mutual Funds, which may be made available to clients upon request. The Ayco List of Mutual Funds may include alternative mutual funds that use investment strategies that differ from the buy-and-hold strategy typical in the mutual fund industry. Compared to a traditional mutual fund, an alternative fund may hold more non-traditional investments and employ more complex trading strategies. Examples include hedging and leveraging through derivatives, short selling and "opportunistic" strategies that change with market conditions as various opportunities present themselves. The Portfolio Management Teams may use funds not appearing on The Ayco List of Mutual Funds in selecting investments for Accounts, including Advisory Accounts, managed by the Portfolio Management Teams.

Outside Managers. An "Outside Manager" is a manager of a mutual fund or ETF that has not been reviewed or approved by AIMS and any manager not recommended by Ayco or its affiliates, including GS&Co. and GSAM. Ayco does not make any recommendations concerning Outside Managers.

Ayco may, as an accommodation, include investments managed by Outside Managers in asset allocation discussions or in an asset allocation and other financial planning exhibits; however, any decision to invest with an Outside Manager is determined solely by the client. Ayco and its affiliates are not responsible for the selection, supervision, management, performance or other similar services of or in connection with any Outside Manager.

Ayco and its affiliates do not assume any liability related to a client's acquisition, disposal or holding of investments(s) managed by an Outside Manager. Ayco will rely on information provided by or on behalf of clients when including an Outside Manager in asset allocation discussions, or preparing an asset allocation and other financial planning exhibits. Neither Ayco nor its affiliates verify the accuracy or

completeness of the information concerning Outside Managers provided by or on behalf of clients.

Variable Subaccounts. In reviewing Variable Products it makes available to clients, Ayco may review issuing insurance carriers' credit rating, competitiveness of product, client service resources and general processes for manager selection for separate accounts underlying Variable Products ("Variable Subaccounts").

As an accommodation, Ayco may provide clients with model portfolios of Variable Subaccounts based on strategic asset allocation. Ayco does not conduct due diligence on any of the Variable Subaccounts or their managers and does not provide advice on or recommendations of individual Variable Subaccounts. Variable Subaccounts are not custodied at Goldman Sachs. Any assessment as to whether a particular Variable Subaccount fits within a client's investment objectives and any decision to allocate premiums to a particular account must be determined solely by the client. Ayco does not have discretion to allocate premiums on behalf of clients. Inclusion of any Variable Subaccounts in the model portfolio(s) is based on the information provided by the issuing carrier and/or third-party database providers and Ayco has not verified the accuracy or completeness of any information provided by or about the Variable Subaccount. Performance of a Variable Product may be adversely impacted if the client does not allocate a Variable Product to one of more Variable Subaccounts. Past performance of Variable Subaccounts may not be indicative of future results.

Risks Applicable to all Advisory Accounts and Advisory Clients

As used below, the term Advisory Accounts includes advisory clients. This Brochure does not disclose every potential risk associated with an investment strategy, or all of the risks applicable to a particular Advisory Account, and these risks may apply to assets held through Ayco. Rather, it is a general description of the nature and risks of the strategies and securities and other instruments that Advisory Accounts may invest in. Except as otherwise expressly agreed in writing, Ayco does not assume any duties to take action pursuant to recommendations, advice or financial planning strategies that Ayco may provide to clients, which ultimately remain the client's obligation. Advisory clients are not required to implement their financial plans through Advisory Accounts or Ayco's affiliates, and Ayco is not responsible for mitigating any of these risks for clients implementing their investment strategies. The following risks are applicable to all strategies:

- *Asset Allocation and Rebalancing Risk* – The risk that an Advisory Account's assets may be out of balance with the target allocation. Any rebalancing of such assets by the Portfolio Management Team may be limited by several factors and, even if achieved, may have an adverse effect on the performance of the Advisory Account's assets.
- *Bankruptcy Risk* – The risk that a company in which an Advisory Account invests may become involved in a bankruptcy or other reorganization or liquidation proceeding.
- *Capital Markets Risk* – The risk that a client may not receive distributions or may experience a significant loss in the value of their investment if the issuer cannot obtain funding in the capital markets.
- *Cash Management Risk* – Ayco may invest some of an Advisory Account's assets temporarily in money market funds or other similar types of investments, during which time an Advisory Account may be prevented from achieving its investment objectives.
- *Commodity Risk* – The risk that a client will experience losses because the issuer has direct exposure to a commodity that has experienced a sudden change in value.
- *Concentration Risk* – The increased risk of loss associated with not having a diversified portfolio (i.e., investments concentrated in a geographic region, industry sector or issuer are more likely to experience greater loss due to an adverse economic, business or political development affecting

the region, sector or issuer than an account that is diversified and therefore has less overall exposure to a particular region, sector or issuer).

- *Corporate Event Risk* – Investments in companies that are the subject of publicly disclosed mergers, takeover bids, exchange offers, tender offers, spin-offs, liquidations, corporate restructuring, and other similar transactions may not be profitable due to the risk of transaction failure.
- *Counterparty Risk* – An Advisory Account may be exposed to the credit risk of counterparties with which, or the brokers, dealers, custodians and exchanges through which, it engages in transactions.
- *Credit Ratings Risk* – An Advisory Account may use credit ratings to evaluate securities even though such credit ratings might not fully reflect the true risks of an investment.
- *Credit/Default Risk* – The risk of loss arising from a borrower's failure to repay a loan or otherwise meet a contractual obligation. A strategy will be exposed to the credit risk of the counterparties with which, or the brokers, dealers, and exchanges through which, it deals, whether it engages in exchange-traded or off-exchange transactions.
- *Cybersecurity Risk* – The risk of attempted cyber-attacks, including denial-of-service attacks, and harm to technology infrastructure and data from misappropriation or corruption. Due to Goldman Sachs' interconnectivity with third-party vendors, central agents, exchanges, clearing houses and other financial institutions, Goldman Sachs, and thus indirectly the Advisory Accounts, could be adversely impacted if any of them is subject to a successful cyber-attack or other information security event. Although Goldman Sachs takes protective measures and endeavors to modify them as circumstances warrant, its computer systems, software and networks may be vulnerable to unauthorized access, issues, computer viruses or other malicious code and other events that could have a security impact.
- *Data Sources Risk* – Information from third-party data sources to which Goldman Sachs subscribes may be incorrect.
- *Derivative Investment Risk* – The risk of loss as a result of investments in potentially illiquid derivative instruments, failure of the counterparty to perform its contractual obligations, or the risks arising from margin requirements and related leverage factors associated with such transactions.
- *Differences in Due Diligence Process Relating to External Products and Affiliated Products.*
 - External Products. The selection and evaluation process for External Products is provided by AIMS. AIMS might not consider any External Product for certain asset classes for which an Affiliated Product is available and offered by Goldman Sachs. AIMS has developed a due diligence process focused on identifying and evaluating the investment merits of each External Product. External Products are selected through a multi-step process which includes a due diligence review designed to assess the quality of the candidates and the likelihood of producing appropriate investment results over the long-term. An investment committee determines which External Products are available for investment. Although AIMS reviews the performance history of External Products, none of Ayco, AIMS, 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 Global Investment Performance Standards or any other standard for performance calculation. The methods for calculating performance and forming composites may differ among External Products 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 External Product performance information. AIMS periodically reviews the External Products 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. AIMS 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 an External Product's risk profile is within expectations, correlation with other investment strategies and compliance with stated investment guidelines. Ayco will periodically communicate with AIMS personnel regarding the External Products made available to Ayco clients. If AIMS or Ayco identify actual or potential concerns regarding an External Product that, in their view, need to be addressed, AIMS may request that the External Product take appropriate action. In certain circumstances, AIMS may request certain modifications to an External Product's operations (including staffing of personnel). For particularly severe concerns, AIMS may recommend that Ayco suspend or cancel making the External Product available.

- Affiliated Products. Affiliated Products are not reviewed by AIMS, but instead undergo a different review process. GS&Co. considers the addition of a new Affiliated Product through a process that reviews the specific strategy, asset class, performance and relative fees in the context of making the Affiliated Product available to clients. Ayco relies on the review of Affiliated Products conducted by GS&Co. In the case of Affiliated Products, 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. On the whole, the due diligence process for Affiliated Products is significantly less rigorous and substantively different than that for External Products. As a result, Advisory Personnel may select or recommend an Affiliated Product for an Advisory Account that underperforms External Products (or other Affiliated Products) that might have been selected or recommended had the due diligence process applicable to External Products been utilized for Affiliated Products. Furthermore, when GS&Co. conducts due diligence of Affiliated Products, they may be restricted from obtaining information they might otherwise request with respect to such Affiliated Products and their sponsors, managers, or advisers as a result of internal informational barriers. If GS&Co. does not have access to certain information with respect to an investment product, they may determine not to make such investment product available for an Advisory Account, or, conversely, GS&Co. may make an investment product available for the Advisory Account notwithstanding that certain material information is unavailable to GS&Co., each of which could adversely affect the Advisory Account. For example, such Affiliated Product could significantly decline in value, resulting in substantial losses to the Advisory Account.
- *ETF Risk* – ETFs may fail to accurately track the market segment or index that underlies their investment objective.
- *Frequent Trading and Portfolio Turnover Rate Risks* – High turnover and frequent trading in an Advisory Account could result in, among other things, higher transaction costs and adverse tax consequences.
- *Index/Tracking Error Risks* – The performance of an Advisory Account that tracks an index may not match, and may vary substantially from, the index for any period of time and may be negatively impacted by any errors in the index.

- *Interest Rate Risk* – Interest rates may fluctuate significantly, causing price volatility with respect to securities or instruments held by an Advisory Account. The risk of loss as a result of the decrease in the value of fixed income securities due to interest rate increases. Long-term fixed income securities will normally have more price volatility because of interest rate risk than short-term fixed income securities. Risks associated with increasing interest rates are heightened given interest rates are near historic lows, but are expected to increase in the future with unpredictable effects on the markets and Advisory Accounts.
- *Investment Style Risk* – An Advisory Account may outperform or underperform other accounts that invest in similar asset classes but employ different investment styles.
- *Lack of Control Over Investments* – Ayco may not always have complete or even partial control over decisions affecting an investment. For example, Ayco, when acting in an advisory capacity, may acquire investments that represent minority positions in a debt tranche where third-party investors may control amendments or waivers or enforcement. In addition, administrative agents may be appointed under certain facilities in which an Advisory Account may invest that have discretion over certain decisions on behalf of the investors, including the Advisory Account.
- *Liquidity Risk* – The risk that an Advisory Account may not be able to monetize investments and may have to hold to maturity or may only be able to obtain a lower price for investments either because those investments have become less liquid or illiquid in response to market developments or adverse investor perceptions. Investments that are illiquid or that trade in lower volumes may be more difficult to value.
- *Low Trading Volume Risk* – The risk that a client may not be able to monetize his/her investment or will have to do so at a loss as a result of generally lower trading volumes of the securities compared to other types of securities or financial instruments.
- *Market/Volatility Risk* – The risk that the value of the assets in which an Advisory Account invests may decrease (potentially dramatically) in response to the prospects of individual companies, particular industry sectors or governments, changes in interest rates and national and international political and economic events due to increasingly interconnected global economies and financial markets.
- *Model Risk* – The management of an Advisory Account by Ayco may include the use of various proprietary quantitative or investment models. There may be deficiencies in the design or operation of these models, including as a result of shortcomings or failures of processes, people or systems. Investments selected using models may perform differently than expected as a result of the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models (including, for example, data problems and/or software issues). Moreover, the effectiveness of a model may diminish over time, including as a result of changes in the market and/or changes in the behavior of other market participants. A model's return mapping is based on historical data regarding particular asset classes. Certain strategies can be dynamic and unpredictable, and a model used to estimate asset allocation may not yield an accurate estimate of the then current allocation. Operation of a model may result in negative performance, including returns that deviate materially from historical performance, both actual and pro-forma. Additionally, commonality of holdings across quantitative investment managers may amplify losses. There is no guarantee that the use of these models will result in effective investment decisions for an Advisory Account.
- *Non-U.S. Securities Risk* – The risk of loss as a result of more or less non-U.S. government regulation, less public information, less liquidity and greater volatility in the countries of domicile of the issuers of the securities and/or the jurisdiction in which these securities are traded.

- *Operational Risk* – The risk of loss arising from shortcomings or failures in internal processes or systems of Goldman Sachs or the Fidelity Platform, external events impacting those systems and human error. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents such as major system failures.
- *Regulatory Restrictions Applicable to Goldman Sachs* – From time to time, the activities of Affiliated Products may be restricted because of regulatory or other requirements applicable to Goldman Sachs and/or its internal policies designed to comply with, limit the applicability of, or otherwise relate to such requirements. External Products may or may not be subject to the same or similar restrictions or requirements and, as a result, may outperform Affiliated Products.
- *Risks Associated with Investments in Affiliated Products* – Advisory Personnel will review as potential investments for an Advisory Account such universe of products as they determine in their sole discretion, and the universe of products Advisory Personnel determine to review may be limited for certain reasons, including: (i) because one or more External Products have not been reviewed or approved by AIMS; (ii) because of administrative or practical considerations, such as time constraints; or (iii) for other reasons determined by Advisory Personnel. If Advisory Personnel select or recommend an Affiliated Product for an Advisory Account, they will not have canvassed the universe of available External Products and, in such circumstances, there may be one or more External Products that are more appropriate than the Affiliated Product(s) selected or recommended by the Advisory Personnel, including from the standpoint of the factors Advisory Personnel have taken into consideration. Affiliated Products generally will not be subject to the same types of operational and other reviews that may be performed with respect to External Products. There may be no External Products available for certain asset classes on the GS Platform. Goldman Sachs' decision to offer funds or separate accounts, including internal or external options, is driven by a variety of factors, including the availability of high quality managers, investment minimums, the relative cost of funds as compared to separate accounts as well as internal as compared to external costs, the access to internal portfolio managers for discussion with clients as well as Advisory Personnel, the potential for performance differential between internal and external products, the specialized nature of certain products, and the ability to customize for clients based on their particular needs and circumstances. Advisory Personnel may be able to select or recommend for the Advisory Account both Affiliated Products and External Products for particular asset classes or strategies within the Advisory Account. As described below, conflicts of interest arise in situations in which Advisory Personnel are permitted to allocate investments to both Affiliated Products and External Products. The differing fee arrangements that apply to investments by Advisory Accounts in Affiliated Products as compared to External Products create a preference for the selection or recommendation of Affiliated Products over External Products.
- *Tax, Legal and Regulatory Risks* – The risk of loss due to increased costs and reduced investment and trading opportunities resulting from unanticipated legal, tax and regulatory changes, including the risk that the current tax treatment of securities could change in a manner that would have adverse tax consequences for existing investors. Regulations may restrict the type of investments a client may enter into, which could impact the performance of the Advisory Account.
- *Tactical Tilts* – Advisory Personnel may use tactical investment ideas derived from short-term market views ("Tactical Tilts") for Advisory Accounts. There are material risks related to the use of Tactical Tilts for Advisory Accounts. For example, the timing for implementing a Tactical Tilt or unwinding a position can materially affect the performance of such Tactical Tilt. For various reasons, Ayco and its Affiliates may implement a Tactical Tilt, invest in an affiliated fund that may invest in Tactical Tilts, or unwind a position for its client accounts or on its own behalf at a different time than Advisory Personnel do on behalf of Advisory Accounts, or may implement a Tactical Tilt that is different from the Tactical Tilt implemented by Advisory Personnel on behalf of Advisory Accounts, which could have an adverse effect on Advisory Accounts and may result in poorer performance by Advisory Accounts than by Goldman Sachs or other client accounts. In

addition, unless otherwise agreed in Ayco's investment advisory agreement with the client, Advisory Personnel monitor an Advisory Account's Tactical Tilt positions only on a periodic basis. Therefore, changes in market conditions and other factors may result in substantial losses to an Advisory Account, and no assurance can be given that a Tactical Tilt position will be unwound before the Advisory Account suffers losses. The use of Tactical Tilts also may include the risk of reliance on models.

Risks Applicable to Advisory Accounts Managed by Portfolio Management Teams

In addition to the risks applicable to all strategies, the specific risks of each individual strategy should be considered. The following is a description of the strategies managed by Portfolio Management Teams, the methods of analysis used by Portfolio Management Teams in formulating investment advice for Advisory Accounts, and the material risks involved in investing in each strategy.

Fixed Income Strategies: Taxable (Corporate and/or Government) and Municipal Bonds. Ayco offers taxable fixed income bond and municipal bond strategies managed by specialized Portfolio Management Teams. There are several sub-strategies for taxable fixed income investing in US dollar-denominated government and corporate investment grade bonds. Taxable fixed income portfolios are composed of individual treasury, agency, sovereign/supranational and/or corporate securities. Clients generally have the ability to tailor portfolios to be composed of up to 100% government bonds, 100% corporate bonds or a portfolio of both government and corporate bonds and may also specify a desired range of maturities for securities, including intermediate and short duration.

Municipal bond strategies are customized portfolios of high credit quality municipal bonds with varying maturities. When adequate diversification is possible, the bond portfolios are usually constructed from bonds issued in the client's state of residence for clients that reside in states with high income taxes. However, Advisory Accounts may purchase out-of-state bonds when after-tax yields warrant or when adequate in-state diversification is not possible. Other than tactical trades and credit sales, securities are generally held until maturity and not actively traded. The primary objectives of the taxable fixed income and municipal bond strategies are seeking relative value, capital preservation and current income.

From time to time, portfolios may have exposure to odd-lots (defined as individual positions less than or equal to \$25,000). Clients are advised that secondary market liquidity for fixed income, including these odd-lots, may vary. Execution may differ from pricing provided by unaffiliated vendors. Clients who invest in these strategies should be prepared to hold bonds until maturity since sales of odd-lots prior to maturity may attract wider spreads. Certain fixed income strategies may be closed to new clients from time to time due to capacity constraints and existing clients may be uninvested from time to time if no appropriate investment opportunity is available.

Portfolio Management Teams and Ayco's affiliates perform fundamental analysis on all issuers selected for a client's fixed income portfolio. This fundamental analysis may include a review of financial statements, rating agency reports and/or research reports. Portfolio Management Teams and Ayco's affiliates engage in ongoing risk management, individual credit and portfolio monitoring of such investments, including periodic review of liquidity, general business trends and daily risk reports.

In addition to the general risks described above, some of the material risks associated with fixed income strategies include:

- *Fixed Income Securities Risk* – Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations and to price volatility.
- *Interest Rate Risk* – The risk of loss as a result of the decrease in the value of fixed income securities due to interest rate increases. Long-term fixed income securities will normally have more price volatility because of this than short-term fixed income securities. Risks associated with increasing interest rates are heightened given interest rates are near historic lows, but are

expected to increase in the future with unpredictable effects on the markets and Advisory Accounts.

- *Liquidity Risk* – Sales of fixed-income securities prior to maturity may result in a loss versus purchase price and/or discount to fair market value.
- *Odd Lot Liquidity Risk* – The risk that the strategy may purchase odd lots which are generally less liquid. Clients looking to sell prior to maturity in order to withdraw funds may experience weak or no bids and be forced to hold bonds to maturity or to sell at unfavorable prices.

Ayco Portfolio Solution®. Ayco Portfolio Solution® (“APS”) accounts are composed of a selection of unaffiliated mutual funds and, in addition for APS Income Opportunity and APS Foreign Opportunity accounts, unaffiliated ETFs. APS accounts are offered in four primary strategies: Traditional (non-Alternative), Alternative, Income Opportunity and Foreign Opportunity. APS accounts are available on the Fidelity Platform only.

- APS Traditional’s primary objectives are all equity, growth of capital, moderate growth or conservative style based on the client’s investment objectives.
- APS Alternative’s primary objective is growth of capital in a low volatility (relative to equities) and diversified manner when compared to core equity and bond markets. The APS Alternative strategy may invest in alternative mutual funds that use investment strategies that differ from the buy-and-hold strategy typical in the mutual fund industry. Compared to a traditional mutual fund, an alternative fund may hold more non-traditional investments and employ more complex trading strategies. Examples include hedging and leveraging through derivatives, short selling and “opportunistic” strategies that change with market conditions as various opportunities present themselves.
- APS Income Opportunity’s primary objective is intended to provide a diversified non-core fixed income strategy to complement a client’s core bond portfolio, through use of a diversified portfolio of unaffiliated mutual funds and ETFs, with a goal of enhancing yield while also providing total return potential and management of interest rate risk.
- APS Foreign Opportunity’s primary objective is to provide long-term capital appreciation through equity mutual funds and ETFs focused on non-U.S. equities, including both developed and emerging markets.

Core Satellite. Core Satellite accounts are composed of both affiliated and unaffiliated mutual funds and ETFs. The strategy’s primary objectives are all equity, growth of capital, moderate growth or conservative style based on the client’s investment objectives. Ayco may invest assets of Core Satellite accounts in shares of open-end investment companies pursuant to which an Ayco affiliate, such as GSAM or GS&Co., acts as investment adviser. Core Satellite accounts are available on the Fidelity Platform only.

Core Complement. Core Complement accounts are composed of equity securities and fixed income securities, mutual funds and ETFs. Fixed income securities held in Core Complement accounts may include municipal, corporate, treasury, high yield and agency securities, as well as affiliated funds. Ayco invests in affiliated open-end mutual funds in accounts on the GS Platform and non-affiliated open-end mutual funds in accounts on the Fidelity Platform. The strategy’s primary objectives are all equity, growth of capital, moderate growth or conservative style based on the client’s investment objectives. The style and holdings of single stock positions in Core Complement accounts will generally reflect the positions and weightings held in the GSAM Private Client Portfolio (“PCP”) model, except as required to meet individual client objectives.

Managed ETF. Managed ETF accounts generally are composed of a selection of unaffiliated ETFs and are offered in three primary strategies: Diversified Equity ETF, Global ETF, and Strategic Allocation ETF. Managed ETF portfolios may contain an allocation to tactical and thematic weights.

- Diversified Equity ETF Strategy and Global ETF Strategy accounts are composed primarily of unaffiliated ETFs of both U.S. and non-U.S. equities. The Diversified Equity ETF Strategy's primary objective is an all-equity style portfolio composed of U.S. and non-U.S. equity ETFs, with an emphasis on U.S. equities. The Global ETF Strategy's primary objective is an equity style portfolio composed of U.S. and non-U.S. equity ETFs, with a greater emphasis on non-U.S. equities as compared to the Diversified Equity ETF strategy.
- Strategic Allocation ETF Strategy accounts are composed of unaffiliated equity and fixed income ETFs. The primary objective of these portfolios is to provide a mix of asset classes that generally correspond to the strategic asset allocation model – conservative, moderate, growth or all equity – for that respective risk profile. All Equity accounts are available on a limited basis to a certain client population with specific investment requirements and are not otherwise available to the general Ayco client population. Individual fixed income securities are available instead of fixed income ETFs for certain conservative, moderate and growth accounts that meet higher minimum asset requirements.

Ayco ICS. Ayco ICS accounts are composed of mutual funds and ETFs. Ayco ICS accounts will be held on the GS Platform only. The long-term strategic asset allocation targets and the minimum and maximum percentages for each asset class in an Ayco ICS account are unique to each client and will be agreed by client and Ayco prior to entering into an investment advisory agreement. Ayco may invest in affiliated open-end mutual funds or ETFs. Ayco may invest assets of Ayco ICS accounts in shares of open-end investment companies pursuant to which an Ayco affiliate, such as GSAM or GS&Co., acts as investment adviser. The portfolios may contain an allocation to tactical and thematic weights. Portfolio Management Teams will review and periodically rebalance Ayco ICS accounts to the asset allocation targets set forth in the advisory agreement.

General Factors about APS, Core Satellite, Core Complement, Managed ETF and Ayco ICS. Each APS, Core Satellite, Core Complement or Managed ETF model is constructed by Ayco and Portfolio Management Teams will review and periodically rebalance accounts to the appropriate model. However, due to the timing of investments and the client's individual investment guidelines, a client's APS, Core Satellite, Core Complement or Managed ETF account will likely vary from the model chosen by the client and from accounts of other clients who have chosen the same model. For Ayco ICS accounts, Ayco will use commercially reasonable efforts to make allocations that adhere to the asset allocation target ranges set forth in the investment advisory agreement between Ayco and a client at the time the investment or recommendation is made.

AIMS performs due diligence on unaffiliated mutual funds and ETFs selected for APS, Core Satellite, Core Complement, Managed ETF and Ayco ICS client accounts, which may include, but is not limited to, on-site meetings, analytics related to historical performance, reference calls and risk reviews. For Core Complement accounts and Managed ETF accounts holding individual fixed income securities, Portfolio Management Teams and Advisory Personnel of Ayco's affiliates perform fundamental analysis on all credits selected for a client's portfolio, which may include a review of financial statements, rating agency reports and Goldman Sachs and independent third-party research reports. Portfolio Management Teams and Advisory Personnel of Ayco's affiliates engage in ongoing risk management, credit (for Core Complement and certain Managed ETF accounts) and portfolio monitoring of such investments, including an ongoing review of balance sheets and liquidity (for Core Complement and certain Managed ETF accounts), fund holdings, positioning changes, general business trends, and daily risk reports.

Portfolio Management Teams may invest in open-end mutual funds, and to a lesser extent, closed-end mutual funds, as well as ETFs. Open-end mutual funds and closed-end mutual funds have different risk characteristics. Shares of an open-ended fund are purchased directly from the fund whereas closed-end fund shares are purchased and sold in the market, typically on a recognized stock exchange. Therefore,

shares of a closed-end fund, when available, can be traded during the day at any time and shares in an open-end fund can be sold back to the fund only at the end of the trading day. In addition, the price per share of a closed-end mutual fund is determined by the market whereas the price per share of an open-end fund will vary in direct proportion to the fund NAV. Unlike open-end mutual funds, closed-end funds may own unlisted securities and use leverage to enhance returns. Furthermore, both open-end and closed-end fund underlying fund holdings are reported with a lag. Underlying mutual fund holdings may change rapidly and fund performance may differ from expectations as a result. Different mutual funds with similar investment policies, and different share classes within those funds will have different expense levels. Generally, a fund or share class with a lower minimum investment requirement has higher expenses, and therefore a lower return, than a fund or share class with a higher minimum investment requirement.

ETFs may trade at a discount or premium to their underlying NAV. ETFs may not fully replicate the construction of their benchmark index, resulting in performance that differs from expectations. Investors purchasing an ETF at a premium may underperform the ETF NAV, while the redemption of shares may result in the ETF trading at a discount to NAV.

Item 9 – DISCIPLINARY INFORMATION

This Item requests disciplinary information relating to Ayco. There are no reportable material legal or disciplinary events related to Ayco. In the ordinary course of its business, Ayco and its management persons have in the past been, and may in the future be, subject to formal and informal regulatory inquiries, subpoenas, investigations, and legal or regulatory proceedings, involving the SEC, other regulatory authorities, or private parties. Such actions, investigations, litigation and claims have the potential to result in findings, conclusions, settlements, charges or various forms of sanctions against Ayco or its management persons, as well as Goldman Sachs and other Goldman Sachs personnel, including fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions and may increase the exposure of the Advisory Accounts, Ayco and Goldman Sachs to potential liabilities and to legal, compliance and other related costs. In addition, such actions or proceedings may involve claims of strict liability or similar risks against Advisory Accounts in certain jurisdictions or in connection with certain types of activities.

Additional information about Ayco's advisory affiliates is contained in Part 1 of Ayco's Form ADV. For information relating to other Goldman Sachs entities, please visit www.gs.com and refer to the public filings of GS Group.

Item 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Other Material Relationships with Affiliated Entities

Ayco may use, suggest or recommend its own services or the services of affiliated Goldman Sachs entities in connection with Ayco's advisory business. Ayco may share resources with or delegate certain of its trading, advisory and other activities for advisory clients to affiliated entities. Particular relationships may include, but are not limited to, those discussed below. Goldman Sachs' affiliates will retain any compensation when providing investment services to, or in connection with investment activities of, Advisory Accounts or advisory clients. Compensation may take the form of commissions, markups, markdowns, service fees or other commission equivalents. Advisory Accounts or advisory clients will not be entitled to any such compensation retained by Goldman Sachs' affiliates.

Broker-Dealer

Ayco's affiliate, Mercer Allied, is registered with the SEC as a broker-dealer. Certain of Ayco's management persons, as well as Advisory Personnel, may also be registered representatives of Mercer Allied to the extent necessary or appropriate to perform their responsibilities. Mercer Allied primarily sells Variable Products or introduces clients to full-service carrying brokers, primarily GS&Co. and Fidelity. Ayco and Mercer Allied have overlapping officers, personnel and share office space and certain

expenses. Certain Ayco management persons and employees, including, but not limited to, IPs, may also be registered representatives of GS&Co. if necessary or appropriate to perform their responsibilities.

Ayco may use, suggest or recommend that advisory clients use, the securities, futures execution or custody services offered by Ayco's affiliates, including, but not limited to, GS&Co. Goldman Sachs may receive compensation when it acts in its capacity as a broker-dealer executing transactions for Advisory Accounts.

Ayco's broker-dealer affiliates that provide custodial services will 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, as amended. Ayco may receive recordkeeping, administrative and support services from GS&Co. or its affiliates. Ayco obtains research ideas, analyses, reports and other services (including distribution services) from its affiliates.

Advisory Accounts will generally execute all transactions through the GS or Fidelity Platforms as further described in Item 12, Broker-Dealer Selection and Directed Brokerage. Subject to client consent, as required by applicable law, Goldman Sachs may engage in principal transactions with Advisory Accounts that are not Retirement Accounts on the GS Platform. Goldman Sachs may earn Execution Charges in connection with transactions executed as agent or principal. Clients will pay these charges in addition to the advisory fee paid to Ayco or its affiliates except as described in Item 5, Fees and Compensation. Goldman Sachs will likely share all or a portion of any Execution Charges with its affiliates and their employees, including with Account Managers, Wealth Advisors or IPs. For additional information about principal trading, see Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

In addition, Goldman Sachs may have ownership interests in trading networks, securities or derivatives indices, trading tools, and settlement systems. Goldman Sachs receives fees, cash credits or other benefits from exchanges and other market centers to which it, as broker, routes order flow based on the volume and type of order flow routed and whether the order contributes or extracts liquidity from the given market.

Goldman Sachs also holds ownership interests in, and Goldman Sachs personnel may sit on the boards of directors of, electronic communication networks, alternative trading systems and other similar execution or trading systems or venues (collectively, "ECNs"). Goldman Sachs may be deemed to control one or more of such ECNs based on its levels of ownership and its representation on the board of directors of such ECNs. As of May 6, 2016, Goldman Sachs held ownership interests in the following ECNs: (i) BATS BZX, (ii) BATS Options Exchange, (iii) BATS Y-Exchange, Inc., (iv) Chicago Board Options Exchange, Inc., (v) Chicago Stock Exchange, Inc., (vi) EDGA Exchange, Inc., (vii) EDGX Exchange, Inc., (viii) EDGX Options, (ix) International Securities Exchange, LLC, (x) NASDAQ OMX PHLX, Inc. (formerly the Philadelphia Stock Exchange), (xi) NYSE MKT LLC, (xii) NYSE, (xiii) BIDS, (xiv) Sigma ATS, (xv) BondDesk, (xvi) Dealerweb, (xvii) MTS S.P.A, (xviii) TradeWeb and (xix) TradeWeb Retail. Goldman Sachs may acquire ownership interests in other ECNs (or increase ownership in the ECNs listed above) in the future.

Consistent with its duty to seek best execution for the Advisory Accounts, Ayco may, from time to time, directly or indirectly, effect trades for Advisory Accounts through such ECNs. In such cases, Goldman Sachs may receive an indirect economic benefit based upon its ownership interests in ECNs. Ayco will effect trades for an Advisory Account through such ECNs only if Ayco reasonably believes that such trades are in the best interest of the Advisory Account and that the requirements of applicable law have been satisfied. As discussed in further detail in Item 12, Brokerage Practices, Ayco executes transactions with Goldman Sachs or unaffiliated broker-dealers in accordance with its best execution policies and procedures.

In the event assets of an Advisory Account are treated as "plan assets" subject to ERISA, the use of ECNs to execute trades on behalf of such Advisory Account may, absent an exemption, be treated as a prohibited transaction under ERISA. However, Ayco may effect trades through ECNs provided that such

trades are executed in accordance with the exemption under Section 408(b)(16) of ERISA. In addition, Ayco is required to obtain authorization from any Advisory Account whose assets are treated as “plan assets” in order to execute transactions on behalf of such Advisory Account using an ECN in which Goldman Sachs has an ownership interest. Furthermore, there may be limitations or restrictions placed on the use of ECNs (including, without limitation, for purposes of complying with law and otherwise).

Investment Companies and Other Pooled Investment Vehicles

Ayco has affiliates, including GSAM, that act in an advisory or subadvisory capacity, including as trustee, managing member, 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, exchange-traded funds, closed-end funds, business development companies and private investment funds. Certain Goldman Sachs personnel are also directors, trustees and/or officers of these investment companies and other pooled investment vehicles. Affiliates of Ayco that act as investment adviser or manager of an investment company or pooled vehicle, including ETFs (collectively, “Funds”), will receive management or advisory fees in connection with their advisory roles. Although such fees are generally paid by the Funds, the costs are ultimately borne by clients as shareholders. These fees will be in addition to any advisory fees or other fees agreed between the client and Goldman Sachs for investment advisory and brokerage services. Clients of Ayco and its affiliates may invest in these investment companies and other pooled investment vehicles offered by Goldman Sachs.

Other Investment Advisers

Ayco 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: GS&Co., GSAM, Goldman Sachs Asset Management International (“GSAMI”), Goldman Sachs Hedge Fund Strategies LLC (“HFS”), and GS Investment Strategies, LLC (“GSIS”). Ayco and its affiliates have or intend to have co-advisory or subadvisory relationships with their investment advisory affiliates, as may be required for proper management of particular Advisory Accounts and in accordance with applicable law. Ayco and its affiliates will receive compensation in connection with such relationships. For additional information on compensation earned when clients select other investment advisers, see Receipt of Compensation from Investment Advisers, below. Where permissible by law, Ayco and GS&Co. may share resources in connection with providing investment advisory services, including credit analysis, execution services and trade support.

Private Wealth Advisors employed by GS&Co. may receive fees for recommending Ayco’s services to their clients. Ayco personnel may recommend the investment advisory services of its affiliates, including GS&Co., to its clients and may receive fees from such affiliates. From time to time, Ayco personnel may also refer clients to certain unaffiliated investment advisers. In each of these cases, the investment adviser may pay Ayco a portion of the investment management fee charged to the client. In other instances, Ayco may engage the unaffiliated sub-advisers and charge a fee for supervisory services. Ayco discloses these arrangements to its clients to the extent required by law.

Manager selection and ongoing due diligence of unaffiliated mutual funds and ETFs used in strategies managed by Ayco’s Portfolio Management Group and on The Ayco List of Mutual Funds generally are performed by the AIMS group within GSAM.

Clients may be offered access to advisory services through Ayco, GS&Co., GSAM, GSAMI or other affiliated investment advisers. These investment advisers manage accounts according to different strategies and may also apply different criteria to the same or similar products (including, but not limited to, equities and fixed income securities). For instance, in the case of advisory accounts holding municipal bonds, Ayco, GS&Co., and GSAM may apply different credit criteria (including different minimum credit ratings, sector restrictions, maturity limitations or portfolio duration), they may offer different portfolio structures (for example laddered, barbelled or customized), and they may have different minimum account size requirements. Additionally, GS&Co. may execute trades through itself as well as third parties and may participate in underwritings, whereas GSAM and GSAMI generally only execute trades through

third parties. Since Ayco's, GSAM's, GSAMI's, and GS&Co.'s investment decisions are made independently, GSAM and/or GSAMI may be buying while Ayco and/or GS&Co. are selling, or vice versa. Therefore, it is possible that an account managed by Ayco, GS&Co., GSAMI or GSAM could sustain losses during periods in which GS&Co. and its affiliates, and other Ayco, GS&Co., GSAMI or GSAM-managed accounts, achieve significant profits on their trading.

Futures Commission Merchant, Commodity Pool Operator, Swap Dealer, Commodity Trading Advisor

Ayco has affiliates registered with the Commodity Futures Trading Commission ("CFTC") as a futures commission merchant, a commodity pool operator, a swap dealer and a commodity trading advisor. These affiliates include: GS&Co., GSAM, GSAMI, HFS, GSIS and Goldman Sachs Execution & Clearing, L.P. If permitted by applicable law, Ayco's affiliates may buy or sell futures on behalf of Advisory Accounts on the GS Platform through themselves or their CFTC-registered affiliates and these affiliates will receive commissions.

Bank or Thrift Institution

- *Banks*

GS Group is a bank holding company under the Bank Holding Company Act of 1956, as amended. As a bank holding company, GS Group is subject to supervision and examination by the Federal Reserve Board.

Goldman Sachs Bank USA ("GS Bank") is a Federal Deposit Insurance Corporation ("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 securities-based loans to Ayco clients with Advisory Accounts on the GS Platform and the Fidelity Platform, and Ayco and certain Advisory Personnel may receive compensation for referring clients to GS Bank for such loans. Such referrals create a conflict between the interests of clients and the interests of Ayco and its employees since it gives Ayco and certain Advisory Personnel an economic interest in the loans. Such compensation is in addition to compensation Ayco and certain Advisory Personnel receive from the investment advisory fee charged by Ayco for providing advisory services to the Advisory Accounts pledged as collateral for the loans. GS Bank offers deposit sweeps to Goldman Sachs clients, where free credit 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 benefits 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*

GSTC and GSTD may provide personal trust and estate administration and related services to Ayco's clients. GS&Co. and its affiliates, including Ayco, may provide a variety of services to GSTC and GSTD, including investment advisory, sub-advisory, brokerage, distribution, marketing, operational, infrastructure, financial, auditing, and administrative services. Goldman Sachs will receive fees from GSTC and GSTD according to the fee schedules agreed upon between the parties in arm's-length service agreements. As discussed above at Item 4, for ATAS accounts, Ayco may recommend that clients appoint GSTC, GSTD, WTC, FPTC, RBC or another third-party trustee as a fiduciary.

Insurance Company or Agency

With respect to arrangements with a related person who is an insurance company or agency, Ayco's affiliated persons, ASA and ASIA may engage in the insurance agency business for purposes of selling, co-brokering or assisting in the sale of insurance contracts including, but not limited to, variable life, variable annuity, permanent life, term life, long term care, disability, property and casualty insurance

contracts for separate compensation. Advisory clients are not obligated to use Ayco's affiliated persons to purchase insurance or annuities. Certain Ayco professionals, including, but not limited to, Account Managers and Wealth Advisors, are licensed insurance agents and may act as sub-producers of ASA and ASIA. Further, Ayco may pay appropriately licensed Goldman Sachs Personnel, including Advisory Personnel, for referring clients to ASA and ASIA, and the compensation received by such personnel may vary depending on the insurance company and product purchased. Such personnel may also be appointed as agents of the issuing insurer. Recommendations to purchase or exchange insurance products are made by Ayco professionals solely in their capacity as an insurance agent associated with ASA or ASIA. Ayco's affiliated persons do not utilize any separate investment advisory agreement when distributing insurance. Ayco employs Insurance Strategists in certain regional offices who assist in insurance planning and insurance marketing. ASA and ASIA may continue to provide agent of record services to policy owners, including those who have terminated their financial counseling services or Advisory Accounts. However, such agent of record services are primarily administrative, and do not include any fiduciary advice, including investment advice or education related to separate accounts underlying Variable Products or otherwise. Ayco, ASA and ASIA have overlapping officers and share office space and expenses.

Sponsor or Syndicator of Limited Partnerships

Ayco's affiliates create and/or distribute unregistered privately-placed vehicles in which clients may invest and for which they receive fees.

Management Persons; Policies and Procedures

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

Ayco has adopted a variety of restrictions, policies, procedures, and disclosures designed to address potential conflicts that may arise between Ayco, its management persons and its affiliates. These policies and procedures include: information barriers designed to prevent the flow of information between Ayco, 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 and trade sequencing policies applicable to Advisory Accounts and Accounts (defined below). Additional information about these conflicts and the policies and procedures designed to address them is available in Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Affiliated Indices and ETFs

Goldman Sachs may develop, own and operate stock market and other indices (each, an "Index") based on investment and trading strategies. Exchange-traded funds for which GSAM or its affiliates act as investment adviser (the "GSAM ETFs") seek to track the performance of the Indices. Ayco may, from time to time, manage Advisory Accounts that invest in the GSAM ETFs. The operation of the Indices, the GSAM ETFs and Advisory Accounts in this manner may give rise to potential conflicts of interest.

Goldman Sachs has adopted policies and procedures that are designed to address potential conflicts that may arise in connection with Goldman Sachs' operation of the Indices, the GSAM ETFs and the Advisory Accounts. Goldman Sachs has adopted certain information barriers and other policies designed to address the sharing of information between different businesses within Goldman Sachs, including with respect to personnel responsible for maintaining the Indices and those involved in decision-making for the ETFs. In addition, as described in Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, Ayco has adopted a code of ethics.

GSAM and/or its affiliates may make payments to one or more investors that contribute seed capital to one or more GSAM ETFs for so long as such capital remains invested. The payments will be made from the assets of GSAM and/or such affiliates and will be based on revenues generated by GSAM in providing services to the ETFs for which it serves as investment adviser.

Receipt of Compensation from Investment Advisers

Ayco may select, or recommend that clients allocate assets to, one or more managed accounts or funds managed by one or more Affiliated Managers or Unaffiliated Managers. Ayco receives compensation in connection with clients' investments in and selection and recommendation of such managed accounts or funds, and such compensation creates a potential conflict of interest. Goldman Sachs receives various forms of compensation, including fees, commissions, payments, rebates, remuneration, services or other benefits (including benefits relating to investment and business relationships of Goldman Sachs) from Unaffiliated Managers. The amount of such compensation, including fees, commissions, payments, rebates, remuneration, services or other benefits to Goldman Sachs, or the value of Goldman Sachs' interests in the Unaffiliated Managers or their businesses, varies by Unaffiliated Manager and may be greater if Ayco selects or recommends certain Unaffiliated Managers over other Unaffiliated Managers.

Payments to Goldman Sachs (either directly from Unaffiliated Managers or in the form of fees or allocations payable by client accounts) generally increase as the amount of assets that Unaffiliated Managers manage increases. Therefore, investments by Advisory Accounts with Unaffiliated Managers (where Goldman Sachs participates in the fee and/or profit sharing arrangement or other interest in the equity or profits of Unaffiliated Managers) may result in additional revenues to Goldman Sachs. The relationship Goldman Sachs has with Unaffiliated Managers may also result in an incentive for Ayco to increase client investments with Unaffiliated Managers or to retain their investments with Unaffiliated Managers. Except to the extent required by applicable law, Ayco may not account to a client for or offset any compensation received by Goldman Sachs against fees and expenses the client may otherwise owe Goldman Sachs.

Because Goldman Sachs will, on an overall basis, receive higher fees, compensation and other benefits if client assets are allocated to managed accounts or investment funds managed by Goldman Sachs, Ayco 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. For particular asset classes or investment strategies, Ayco's advisory program may not have Unaffiliated Managers, or may have fewer Unaffiliated Managers than Affiliated Managers; accordingly, any allocations to such an asset class or investment strategy will more likely be made to Affiliated Managers, including GSAM or 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, Ayco 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 Unaffiliated Managers or their affiliates. The Unaffiliated Managers or their affiliates may offer Goldman Sachs investment opportunities for various reasons including Goldman Sachs' use of the services provided by Unaffiliated Managers and their affiliates for Goldman Sachs and client investments. Therefore, investment (or continued investment) by particular Advisory Accounts with Unaffiliated Managers may result in additional investment opportunities to Goldman Sachs or other accounts.

In addition, the fee structure of certain Advisory Accounts where Ayco must compensate Managers from the fee it receives from the client may provide an incentive for Ayco 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. 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.

Goldman Sachs addresses these potential conflicts of interest in a manner that is consistent with its fiduciary duties.

Item 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics and Personal Trading

Ayco 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 Ayco personnel 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 certain Ayco personnel to help avoid any actual or potential conflicts of interest. Subject to the limitations of the Code, Ayco personnel 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. Ayco provides a copy of the Code to clients or prospective clients upon request.

Ayco personnel are subject to Goldman Sachs policies and procedures regarding confidential and proprietary information, information barriers, private investments, outside business activities and personal trading. In addition, Ayco 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

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 adviser, financier, advisor, market maker, prime broker, derivatives dealer, lender, counterparty, agent, principal and investor. 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, securities, derivatives, loans, commodities, currencies, credit default swaps, indices, baskets and other financial instruments and products for its own account 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, including Advisory Accounts, collectively, the “Accounts”). Goldman Sachs has direct and indirect interests in the global fixed income, currency, commodity, equities, bank loan and other markets, and 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 interest that may be associated with the financial or other interests that Goldman Sachs, including Ayco, may have in transactions effected by, with, or on behalf of, Advisory Accounts.

Principal Trading and Cross/Agency Cross Transactions with Advisory Accounts

When permitted by applicable law and Goldman Sachs policy, Ayco, 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, and may cause Advisory Accounts to engage in principal transactions, cross transactions and agency cross transactions. There may be potential conflicts of interest or regulatory issues relating to these transactions that could limit Ayco's decision to engage in these transactions for Advisory Accounts. A principal transaction occurs if Ayco, 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 spread or mark-up) in connection with these transactions. A cross transaction occurs when Ayco causes an Advisory Account to buy securities or other instruments from, or sell securities or other instruments to, another Ayco client account or an advisory client account of a Goldman Sachs affiliate, and Goldman Sachs does not receive a commission from the transaction. Ayco may (but is under no obligation to) cause Advisory Accounts to engage in cross transactions. An agency cross transaction occurs when Goldman Sachs acts as broker for an Advisory Account on one side of the transaction and a brokerage account or another Advisory Account on the other side of the transaction in connection with the purchase or sale of securities by the Advisory Account, and Goldman Sachs receives a commission from the transaction.

Goldman Sachs will have a potentially conflicting division of loyalties and responsibilities to the parties to such transactions including with respect to a decision to enter into such transaction as well as with respect to valuation, pricing and other terms. Goldman Sachs has developed policies and procedures in relation to such transactions and conflicts. However, there can be no assurance that such transactions will be effected in the manner that is most favorable to an Advisory Account that is a party to any such transaction. Cross transactions may disproportionately benefit some Advisory Accounts relative to other Advisory Accounts due to the relative amount of market savings obtained by the Advisory Accounts. Principal, cross or agency cross transactions are effected in accordance with Goldman Sachs' fiduciary requirements and applicable law (which may include providing disclosure and obtaining client consent). Performance may differ for clients who do not consent to principal trades. Clients may revoke consent to cross transactions at any time by written notice to Ayco, and any such revocation will be effective once Ayco has received and has had a reasonable time to act on it.

Certain Effects of Goldman Sachs' Activities on Advisory Accounts

As described above under Participation or Interest in Client Transactions, Goldman Sachs engages in a variety of activities in the global financial markets. The extent of Goldman Sachs' activities in the global financial markets, including without limitation in its capacity as an investment banker, research provider, investment adviser, financier, adviser, market maker, prime broker, derivatives dealer, lender, counterparty, agent, principal and investor, as well as in other capacities, may have potential adverse effects on Advisory Accounts. Ayco provides advisory services to advisory clients and Advisory Accounts through a variety of investment products and arrangements. Ayco's recommendations to advisory clients and recommendations 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 clients or Advisory Accounts may compete with, affect, differ from, conflict with, or involve timing different from, advice given to or investment decisions made for other advisory clients or 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, related to or opposed to those of particular Advisory Accounts. Goldman Sachs may receive greater fees or other compensation from such Accounts than it does from the particular Advisory Accounts. In addition, Goldman Sachs, the clients it advises, and its Personnel may engage (or consider engaging) in commercial arrangements or transactions with Accounts, and/or may compete for commercial arrangements or transactions in the same types of securities and other instruments, as particular Advisory Accounts. Within Ayco, decisions and actions of Ayco on behalf of a particular advisory client or Advisory Account may differ from those on behalf of other advisory clients or Advisory Accounts. Advice given to, or investment decisions made for, one or more advisory clients or Advisory Accounts may compete with, affect, differ from, conflict with, or involve timing different from, advice given to or investment decisions made for other advisory clients or Advisory Accounts. Transactions by, advice to and activities of Goldman Sachs clients may involve the same or related securities or other instruments as those in which particular Advisory Accounts and advisory clients invest, and such clients may engage in a strategy while an Advisory Account or advisory client is undertaking the same or a differing strategy, any of which could directly or indirectly disadvantage

the advisory client or Advisory Account (including their respective ability to engage in a transaction or other activities) or the prices or terms at which the Advisory Account's transactions or advisory client's or Advisory Account's other activities may be effected. For example, Goldman Sachs may be engaged to provide advice to a client that is considering entering into a transaction with a particular Advisory Account, and Goldman Sachs may advise the client not to pursue the transaction with the particular Advisory Account, or otherwise in connection with a potential transaction provide advice to the client that would be adverse to the particular Advisory Account. Additionally, an advisory client or Advisory Account may buy a security and Goldman Sachs or a Goldman Sachs client may establish a short position in that same security or in similar securities. If created, the short position may result in the impairment of the price of the security that the advisory client or Advisory Account holds or could be designed to profit from a decline in the price of the security. An advisory client or Advisory Account could similarly be adversely impacted if it establishes a short position, following which Goldman Sachs or a Goldman Sachs client takes a long position in the same security or in similar securities. To the extent an Advisory Account engages in transactions in the same or similar types of securities as other Accounts (including other Advisory Accounts), such Advisory Accounts and other clients may compete for such transactions or investments, and transactions or investments by such other Accounts may negatively affect the investments of the Advisory Account (including the ability of the Advisory Account to engage in such a transaction or investment or other activities), or the price or terms at which the Advisory Account's transactions or investment or other activities may be effected. Moreover, a particular advisory client or Advisory Account on the one hand, and Goldman Sachs or a Goldman Sachs client (including through another Advisory Account) on the other hand, may vote differently on, or take or refrain from taking different actions with respect to, the same security, which may be disadvantageous to advisory clients or Advisory Accounts.

Goldman Sachs may make loans to clients, or enter into margin, asset-based or other credit facilities or similar transactions with clients, companies or individuals, that may (or may not) be secured by publicly or privately held securities or other assets, including by a client's assets or interests in an Advisory Account. Some of these borrowers may be public or private companies, or founders, officers or shareholders in companies in which Goldman Sachs, funds managed by Goldman Sachs, or Advisory Accounts or other accounts may be investors, and such loans may be secured by securities of such companies, which may be the same as, or pari passu with or more senior or junior to, interests held directly by Goldman Sachs, funds managed by Goldman Sachs, Advisory Accounts or other Accounts. In connection with its rights as lender, Goldman Sachs may act to protect its own commercial interest and may take actions that adversely affect the borrower, including by liquidating or causing the liquidation of securities on behalf of a borrower or foreclosing and liquidating such securities in Goldman Sachs' own name. Such actions may adversely affect Advisory Accounts (e.g., if a large position in securities is liquidated, among the other potential adverse consequences the value of such security may decline rapidly and Advisory Accounts holding such security may in turn decline in value or may be unable to liquidate their positions in such security at an advantageous price or at all).

Subject to applicable law, Goldman Sachs or its clients (including Advisory Accounts and Accounts formed to facilitate investment by Personnel) may invest in or alongside particular Advisory Accounts that are invested in Affiliated Products. These investments may be on terms more favorable than those of an investment by Advisory Accounts in such Affiliated Products and may constitute substantial percentages of such Affiliated Products. Unless provided otherwise by agreement to the contrary, Goldman Sachs, its Personnel and its clients may redeem or withdraw 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 adversely affected by any such redemption or withdrawal. Substantial requests for redemption or withdrawal by Goldman Sachs in a concentrated period of time could require an Affiliated Product to liquidate certain of its investments more rapidly than otherwise desirable in order to raise cash to fund the redemptions or withdrawals, adversely affecting the Affiliated Product and its investors, including Advisory Accounts. For example, due to the requirements of the Volcker Rule, Goldman Sachs and certain Goldman Sachs Personnel are expected to dispose of investments in certain Affiliated Products, including through redemptions and withdrawals, which may be substantial and have the adverse effects described above.

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. For example, derivative transactions could represent leveraged investments in an investment fund in which Advisory Accounts have an interest that is a hedge fund, and the leveraged characteristics of such investments could make it more likely, due to events of default or otherwise, that there would be significant redemptions of interests from such underlying fund more quickly than might otherwise be the case. Goldman Sachs, acting in commercial capacities in connection with such derivative transactions, may in fact cause such a redemption. Activities in respect of derivative transactions, and any associated hedging activity, may occur as a result of Goldman Sachs' adjustment in assessment of an investment or an Affiliated Manager or Unaffiliated Manager based on various considerations, and Goldman Sachs will not be under any obligation to provide notice to Advisory Accounts in respect of any such adjustment in assessment.

Goldman Sachs and its Personnel, when acting as an investment banker, research provider, investment adviser, financier, adviser, market maker, prime broker, derivatives dealer, lender, counterparty or investor, or in other capacities, may advise on transactions, make investment decisions or recommendations, provide differing investment views or have views with respect to research or valuations that are inconsistent with, or adverse to, the interests or activities of advisory clients or Advisory Accounts. Clients may be offered access to advisory services through several different Goldman Sachs advisory businesses. Different advisory businesses within Goldman Sachs manage Accounts according to different strategies and may also apply different criteria to the same or similar strategies and may have differing investment views in respect of an issuer or a security or other investment. Similarly, Goldman Sachs' investment teams can have differing or opposite investment views in respect of a security, and the positions an investment team takes in respect of an Advisory Account it manages may be inconsistent with, or adverse to, the interests and activities of Advisory Accounts advised by other Goldman Sachs investment teams including Ayco's Advisory Personnel. Moreover, research, analyses or viewpoints will be available to clients or potential clients at different times. Goldman Sachs will not have any obligation to make available to the Advisory Accounts or advisory clients any research or analysis prior to its public dissemination. Goldman Sachs, on behalf of itself or its clients (including Advisory 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 Advisory Accounts, on the one hand, and other clients (including Advisory Accounts), on the other hand, may disadvantage the 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.

Investments in Different Parts of an Issuer's Capital Structure

Goldman Sachs or its clients (including Advisory Accounts), on the one hand, and a particular advisory client or Advisory Account, on the other hand, may invest in or extend credit to different parts of the capital structure of a single issuer. As a result, Goldman Sachs or its clients may take actions that adversely affect the particular advisory client or Advisory Account. In addition, Goldman Sachs may advise clients with respect to different parts of the capital structure of the same issuer, or classes of securities that are subordinate or senior to securities, in which a particular advisory client or Advisory Account invests. Goldman Sachs may pursue rights, provide advice or engage in other activities, or refrain from pursuing rights, providing advice or engaging in other activities, on behalf of itself or its clients with respect to an issuer in which a particular advisory client or Advisory Account has invested, and such actions may have a material adverse effect on such advisory client or Advisory Account.

For example, in the event that Goldman Sachs or an Account holds loans, securities or other positions in the capital structure of an issuer that ranks senior in preference to the holdings of a particular Advisory

Account in the same issuer, and the issuer were to experience financial or operational difficulties, Goldman Sachs (acting on behalf of itself or the Account) may seek a liquidation, reorganization or restructuring of the issuer, or terms in connection with the foregoing, that may have an adverse effect on or otherwise conflict with the interests of the particular Advisory Account's holdings in the issuer. In connection with any such liquidation, reorganization or restructuring, a particular Advisory Account's holdings in the issuer may be extinguished or substantially diluted, while Goldman Sachs or an Account may recover some or all of the amounts due to them. Alternatively, in situations in which an Advisory Account holds a more senior position in the capital structure of an issuer experiencing financial or other difficulties as compared to positions held by other Accounts (which may include those of Goldman Sachs), Ayco may determine not to pursue actions and remedies that may be available to the Advisory Account or particular terms that might be unfavorable to the Accounts holding the less senior position. In addition, in the event that Goldman Sachs or the Accounts hold voting securities of an issuer in which a particular Advisory Account holds loans, bonds or other credit-related assets or securities, Goldman Sachs or the Accounts may vote on certain matters in a manner that has an adverse effect on the positions held by the Advisory Account. Conversely, Advisory Accounts may hold voting securities of an issuer in which Goldman Sachs or Accounts hold credit-related assets or securities, and Ayco may determine on behalf of the Advisory Accounts not to act in a manner adverse to Goldman Sachs or the Accounts.

These potential issues are examples of conflicts that Goldman Sachs will face in situations in which advisory clients or Advisory Accounts, and Goldman Sachs or other Accounts, invest in or extend credit to different parts of the capital structure of a single issuer. Goldman Sachs has adopted procedures to address such conflicts. The particular procedures employed will depend on the circumstances of particular situations. For example, Goldman Sachs may determine to rely on information barriers between different Goldman Sachs business units or portfolio management teams or Goldman Sachs may determine to rely on the actions of similarly situated holders of loans or securities rather than taking such actions itself on behalf of the Advisory Account.

As a result of the various conflicts and related issues described above and the fact that conflicts will not necessarily be resolved in favor of the interests of particular advisory clients or Advisory Accounts, advisory clients and Advisory Accounts could sustain losses during periods in which Goldman Sachs and other Accounts (including Advisory Accounts) achieve profits generally or with respect to particular holdings in the same issuer, or could achieve lower profits or higher losses than would have been the case had the conflicts described above not existed. The negative effects described above may be more pronounced in connection with transactions in, or advisory clients or Advisory Accounts utilizing, small capitalization, emerging market, distressed or less liquid strategies.

Potential Conflicts Relating to Follow-On Investments

From time to time, Goldman Sachs will provide opportunities to Advisory Accounts to make investments in companies in which certain Advisory Accounts have already invested. Such follow-on investments can create conflicts of interest, such as the determination of the terms of the new investment and the allocation of such opportunities among Advisory Accounts. Follow-on investment opportunities may be available to Advisory Accounts with no existing investment in the issuer, resulting in the assets of an Advisory Account potentially providing value to, or otherwise supporting the investments of, other Advisory Accounts. Advisory Accounts may also participate in releveraging and recapitalization transactions involving companies in which other Advisory Accounts have invested or will invest. Conflicts of interest in recapitalization transactions arise between Advisory Accounts with existing investments in a company and Advisory Accounts making an initial investment in the company, which have opposing interests regarding pricing and other terms.

Considerations Relating to Information Held by Goldman Sachs

Goldman Sachs has adopted certain information barriers and other policies designed to address the sharing of information between different businesses within Goldman Sachs and within Ayco. As a result of information barriers, Ayco generally does not have access, or has limited access, to information and

Personnel in other areas of Goldman Sachs, and generally will not manage the Advisory Accounts or advise advisory clients 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 can be adverse to advisory clients or Advisory Accounts and will not have any obligation to share information with Ayco. Information barriers may also exist between businesses within Ayco. In addition, regardless of the existence of information barriers, 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 clients or Advisory Accounts. Different areas of Ayco and Goldman Sachs may take views, and make decisions or recommendations, that are different than other areas of Ayco and Goldman Sachs. To the extent that Ayco has access to fundamental analysis or other information developed by Goldman Sachs and its Personnel, Ayco will not be under any obligation to have transactions effected on behalf of Advisory Accounts in accordance with such analysis. Different Advisory Personnel within Ayco may make decisions based on information or take (or refrain from taking) actions or providing advice with respect to advisory clients or Advisory Accounts they advise in a manner that may be different from or adverse to other advisory clients or Advisory Accounts. Such teams may not share information with other portfolio management teams within Ayco (or other areas of Goldman Sachs), including as a result of certain information barriers and other policies, and will not have any obligation to do so.

Goldman Sachs operates a business known as Goldman Sachs Securities Services (“GSS”), which provides prime brokerage, administrative and other services to clients that may involve investment funds in which Advisory Accounts have an interest or markets and securities in which Advisory Accounts invest. GSS and other parts of Goldman Sachs have broad access to information regarding the current status of certain markets, investments and funds and detailed information about fund operators that is not available to Ayco. In addition, Goldman Sachs may act as a prime broker to one or more investment funds in which Advisory Accounts have an interest, in which case Goldman Sachs will have information concerning the investments and transactions of such investment fund that is not available to Ayco. As a result of these and other activities, parts of Goldman Sachs may be in possession of information in respect of markets, investments, Affiliated Managers, Unaffiliated Managers, and investment funds, which, if known to Ayco, might cause Ayco to seek to dispose of, retain, or increase interests in investments held by Advisory Accounts or acquire certain positions on behalf of Advisory Accounts, or take other actions. Goldman Sachs will be under no obligation or fiduciary or other duty to make any such information available to Ayco or Personnel involved in decision-making for Advisory Accounts.

Goldman Sachs May Act In Multiple Commercial Capacities

Goldman Sachs provides various services to advisory clients and Advisory Accounts or to companies or affiliated or unaffiliated investment funds in which advisory clients or Advisory Accounts have an interest, which results 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 clients or Advisory Accounts or companies or affiliated or unaffiliated investment funds in which Advisory Accounts have an interest. An example of this is that a company in which an Advisory Account has an interest may hire Goldman Sachs to provide underwriting, merger advisory, other financial 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, or may advise the parties to which it is providing services to take actions or engage in transactions, which may have an adverse effect on Advisory Accounts. For example, Goldman Sachs, through its investment banking division, may advise a company to make changes to its capital structure the results of which would be a reduction in the value or priority of a security held by one or more Advisory Accounts. Actions taken or advised to be taken by Goldman Sachs in connection with other types of transactions may also result in adverse consequences for Advisory Accounts. Providing such services to the Advisory Accounts and companies and affiliated or unaffiliated investment funds in which they invest may enhance Goldman Sachs' relationships with various parties, facilitate additional business development and enable Goldman Sachs

to obtain additional business and generate additional revenue. Neither advisory clients nor Advisory Accounts will be entitled to compensation related to any such benefit to businesses of Goldman Sachs or Ayco.

Goldman Sachs' activities on behalf of its clients may also restrict investment opportunities that may be available to Advisory Accounts. For example, Goldman Sachs is often engaged by companies as a financial advisor, or to provide financing or other services, in connection with commercial transactions that may be potential investment opportunities for Advisory Accounts. There may be circumstances in which Advisory Accounts are precluded from participating in such transactions as a result of Goldman Sachs' engagement by such companies. Goldman Sachs reserves the right to act for these companies in such circumstances, notwithstanding the potential adverse effect on Advisory Accounts.

Diverse Interests of Investors in Affiliated Products

The various types of investors in and beneficiaries of Affiliated Products, including Goldman Sachs and its affiliates, may have conflicting investment, tax and other interests with respect to their interest in the Affiliated Products. When considering a potential investment for an Affiliated Product, Goldman Sachs will generally consider the investment objectives of the Affiliated Product, not the investment objectives of any particular investor or beneficiary. Goldman Sachs may make decisions, including with respect to tax matters, from time to time that may be more beneficial to one type of investor or beneficiary than another, or to Ayco and its affiliates than to investors or beneficiaries unaffiliated with Ayco. In addition, Goldman Sachs may face certain tax risks based on positions taken by an Affiliated Product, including as a withholding agent. Goldman Sachs reserves the right on behalf of itself and its affiliates to take actions adverse to the Affiliated Product or other Accounts in these circumstances, including withholding amounts to cover actual or potential tax liabilities.

Valuation

As an accommodation, Ayco may provide valuation services for certain securities and assets held in certain Advisory Accounts using software created by a third-party vendor. Clients typically request valuations as of a particular date. Ayco does not value securities or assets that cannot be valued by such software, like alternative investments, and clients are responsible for the valuation of such securities and assets. The software program Ayco uses might value an identical asset differently from another division or unit within Goldman Sachs, or differently from another Account or Advisory Account. This is particularly the case in respect of difficult-to-value assets. Ayco may face a conflict with respect to valuations generally because of their effect on Ayco's fees and other compensation. In addition, to the extent Ayco utilizes third-party vendors to perform certain valuation functions, these vendors may have interests and incentives that differ from those of the Advisory Accounts.

Goldman Sachs-Sourced Investment Opportunities

Goldman Sachs businesses outside of Ayco are under no obligation to provide investment opportunities to Advisory Accounts, and generally are not expected to do so. Opportunities not allocated to Advisory Accounts may be undertaken by Goldman Sachs, including for Goldman Sachs' accounts, or made available to other Accounts or third parties.

Managing and Advising Multiple Advisory Accounts and Advisory Clients

Ayco'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 or advisory clients may compete with, affect, differ from, conflict with, or involve timing different from, advice given or investment decisions made for other Advisory Accounts or advisory clients.

Goldman Sachs and its Advisory Personnel manage or advise multiple Advisory Accounts and fees paid by those Advisory Accounts may vary based on a client's particular circumstances, including the size of the relationship and required services levels. This creates an incentive to allocate investments with

limited availability to the accounts for which Ayco and its Advisory Personnel receive higher fees. Such investments may include local emerging markets securities, high yield securities, fixed-income securities, interests in alternative investment funds, master limited partnerships and initial public offerings and new issues.

To address these potential conflicts, Goldman Sachs has adopted allocation policies and procedures that provide that Advisory Personnel allocate investment opportunities among Advisory Accounts consistent with their fiduciary obligations. In some cases, these policies and procedures may result in the pro rata allocation (on a basis determined by Goldman Sachs) of limited opportunities across eligible Advisory Accounts. In other cases, the allocations reflect the consideration of numerous other factors such as those described below. The allocation methodology may vary based on the type of investment opportunity. In some cases, Advisory Accounts managed by different teams of Advisory Personnel are generally viewed separately for allocation purposes.

Advisory Personnel may make allocation-related decisions by reference to one or more factors, including, without limitation, the client's overall relationship with Goldman Sachs; account investment objective, investment horizon, financial circumstances and risk tolerance; timing of client's subscription to or indication of interest in the investment; the capacity of the investment; tax sensitivity of accounts; the client's domicile; the nature of the investment opportunity; cash and liquidity considerations, including, without limitation, availability of cash for investment; relative sizes and expected future sizes of applicable Advisory Accounts; availability of other appropriate investment opportunities; legal and regulatory restrictions affecting certain Advisory Accounts, including client eligibility; minimum denomination, minimum increments, de minimis threshold and round lot considerations; client-specific investment guidelines and restrictions; and current investments made by clients that may be similar to the applicable investment opportunity.

There may be some instances where certain Advisory Accounts receive an allocation while others do not, and preferential allocations may be given to clients with a proven interest or expertise in a certain sector, company or industry.

Ayco or its affiliates, under limited circumstances, use model portfolios and research or research lists, including those provided by GSAM or third parties, when managing or advising Advisory Accounts. Prior to Ayco personnel having had the chance to evaluate or act upon the recommendations in any model portfolio, other accounts, including those advised by the adviser providing the model portfolio and other Personnel may have already begun to trade based upon the recommendations in the model portfolio. As a result, trades ultimately placed on behalf of Advisory Accounts based upon the model portfolio may be subject to price movements, particularly with large orders or thinly traded securities. This may result in the Advisory Accounts receiving prices for transactions that are less favorable than the prices for transactions obtained for the model portfolio adviser's clients or the clients of other advisers who use the model portfolio. This could occur because of time zone differences or other reasons that cause orders to be placed at different times.

Financial Incentives in Selling and Managing Advisory Accounts and Insurance Products

Goldman Sachs and its Personnel may receive benefits and earn fees and compensation for services provided to Advisory Accounts by Ayco or its affiliates and in connection with Affiliated Products. Ayco and its affiliates may have a financial incentive to allocate Advisory Account assets to Affiliated Products rather than to accounts or funds managed by third parties. Any differentials in compensation may create a financial incentive for Ayco and Ayco personnel to recommend or select advisory products or investment strategies that will result in greater compensation and profit to Ayco and, indirectly, to Ayco personnel involved in decision-making for Advisory Accounts. Ayco may also recommend to clients of Ayco or its affiliates that they make a charitable donation to ACF. Such recommendations are made if Ayco believes it is in the client's best interest. The compensation described herein that Ayco receives may create an incentive for an Ayco professional to recommend ACF.

Ayco's affiliated broker-dealer, Mercer Allied, and Ayco's affiliated insurance agencies, ASA and ASIA, may receive insurance commissions from insurers for the sale of fixed and variable insurance policies and annuities, which inure to the benefit of Ayco. The receipt of remuneration by Ayco's affiliates creates a conflict of interest between the fiduciary duty Ayco owes to clients in offering investment advice, including any recommendation to purchase insurance securities, and the interests of Ayco and its affiliates, namely the benefits that Ayco's affiliates will receive on the policy sale. Additionally, Goldman Sachs personnel licensed as insurance agents, including Account Managers and Wealth Advisors, may receive compensation for referring clients to Mercer Allied, ASA or ASIA. Such compensation may vary depending on the insurance company and product purchased, and such personnel may also be appointed as an agent of the issuing insurer.

Goldman Sachs Policies and Regulatory Restrictions Affecting Advisory Accounts and Advisory Clients

Ayco 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). As a result, Ayco 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, Goldman Sachs 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 Ayco. 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, Ayco 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). Ayco may also limit an activity or transaction engaged in on behalf of a particular Advisory Account, and may limit its exercise of rights on behalf the Advisory Account for reputational or other reasons, including i) where Goldman Sachs is providing (or may provide) advice or services to an entity involved in such activity or transaction, ii) where Goldman Sachs or an Account is or may be engaged in the same or a related transaction to that being considered on behalf of the Advisory Account or iii) where Goldman Sachs or another Account has an interest in an entity involved in such activity or transaction could affect Goldman Sachs, including Ayco, or their activities. Goldman Sachs and Ayco may restrict its investment decisions and activities on behalf of particular Advisory Accounts and not on behalf of other Accounts (including other Advisory Accounts). Goldman Sachs may become subject to additional restrictions on its business activities that could have an impact on the Advisory Accounts' activities.

Item 12 – BROKERAGE PRACTICES

Broker-Dealer Selection and Directed Brokerage

Investment management services provided by Ayco are offered through the GS Platform or the Fidelity Platform and generally available only to clients that have directed Ayco to execute transactions for their Advisory Accounts through GS&Co. or Fidelity, respectively. As a result, substantially all transactions for Advisory Accounts are executed by GS&Co. or Fidelity, as applicable. These transactions may be effected by GS&Co., as agent or principal, or Fidelity. The Execution Charges on the GS Platform and Fidelity Platform may differ and result in lower prices on one platform versus the other.

By directing brokerage to GS&Co. or Fidelity, Ayco may not always be able to achieve the most favorable execution for client transactions and clients may pay higher transaction costs or receive less favorable pricing as a result. Clients should understand that not all advisers require their clients to direct brokerage to a particular broker-dealer.

In certain circumstances, Ayco may decide to execute transactions through a broker-dealer that is not affiliated with GS&Co. or through Fidelity. Where Ayco selects a broker-dealer other than GS&Co. or Fidelity to execute transactions for an Advisory Account, it does so consistent with its best execution policies and procedures. Best price, giving effect to commissions and commission equivalents, if any, and other transaction costs, is normally an important factor in this decision, but the selection also takes into account, among other factors, the quality of brokerage services, including execution capability, willingness to commit capital, responsiveness, clearance and settlement capability, and the provision of research and other services. Accordingly, transactions will not always be executed at the lowest available price or transaction cost.

Through the Fidelity Platform, Fidelity provides Ayco with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Fidelity also offers other services intended to help Ayco manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, contact management systems, third-party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third-party service providers who provide a wide array of business related services and technology with whom Ayco may contract directly.

Fidelity generally does not charge Ayco separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (*i.e.*, transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Ayco also receives a custodial support services fee for certain accounts on the Fidelity Platform. Fidelity provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

Ayco's affiliate, GS&Co., offers clients access to the Trade Solutions Desk, a non-advisory brokerage service, which provides assistance in structuring derivative-based investments primarily focused on single stock and broad portfolio risk management.

Research and Other Soft Dollar Benefits

Ayco is not currently receiving soft dollar benefits in connection with client securities transactions.

Aggregation of Trades

Ayco seeks to execute orders for Advisory Accounts fairly and equitably over time. Ayco follows policies and procedures pursuant to which it may combine or aggregate purchase or sale orders for the same security for multiple clients (sometimes called "bunching" or "aggregating," as appropriate), so that the orders can be executed at the same time. Ayco may also determine whether to permit the executing broker (whether GS&Co., Fidelity or other unaffiliated broker) to trade along with client orders, subject to applicable law. The particular procedures followed by Ayco may differ depending on the particular strategy or type of investment.

Ayco and its Advisory Affiliates do not bunch or aggregate orders for different accounts, or net buy and sell orders for the same account, if portfolio management decisions relating to the orders are made separately, or if bunching, aggregating or netting is not appropriate or practicable from Ayco's operational or other perspective. Where transactions for a client's account are not aggregated with orders for other accounts or netted against orders for its own account, the client may not benefit from a better price or lower execution charge or transaction cost.

Ayco generally allocates the securities purchased, or proceeds of a sale from a bunched order among the participating accounts in the manner indicated on the order. If the order is filled at several different prices, through multiple trades, generally all participating accounts receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. Advisory Accounts may not be charged the same commission or commission equivalent rates in a bunched or aggregated order. When a bunched order is partially filled for an Advisory Account, securities are allocated in accordance with Ayco's policies and procedures to allocate investment opportunities among Advisory Accounts consistent with its fiduciary duties.

Item 13 – REVIEW OF ACCOUNTS

Review of Financial Plans and Accounts

Financial Plan Reviews

As part of Executive Counseling, Family Office, Goldman Sachs Family Office and Ayco PWM services, Account Managers, IPs and Wealth Advisors periodically review each of their individual client's allocations of assets among various asset groups held with Goldman Sachs and, to the extent Ayco is aware, away from Goldman Sachs. Account Managers and Wealth Advisors do not recommend specific Variable Subaccounts or other securities, including single stocks or bonds, other than those selected by IPG or Ayco's affiliates, including GS&Co. and GSAM. Rather, they provide education on asset group allocation seeking to improve the individual's return/risk ratio. Ayco is not obligated to monitor specific Variable Subaccount allocations for conformity with a policyholder's stated investment objectives, risk tolerance, financial circumstances or investment restrictions, if any.

Client Account Reviews

Ayco regularly monitors the trading in Advisory Accounts for, among other things, transactions that are outside a client's investment guidelines. Additionally, Ayco periodically communicates with 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. Ayco PWM supervisory personnel, in consultation with the designated Account Manager, IP or Wealth Advisor, conduct annual reviews of certain Advisory Accounts that may be randomly selected or identified as meeting certain criteria warranting additional review.

Ayco may also perform reviews of Advisory Accounts as appropriate in response to particular events, such as changes in market conditions, a client's financial circumstances, or investment objectives and policies, or in response to a request by a client.

Client Reports

Account Managers, IPs and Wealth Advisors use historical market data to periodically prepare client asset allocations with respect to risk and return. Qualified custodians of Advisory Accounts provide clients with written reports on a monthly or periodic basis, depending on the terms of the separate agreement underlying the Advisory Account. Such reports generally include, among other things, an activity summary, a summary of holdings that includes a portfolio valuation and the change in value of the client's account during the reporting period.

Item 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Ayco's fee for certain financial counseling services may be paid, in whole or in part, by the client's employer. From time to time, Ayco may make cash payments to affiliates and third parties, including Fidelity or its affiliates, for referring clients to Ayco, consistent with applicable laws, including Rule 206(4)-3 under the Advisers Act. Ayco is not currently participating in any program to accept new referrals from Fidelity or its affiliates. The compensation arrangements generally are based on a percentage of the advisory fees paid to Ayco by the referred clients and are disclosed to clients. In addition, from time to

time, Ayco may also compensate employees of Ayco and its affiliates for client referrals pursuant to applicable laws.

Personnel may have board, advisory, brokerage or other relationships with issuers, distributors, consultants and others that may have Advisory Accounts or that may recommend the use of Advisory Accounts or portfolio transactions for Advisory Accounts.

Goldman Sachs, including Ayco and its Personnel, may make charitable contributions to institutions, including those that have relationships with clients or personnel of clients and Personnel may have board relationships with charitable institutions. Personnel may also make political contributions. The individuals and entities with which GS&Co. and its Personnel have these relationships may have or recommend Advisory Accounts.

Item 15 – CUSTODY

Clients generally custody their funds and securities in their Advisory Accounts with GS&Co. or Fidelity. Clients also may enter into separate custody agreements to maintain client funds and securities with other unaffiliated qualified custodians. However, under the Advisers Act, Ayco or its affiliates may be “deemed” to have custody of client assets under certain circumstances, including where Ayco has a limited power of attorney for Advisory Accounts on the Fidelity Platform and in connection with the provision of personal accounting services to clients.

Clients who custody funds and securities with GS&Co. or Fidelity will receive periodic account statements from GS&Co. or Fidelity, respectively. Clients who custody funds and securities away from GS&Co. receive account statements directly from their qualified custodian, including Fidelity, and may also receive periodic account statements and performance reports from Ayco or its affiliates. Clients should understand that the statements received from the custodian of their funds or securities are the official records for their Advisory Accounts. Clients are urged to compare any account statements that they receive from their qualified custodian related to Ayco’s personal accounting services with any reports or statements that they receive from Ayco.

Item 16 – INVESTMENT DISCRETION

Ayco accepts discretionary investment authority to manage Advisory Accounts on a client’s behalf and at the client’s risk. Clients who choose to grant Ayco discretion are required to sign an investment advisory agreement and complete account opening documentation appointing and authorizing Ayco to supervise and direct the investment of assets in the Advisory Account.

Ayco’s discretionary authority is limited by the terms of its investment advisory agreements and any written investment guidelines, including reasonable restrictions agreed to in writing between Ayco and each client. Ayco does not accept discretion over client’s investment accounts and assets as part of its financial counseling services.

In order to engage in certain transactions on behalf of Advisory Accounts, Ayco will be subject to (or cause Advisory Accounts to become subject to) the rules, terms and/or conditions of any venues through which it trades securities, derivatives or other instruments. The rules, terms and/or conditions of any such venue may result in Ayco (and/or the Advisory Accounts) being subject to, among other things, margin requirements, additional fees and other charges, disciplinary procedures, reporting and recordkeeping, position limits and other restrictions on trading, settlement risks and other related conditions on trading.

Item 17 – VOTING CLIENT SECURITIES

Proxy Voting Policies – Authority to Vote

Ayco is not delegated proxy voting authority on behalf of all of its Advisory Accounts. Unless Ayco expressly agrees in writing, Ayco does not accept authority, or give any advice to clients about how to vote client securities, including for securities held in Advisory Accounts.

Fidelity Platform

Ayco does not accept authority for voting proxies relating to the majority of Advisory Accounts on the Fidelity Platform. Under the advisory agreement between Ayco and these clients, clients agree to retain the right to vote such proxies. These Fidelity Platform clients will receive all annual reports and proxy materials relating to securities held in Advisory Accounts directly from Fidelity and are encouraged to contact Fidelity to ensure that they receive their proxies and other solicitations for securities held in their Advisory Account.

For the Advisory Accounts on the Fidelity Platform for which Ayco has voting discretion, Ayco has adopted policies and procedures (the “Proxy Voting Policy”) for the voting of proxies. Ayco has also adopted customized proxy voting guidelines developed by its affiliate (the “Goldman Sachs Guidelines”) that Ayco generally applies when voting proxies for U.S. public equity investments on behalf of these Advisory Accounts. The Goldman Sachs Guidelines address a wide variety of individual topics, including, among other matters, shareholder voting rights, anti-takeover defenses, board structures, the election of directors, executive and director compensation, reorganizations, mergers, issues of corporate social responsibility and various shareholder proposals. Ayco has retained an unaffiliated proxy voting service, currently Institutional Shareholder Services – Risk Metrics (the “Proxy Service”), to assist in the implementation and administration of certain proxy voting-related functions for the Advisory Accounts on the Fidelity Platform for which Ayco has voting discretion, including, without limitation, the Goldman Sachs Guidelines, operational, recordkeeping and reporting services. Ayco may hire other service providers to replace or supplement the Proxy Service with respect to any of the services Ayco currently receives from the Proxy Service. With respect to investment company (including mutual funds and ETFs) proxies for these accounts, Ayco has appointed the Proxy Service to vote proxies in accordance with the Proxy Service voting guidelines.

GS Platform

Ayco does not accept authority for voting proxies relating to any Advisory Accounts on the GS Platform. Under the advisory agreement between Ayco and GS Platform clients, clients agree to either (i) retain the right to vote such proxies and receive all annual reports and proxy materials relating to such shares; or (ii) appoint the Proxy Service as their proxy voting agent to vote proxies for U.S. public equity investments held in GS Platform Advisory Accounts pursuant to the Goldman Sachs Guidelines and to vote investment company proxies in accordance with the Proxy Service voting guidelines, or separately arrange for the Proxy Service to vote proxies pursuant to other guidelines. By making the Goldman Sachs Guidelines available as a reference, Ayco does not act as investment adviser or fiduciary to these clients for proxy voting matters.

Proxy Voting Policies – General

Ayco believes the Goldman Sachs Guidelines are designed to prevent conflicts of interest from influencing proxy voting decisions and to help ensure that such decisions are made in accordance with Ayco’s fiduciary obligations to its clients because they are pre-established guidelines that are not designed to further Ayco’s economic interests. Notwithstanding such controls, proxy voting decisions made by Ayco in respect of securities held by a particular Advisory Account may benefit the interests of Ayco and/or Accounts other than the Advisory Account, provided that Ayco believes such voting decisions to be in accordance with its fiduciary obligations. In addition, the Goldman Sachs Guidelines as

implemented may be detrimental to the interests of certain Ayco advisory clients, particularly those clients who have engaged Ayco for financial counseling services that also have existing Advisory Accounts.

Clients can obtain information regarding how securities were voted for a particular Advisory Account by calling their Ayco representative. Ayco's Proxy Voting Policy and the Goldman Sachs Guidelines are available upon request. Goldman Sachs may change the Goldman Sachs Guidelines at any time by giving clients notice of the new terms (including by posting them on the Goldman Sachs client website).

If GS&Co. is custodian, it forwards proxy materials directly to clients or the Proxy Service, if applicable, and notices for class actions and other legal proceedings directly to clients or their appointed agent. GS&Co. recommends that clients promptly review these materials, as they identify important deadlines and may require action on the client's part. Ayco and GS&Co. are not required to notify unaffiliated custodians or clients who use unaffiliated custodians of proxy notices, shareholder class action lawsuits and similar matters related to securities held in their Advisory Accounts. Unless otherwise agreed, Ayco does not render any advice or take any action with respect to securities or other property currently or formerly held in Advisory Accounts or the issuers thereof that become the subject of any legal proceedings, including bankruptcies and shareholder class action lawsuits. With respect to shareholder class action litigation and similar matters, Ayco's Advisory Account clients are encouraged to contact their custodians and ensure that they receive notices and are aware of the participation and filing requirements related to class action and similar proceedings.

Item 18 – FINANCIAL INFORMATION

A balance sheet for Ayco's fiscal year ended December 31, 2016 is attached.

Item 19 – REQUIREMENTS FOR STATE REGISTERED ADVISERS

Not applicable.

GLOSSARY

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

“Accounts” means Goldman Sachs’ own accounts, accounts in which Personnel have an interest, Goldman Sachs client accounts and Affiliated Products Goldman Sachs sponsors, manages and advises.

“ACF” means The Ayco Charitable Foundation, a 501(c)(3) public charity that sponsors Sub-Accounts.

“Administration Fee” means the fee for certain administrative services performed on behalf of ACF, based on total assets held by ACF.

“Advisers Act” means the Investment Advisers Act of 1940, as amended.

“Advisory Accounts” means accounts for which Ayco has expressly agreed to serve as investment adviser pursuant to a separate express account agreement.

“Advisory Personnel” means with respect to Ayco, Ayco personnel providing advisory services, including, as the context may be appropriate, Account Managers, Wealth Advisors, Financial Counselors, Financial Coaches, Wealth Strategists, Portfolio Management Teams, IPs, RIOs, and the investment committee for certain trusts established through ATAS.

“Affiliated Products” means securities issued by Goldman Sachs or its affiliates, including structured products, and separately managed accounts and pooled vehicles managed by Goldman Sachs.

“Agency Trading” means an alternative trading option under which fixed income trades for certain fixed income strategies managed by Advisory Personnel generally are executed by GS&Co. on an agency basis.

“AIMS” means GSAM’s Alternative Investments and Manager Selection group.

“APAS” means Ayco Personal Advisor Service.

“APCS” means Ayco Privileged Client Service.

“APS” means Ayco Portfolio Solution®.

“ASA” means The Ayco Services Agency, L.P., a state licensed insurance agency and an affiliate of Ayco.

“ASIA” means The Ayco Services Insurance Agency, Inc., a state licensed insurance agency and an affiliate of Ayco.

“ATAS” means Ayco Trust Advisory Service.

“Ayco” means The Ayco Company, L.P., a registered investment adviser with the SEC.

“Ayco ICS” means Ayco Institutional Client Solutions.

“Ayco PWM” means Ayco Private Wealth Management (formerly the Investment Services Group).

“Bank Deposit” means the Goldman Sachs Bank Deposit at GS Bank, which operates as a cash sweep account for clients for whom it has been designated as the sweep option for holding available cash.

“Brochure” means Ayco’s Form ADV Part 2A.

“CASP” means Comprehensive Advisory Services Program.

“CFTC” means Commodity Futures Trading Commission.

“Code” means Ayco’s Code of Ethics adopted pursuant to SEC Rule 204A -1 of the Advisers Act.

“DAF Account” means a donor advised fund account sponsored by ACF.

“DMAP” means Discretionary Manager Allocation Program.

“ERISA” means Employee Retirement Income Security Act of 1974, as amended.

“ETF” means an exchange traded fund.

“Execution Charges” means broker-dealer execution charges, including commissions, commission equivalents, mark-ups, mark-downs or spreads.

“Execution Charge Waived Strategies” means eligible fixed income strategies and any other investment strategies managed by Advisory Personnel for which Goldman Sachs has determined, or may in the future determine, to waive commissions and/or mark-ups/mark-downs from time to time.

“External Products” means products managed, sponsored, advised or issued by Unaffiliated Managers.

“FDIC” means the Federal Deposit Insurance Corporation.

“Fidelity” means, together, Fidelity Brokerage Services LLC and National Financial Services LLC.

“Fidelity Platform” means the platform with Fidelity through which services including, among others, brokerage, custodial, administrative support, record keeping and related services, are provided and which may benefit Ayco.

“FPTC” means Fidelity Personal Trust Company, FSB.

“Goldman Sachs” means GS Group, Ayco and their respective affiliates, directors, partners, trustees, managers, members, officers and employees.

“Goldman Sachs Guidelines” means the customized proxy voting guidelines developed by Ayco’s affiliate which Ayco has adopted.

“GS Bank” means Goldman Sachs Bank USA.

“GS&Co.” means Goldman, Sachs & Co., a registered broker-dealer and investment adviser with the SEC and an affiliate of Ayco.

“GSAM” means Goldman Sachs Asset Management, L.P., a registered investment adviser with the SEC and an affiliate of Ayco.

“GSAMI” means Goldman Sachs Asset Management International.

“GS Group” means 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, and a worldwide full-service financial services organization.

“GSIS” means GS Investment Strategies, LLC.

“GSS” means Goldman Sachs Securities Services.

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

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

“GS Platform” means the platform with GS&Co. through services including, among others, brokerage, custodial, administrative support, record keeping and related services, are provided and which may benefit Ayco.

“HFS” means Goldman Sachs Hedge Fund Strategies LLC.

“IP” means an Ayco PWM Investment Professional.

“IPG” means Ayco’s Investment Planning Group.

“IRC” means the Internal Revenue Code of 1986, as amended

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

“Managed Advisory Account” means an account designed by an IP through consultation with the client to develop an account with suitable investment objectives and risk tolerance relative to the client’s financial circumstances and asset allocation strategy.

“Mercer Allied” means Mercer Allied Company, L.P., a broker-dealer registered with the SEC and an affiliate of Ayco.

“NAV” means net asset value.

“NTF Funds” means funds available through the Fidelity Platform for which (i) Fidelity is not a sponsor or manager and (ii) transaction fees are not imposed.

“Outside Manager” means a manager not appearing on The Ayco List of Mutual Funds or not recommended by Ayco or its affiliates, including GS&Co. and GSAM.

“PCP” means Goldman Sachs Asset Management Private Client Portfolio.

“Personnel” means personnel of Goldman Sachs.

“Portfolio Management Teams” means the teams of portfolio management personnel within Ayco PWM who manage various investment strategies.

“Private Access Account Strategies” means a wrap fee program on the Fidelity Platform sponsored by Ayco, known as the Ayco Private Access Account Strategies program.

“Proxy Service” means Institutional Shareholder Services – Risk Metrics.

“Proxy Voting Policy” means the policies and procedures adopted by Ayco for the voting of proxies on behalf of the Advisory Accounts on the Fidelity Platform for which Ayco has voting discretion.

“Qualifying Accounts” means discretionary advisory accounts managed by Ayco and/or its affiliates, or by affiliated and unaffiliated managers through a wrap program sponsored by Ayco or GS&Co.

“RBC” means Royal Bank of Canada.

“RTC” means Reliance Trust Company of Delaware.

“Retirement Accounts” means, collectively, pension plans (including 401(k) plans) and other employee pension benefit plans subject to ERISA, tax qualified retirement plans (including Keogh plans) under IRC Section 401(a) and not covered by ERISA, and individual retirement accounts under IRC Sections 408 and 408A.

“RIO” means an Ayco PWM Regional Investment Officer.

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

“Unaffiliated Managers” means managers that are unaffiliated with Goldman Sachs.

“Variable Products” means variable life insurance policies and variable annuity contracts.

“Variable Subaccounts” means separate accounts underlying Variable Products.

“WTC” means Wilmington Trust Company.

The Ayco Company L.P.

Statement of Financial Condition

December 31, 2016

The Ayco Company L.P.

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Report of Independent Auditors

To the Management of The Ayco Company L.P.

We have audited the accompanying statement of financial condition of The Ayco Company L.P. as of December 31, 2016.

Management's Responsibility for the Statement of Financial Condition

Management is responsible for the preparation and fair presentation of the statement of financial condition in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a statement of financial condition that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the statement of financial condition based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of financial condition. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the statement of financial condition, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the statement of financial condition in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statement of financial condition. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of The Ayco Company L.P. as of December 31, 2016 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9 to the statement of financial condition, the Company has entered into significant transactions with The Goldman Sachs Group, Inc., a related party. Our opinion is not modified with respect to this matter.

PricewaterhouseCoopers LLP

March 27, 2017

The Ayco Company L.P.
Statement of Financial Condition
December 31, 2016

Assets

Current assets

Cash and cash equivalents	\$ 4,781,000
Accounts receivable, net of allowance of \$787,000	32,593,000
Prepaid expenses	1,308,000
Due from affiliates	<u>171,666,000</u>

Total current assets 210,348,000

Property, building and equipment, net	14,267,000
Investments in affiliates	8,318,000
Goodwill	275,188,000
Customer relationships, net	62,205,000
Other assets	<u>622,000</u>

Total assets \$ 570,948,000

Liabilities and Partners' Capital

Current liabilities

Accrued compensation and benefits	\$ 58,671,000
Other liabilities and accrued expenses	2,155,000
Due to affiliates	33,259,000
Deferred income	5,487,000
Income taxes payable	34,169,000
Pensions, postretirement and deferred compensation liabilities	<u>2,090,000</u>

Total current liabilities 135,831,000

Net deferred tax liabilities	81,859,000
Rent escalation	5,742,000
Pensions, postretirement and deferred compensation liabilities	<u>3,819,000</u>

Total liabilities 227,251,000

Commitments, contingencies and guarantees

Partners' capital 343,697,000

Total liabilities and partners' capital \$ 570,948,000

The accompanying notes are an integral part of the statement of financial condition.

The Ayco Company L.P.

Notes to Statement of Financial Condition

December 31, 2016

1. Description of Business

The Ayco Company L.P. (the Partnership), a Delaware limited partnership, is an indirectly wholly owned subsidiary of The Goldman Sachs Group, Inc. (Group Inc.), a Delaware corporation. The Partnership's sole members are GS Ayco Holding LLC and Saratoga Springs LLC. The Partnership is engaged in the business of providing professional services which include financial counseling, tax return preparation, asset management, trust and estate and corporate benefit plan services to corporate and individual clients primarily throughout the United States.

2. Basis of Presentation and Significant Accounting Policies

The statement of financial condition is prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Use of Estimates

Preparation of the statement of financial condition requires management to make certain estimates and assumptions, the most important of which relate to the fair value methodology used to calculate the fair value of the Partnership in connection with the goodwill impairment test, the provision for losses that may arise from litigation, regulatory proceedings and tax audits and the allowance for uncollectible accounts receivable. These estimates and assumptions are based on the best available information but actual results could be materially different.

Cash and Cash Equivalents

The Partnership defines cash equivalents as highly liquid overnight deposits held in the ordinary course of business. Cash balances are maintained at various institutions, some of which are insured by the Federal Deposit Insurance Corporation to the extent provided by law. At December 31, 2016, the Partnership had \$4,184,000 held in banks in excess of the insured limits.

Accounts Receivable

Accounts receivable consist primarily of amounts owed by clients. These balances are presented net of allowance for uncollectible accounts. The allowance estimate is based on past collection experience and the Partnership's assessment of the incurred loss.

Property, Building and Equipment

Property, building and equipment are stated net of accumulated depreciation and amortization. All property and equipment, excluding land, are depreciated on a straight-line basis over the useful life of the asset. Leasehold improvements are amortized on a straight-line basis over the useful life of the improvement or the term of the lease, whichever is shorter. Significant additions or improvements extending the assets' useful lives are capitalized.

The Partnership tests property, building and equipment for impairment whenever events or changes in circumstances suggest that an asset or asset group's carrying value may not be fully recoverable. To the extent the carrying value of an asset exceeds the projected undiscounted cash flows expected to result from the use and eventual disposal of the asset or asset group, the Partnership determines the asset is impaired and records an impairment loss equal to the difference between the estimated fair value and the carrying value of the asset or asset group.

The Ayco Company L.P.

Notes to Statement of Financial Condition

December 31, 2016

Investments in affiliates

The Partnership owns 99% of Ayco Services Agency, L.P. and Mercer Allied Company, L.P. but does not have a controlling financial interest in these entities. The controlling financial interest is maintained by the General Partner, GS Ayco Holding LLC, which holds all voting rights. Investments in affiliates are reported using the equity method of accounting because the Partnership has a significant degree of involvement in the cash flows and operations of the entities.

Goodwill

The goodwill balance relates to the acquisition of The Ayco Company, L.P. and its Affiliates by GS Ayco Holding LLC on July 1, 2003. Goodwill is the cost of acquired companies in excess of the fair value of net assets, including identifiable intangible assets, at the acquisition date. During 2016, the carrying value of goodwill decreased by \$583,000 related to amortization of tax goodwill.

Goodwill is assessed for impairment annually in the fourth quarter or more frequently if events occur or circumstances change that indicate an impairment may exist. When assessing goodwill for impairment, first, qualitative factors are assessed to determine whether it is more likely than not that the fair value of the Partnership is less than its carrying amount. If results of the qualitative assessment are not conclusive, a quantitative goodwill test is performed. The quantitative goodwill impairment test consists of two steps. The first step compares the estimated fair value of the Partnership with its estimated net book value (including goodwill and identifiable intangible assets). If the Partnership's fair value exceeds its estimated net book value, goodwill is not impaired. If the estimated fair value of the Partnership is less than its estimated net book value, the second step of the goodwill test is performed to measure the amount of impairment, if any. An impairment is equal to the excess of the carrying amount of goodwill over its fair value.

Goodwill was tested for impairment, using a quantitative test, during the fourth quarter. The estimated fair value of the Partnership exceeded its net book value. Accordingly, goodwill was not impaired and step two of the quantitative goodwill test was not performed. The Partnership uses a price-to-earnings multiple of comparable competitors to the Partnership's net earnings to estimate fair value because the Partnership believes market participants would use this technique to value the Partnership.

Customer Relationships

Customer relationships are amortized over their estimated useful lives using the straight-line method. Customer relationships are tested for potential impairment whenever events or changes in circumstances suggest that an asset group's carrying value may not be fully recoverable. To the extent the carrying value of an asset exceeds the projected undiscounted cash flows expected to result from the use and eventual disposal of the asset or asset group, the Partnership determines the asset is impaired and records an impairment loss equal to the difference between the estimated fair value and the carrying value of the asset or asset group. During 2016, the Partnership did not record an impairment.

Deferred Income

Deferred income consists of the unearned portion of amounts invoiced. The entity recognizes revenue in the period service is provided, any revenue received in advance is deferred.

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Recent Accounting Developments

Revenue from Contracts with Customers (ASC 606)

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)." This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures.

The ASU is effective for the Partnership in January 2018 under a modified retrospective approach or retrospectively to all periods presented. The Partnership's implementation efforts include identifying revenues and costs within the scope of the ASU, reviewing contracts, and analyzing any changes to its existing revenue recognition policies. Based on implementation work to date, the Partnership does not currently expect that the ASU will have an impact on its financial condition on the date of adoption.

Leases (ASC 842)

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)." This ASU requires that, for leases longer than one year, a lessee recognize in the statements of financial condition a right-of-use asset, representing the right to use the underlying asset for the lease term, and a lease liability, representing the liability to make lease payments. It also requires that for finance leases, a lessee recognize interest expense on the lease liability, separately from the amortization of the right-of-use asset in the statements of earnings, while for operating leases, such amounts should be recognized as a combined expense. In addition, this ASU requires expanded disclosures about the nature and terms of lease agreements.

The ASU is effective for the Partnership in January 2019 under a modified retrospective approach. Early adoption is permitted. The Partnership's implementation efforts include reviewing existing leases and service contracts, which may include embedded leases. The Partnership expects a gross up on its statement of financial condition upon recognition of the right-of-use assets and lease liabilities that may be material to the assets and liabilities on the statement of financial condition but the partnership does not expect the gross up to have a material net economic impact on its financial condition.

3. Property, Building and Equipment

Property, building and equipment that the Partnership uses in connection with its operations consist of the following:

Land	\$ 800,000
Building and improvements	24,950,000
Furniture, fixtures and equipment	19,052,000
	<hr/>
	44,802,000
Less: Accumulated depreciation	(30,535,000)
	<hr/>
	\$ 14,267,000

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4. Customer Relationships

The following table sets forth the gross carrying amount, accumulated amortization and net carrying amounts of the customer relationships:

Gross carrying amount	\$ 161,000,000
Accumulated amortization	<u>(98,795,000)</u>
Net carrying amount	<u>\$ 62,205,000</u>

The customer relationships are being amortized over their estimated useful life of 22 years. The weighted average remaining lives at December 31, 2016 of customer relationships is approximately 8.5 years.

5. Income Taxes

Provision for Income Taxes

Income taxes are provided for using the asset and liability method under which deferred tax assets and liabilities are recognized for temporary differences between the financial reporting and tax bases of assets and liabilities.

The Partnership is treated as a single member limited liability corporation ("SMLLC"), and therefore considered a disregarded branch of the parent for U.S. Federal tax purposes, and a "C" Corporation for U.S. Federal tax purposes. Therefore, the Partnership is required to accrue U.S. federal, state and local tax as the entity was a "C" Corporation. The Partnership is included with Group Inc. and subsidiaries in the consolidated corporate federal tax returns as well as consolidated/combined state and local tax returns. The Partnership computes its tax liability on a modified separate company basis and settles such liabilities with Group Inc. pursuant to the tax sharing arrangement. To the extent the Partnership generates tax benefits from losses it will be reimbursed by Group Inc. pursuant to the tax sharing arrangement. The Partnership's state and local tax liabilities are allocated to reflect its share of the consolidated/combined state and local income tax liability. As of December 31, 2016, the Partnership's income tax payable in the statement of financial condition was \$34,169,000.

Deferred Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities. These temporary differences result in taxable or deductible amounts in future years and are measured using the tax rates and laws that will be in effect when such differences are expected to reverse. Valuation allowances are established to reduce deferred tax assets to the amount that more likely than not will be realized. Deferred taxes are recorded in the statement of financial condition, until the underlying temporary differences reverse and the taxes become currently payable or receivable. At December 31, 2016, the Partnership had net deferred tax liabilities of \$81,859,000 primarily related to deferred tax liabilities on tax amortization of customer relationships and goodwill of \$109,142,000 offset by deferred tax assets related to deferred compensation of \$25,726,000 and other book tax differences of \$1,557,000. No valuation allowance is required as it is considered more likely than not that the deferred tax assets will be utilized.

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Unrecognized Tax Benefits

The Partnership recognizes tax positions in the statement of financial condition only when it is more likely than not that the position will be sustained on examination by the relevant taxing authority based on the technical merits of the position. A position that meets this standard is measured at the largest amount of benefit that will more likely than not be realized on settlement. A liability is established for differences between positions taken in a tax return and amounts recognized in the statement of financial condition. As of December 31, 2016, the Partnership did not record a liability related to accounting for uncertainty in income taxes.

Regulatory Tax Examinations

The Partnership is subject to examination by the U.S. Internal Revenue Service (IRS) and other taxing authorities in jurisdictions where the Partnership has significant business operations such as New York State and City. The tax years under examination vary by jurisdiction. The Joint Committee on Taxation finalized its review of the U.S. Federal examinations of GS Group Inc. and subsidiaries (the Group) for fiscal 2008 through calendar 2010 in 2016. The examinations of 2011 and 2012 began in 2013. New York State and City examinations of tax filings for the Group for fiscal 2007 through calendar 2010 are ongoing.

The Group has been accepted into the Compliance Assurance Process program by the IRS for each of the tax years from 2013 through 2017. This program allows the Group to work with the IRS to identify and resolve potential U.S. federal tax issues before the filing of tax returns. The 2013 tax year is the first year that was examined under the program, and 2013 through 2015 remain subject to post-filing review.

6. Employee Benefit Plans

Postretirement Benefits

The Partnership provides postretirement health benefits to individuals who retire at or after age 55 and who also have at least ten years of full time service or the equivalent as of the date of retirement. During 2011, the plan was amended to extend eligibility to employees whose age plus years of service are equal to or greater than 60 and have at least 15 years of service. The Partnership has limited the annual benefit under the plan to \$1,000 per year per participant. Any premiums in excess of \$1,000 must be paid for by the retiree.

At December 31, 2016, accumulated other comprehensive income, included in "Partners' capital" in the statement of financial condition, is comprised of an unrecognized gain and unrecognized prior service cost of \$434,000 and (\$108,000), respectively.

The following table sets forth the funded status of the postretirement health benefit plan and amount recognized in the statement of financial condition:

	Postretirement Benefits
Accumulated postretirement benefit obligation	\$ 3,367,000
Plan assets at fair value	-
Unfunded liability	<u>3,367,000</u>
Liability recognized in the statement of financial condition	<u>\$ 3,367,000</u>

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For the year ended December 31, 2016, the projected benefit obligation increased in the aggregate by approximately \$344,000 due primarily to a decrease in the discount rate from 4.60% at December 31, 2015 to 4.35% at December 31, 2016.

Weighted-average assumptions and other benefit information as of December 31, 2016:

	Postretirement Benefits
Discount rate	4.35 %
Healthcare cost trend rate assumed next year	7.25 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00 %
Year that the rate reaches the ultimate trend rate	2022
Benefit cost	\$ 284,000
Employer contributions	69,000
Benefits paid	69,000

The following table sets forth benefit payments projected to be paid from the Partnership's postretirement health benefit plan and reflects expected future service, where appropriate:

	Postretirement Benefits
2017	\$ 87,000
2018	99,000
2019	111,000
2020	123,000
2021	134,000
2022–thereafter	832,000

Other Employee Benefits

The Partnership maintains a nonqualified deferred compensation plan for eligible employees. The cost of such plan is accrued over the period of active employment from the employee's participation date in the plan. At December 31, 2016, the deferred compensation payable amount approximated \$756,000 of which \$264,000 is included in the current portion of pensions, postretirement and deferred compensation liabilities.

Group Inc. maintains a defined benefit pension plan for eligible employees of the Partnership. The Partnership is allocated a prorata share of the overall expense (income) from Group Inc.

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The Partnership maintains a deferred compensation (401(k)) plan which covers substantially all employees who have met certain service requirements. The plan permits participants to contribute up to 85% of salary, including commissions and bonuses, subject to Internal Revenue Service ("IRS") limitations. Effective January 1, 1999, the Partnership's matching contribution is 75% of the participant's total elective deferred contribution up to a maximum of 75% of 2% of the participant's compensation up to the IRC Section 401 (a) (17) limit. Participants elect to have their contributions invested in a number of investment funds made available by the plan sponsor. The plan administrator may limit the maximum contributions per participant to comply with the IRS regulations. At December 31, 2016, matching contributions payable under the plan and included in current portion of pensions, postretirement and deferred compensation liabilities approximated \$109,000.

The Partnership maintains an additional retirement account which covers all employees who have met certain service requirements. Benefits are based on employee's adjusted gross earnings and years of participation in the Plan. The Partnership's funding policy is to contribute annually an amount equal to the calculated benefit. At December 31, 2016, retirement contributions payable under the Plan and included in the current portion of pensions, postretirement and deferred compensation liabilities approximated \$1,620,000.

The Partnership maintains an unfunded supplemental pension plan for certain retirees. The accumulated benefit obligation for this plan is \$57,000 of which \$10,000 is included in the current portion of pensions, postretirement and deferred compensation liabilities as of December 31, 2016.

Generally, the Partnership determined the discount rate for postretirement benefits by referencing indices for long-term, high quality bonds and ensuring that the discount rate does not exceed the yield reported for those indices after adjustment for the duration of the plan's liability.

The statement of financial condition includes a liability at December 31, 2016 for the foregoing plans of \$5,909,000 of which \$2,090,000 is current.

7. Restricted Stock Units

Group Inc. grants restricted stock units ("RSUs") to employees of the Partnership under The Goldman Sachs Amended and Restated Stock Incentive Plans, primarily in connection with year-end compensation. RSUs are valued based on the closing price of the underlying shares on the date of grant after taking into account a liquidity discount for any applicable post-vesting and delivery transfer restrictions. RSUs generally vest and underlying shares of common stock deliver as outlined in the applicable award agreements. Employee award agreements generally provide that vesting is accelerated in certain circumstances, such as on retirement, death, disability and conflicted employment. Delivery of the underlying shares of common stock is conditioned on the grantees satisfying certain vesting and other requirements outlined in the award agreements. At December 31, 2016, amounts payable to Group Inc. for the vested portion of RSUs are included within accrued compensation and benefits in the statement of financial condition.

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8. Commitments, Contingencies and Guarantees

The Partnership has contractual obligations under long-term noncancelable lease agreements, principally for office space, expiring on various dates through 2029. Certain agreements are subject to periodic escalation provisions for increases in real estate taxes and other charges. Rent expense related to leases with escalating rent payments over the lease term and lease incentives are recorded on a straight line basis. The table below presents future minimum rental payments, net of minimum sublease rentals.

As of December 31, 2016:

2017	\$ 8,934,000
2018	8,902,000
2019	9,010,000
2020	7,276,000
2021	7,360,000
2022–thereafter	21,597,000
	<u>\$ 63,079,000</u>

Legal Proceedings

The Partnership is involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of the Partnership's businesses. Many of these proceedings are in early stages, and seek an indeterminate amount of damages.

Management is generally unable to estimate a range of reasonably possible loss for matters, including where (i) actual or potential plaintiffs have not claimed an amount of money damages, except in those instances where management can otherwise determine an appropriate amount, (ii) matters are in early stages, (iii) there is uncertainty as to the likelihood of a class being certified or the ultimate size of the class, (iv) there is uncertainty as to the outcome of pending appeals or motions, (v) there are significant factual issues to be resolved, and/or (vi) there are novel legal issues presented. Management does not believe, based on currently available information, that the outcomes of such matters will have a material adverse effect on the Partnership's financial condition.

9. Related Party Transactions

In 2016, the Partnership provided certain counseling services to partners of Group, Inc. and had cash advances to Group Inc. recorded in due from affiliates. In addition, the Partnership reimburses Group Inc. for share issuances to Partnership employees under the restricted stock units program, discussed in Note 7. At December 31, 2016, amounts due from affiliates, include a loan receivable from affiliates in the amount of \$152,170,000. The interest on the long-term loan receivable is based on prevailing market rates, computed at an internal cost of funds (3.13% at December 31, 2016) and is payable on demand. The carrying value of the loan approximates fair value. In addition, \$91,000,000 was paid to GS Group in equity distributions during 2016.

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10. Disclosure About Fair Value of Financial Instruments

The Partnership would have classified the Financial Instruments as Level 2 in the Partnership's fair value hierarchy since there is reasonable level of price transparency and the inputs in the valuation of these instrument's is observable. Financial instruments, other than those discussed in Note 9, mainly consist of accounts receivable. The carrying amount of accounts receivable approximates fair value due to the short-term nature of the instruments.

11. Subsequent Events

The Partnership has performed an evaluation of subsequent events through March 27, 2017, the date at which the statement of financial condition was available to be issued, and determined that there were no material events or transactions that would require recognition or disclosure in the statement of financial condition or notes to the statement of financial condition.