



**Asset
Management**

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August 2, 2019

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This brochure ("Brochure") provides information about the qualifications and business practices of the registrants listed below (each, a "Registrant" and collectively, the "Registrants").

- Goldman Sachs Asset Management, L.P. ("GSAML")
- Goldman Sachs Hedge Fund Strategies LLC ("HFS")
- GS Investment Strategies, LLC ("GSIS")
- GSAM Stable Value, LLC ("GSAM SV")
- Goldman Sachs Asset Management International ("GSAMI")
- Goldman Sachs Asset Management Co. Ltd. ("GSAMC")
- Goldman Sachs Asset Management (Hong Kong) Limited ("GSAMHK")
- Goldman Sachs Asset Management (Singapore) Pte. Ltd. ("GSAMS")
- Aptitude Investment Management LP ("Aptitude")
- Rocaton Investment Advisors, LLC ("Rocaton")
- Standard & Poor's Investment Advisory Services LLC ("SPIAS")

The Registrants, together with various affiliates as described in this Brochure, comprise Goldman Sachs Asset Management ("GSAM"). Accordingly, the disclosure contained in this Brochure applies to each Registrant, except where a specific Registrant is identified or where the context clearly indicates that such disclosure applies to fewer than all Registrants.

This Brochure also describes the investment advisory services provided by GSAM to clients of the Private Wealth Management ("PWM") unit of Goldman Sachs & Co. LLC ("GS&Co.").

If you have any questions about the contents of this Brochure, please contact us at the following numbers:

- For GSAML, HFS, GSIS, GSAM SV, Aptitude, Rocaton and SPIAS: 212-902-1000
- For GSAMC: 81-3-6437-6000
- For GSAMI: 011-44-207-774-1000
- For GSAMHK: 852-2978-1000
- For GSAMS: 65-6889-1000

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Investment adviser registration does not imply a certain level of skill or training.

Additional information about the Registrants also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

This Brochure is dated August 2, 2019, and is an “other-than-annual” amendment to the prior brochure dated April 26, 2019. This Brochure has been updated to reflect the acquisition of SPIAS by GSAM Holdings LLC.

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Item 4 – Advisory Business

This Brochure relates to GSAMLP, HFS, GSIS, GSAM SV, GSAMI, GSAMC, GSAMHK, GSAMS, Aptitude, Rocaton and SPIAS.¹

Registrants, together with various affiliates, including affiliates in Bangalore, Beijing, Frankfurt, Hong Kong, Kuala Lumpur, London, Milan, Mumbai, Singapore, Sydney, Tokyo, and other major financial centers around the world, currently comprise Goldman Sachs Asset Management (“GSAM”). GSAM is part of The Goldman Sachs Group, Inc. (“GS Group”), a public company that is a bank holding company, financial holding company and a world-wide, full-service financial services organization.

Principal Owners and Operating History of Registrants

GSAMLP is wholly-owned by GSAM Holdings LLC, a wholly-owned subsidiary of GS Group. GSAM Holdings LLC is also the general partner of GSAMLP. GSAMLP has been providing financial solutions for investors since 1988.

HFS is wholly-owned by GSAM Holdings LLC. GS Group acquired HFS, formerly known as Commodities Corporation, in 1997. Commodities Corporation had been operating prior to its acquisition by GS Group since 1969.

GSIS is wholly-owned by GSAM Holdings LLC and has been providing advisory services since 2007.

GSAM SV is wholly-owned by GSAMLP. GSAMLP acquired Dwight Asset Management Company LLC (renamed as GSAM SV) from Old Mutual (US) Holdings Inc. in May 2012. GSAM SV was founded in 1983, and in 1985 registered with the SEC as an investment adviser.

GSAMI is wholly-owned by Goldman Sachs Group UK Limited, an indirect wholly-owned subsidiary of GS Group. GSAMI, which is regulated by the Financial Conduct Authority (“FCA”), as well as the SEC, has been providing financial solutions for investors since 1990.

GSAMC is wholly-owned by Goldman Sachs Asset Management International Holdings LLC (“GSAMIH”), an indirect wholly-owned subsidiary of GS Group. GSAMC, which is regulated by the Financial Services Agency, the Kanto Financial Bureau, the Ministry of Land, Infrastructure, Transport and Tourism, the Securities and Exchange Surveillance Commission, the Tokyo Metropolitan Government and the SEC, has been providing financial solutions for investors since 1990.

GSAMHK is a Hong Kong company and is an indirect wholly owned subsidiary of GS Group. The sole shareholder of GSAMHK is GSAMIH. GSAMHK is regulated by the Securities and Futures Commission of Hong Kong and the SEC.

GSAMS is a Singapore company and is an indirect wholly owned subsidiary of GS Group. The sole shareholder of GSAMS is GSAMIH. GSAMS is regulated by the Monetary Authority of Singapore and the SEC.

Aptitude is wholly-owned by HFS, a wholly-owned subsidiary of GSAM Holdings LLC. Aptitude commenced operations in 2012 and was acquired by HFS in December 2018.

Rocaton is wholly-owned by GSAM Holdings LLC. Rocaton was established in 2002 and was acquired by GSAM Holdings LLC in April 2019.

SPIAS is wholly-owned by GSAM Holdings LLC. SPIAS has been providing advisory services for over 20 years and was acquired by GSAM Holdings LLC in July 2019.

In this Brochure, the Registrants, GSAM Holdings LLC, GS Group, GS&Co. and their respective affiliates, directors, partners, trustees, managers, members, officers and employees are referred to collectively as “Goldman Sachs.” The separately managed accounts (or separate accounts) and pooled investment vehicles such as mutual funds, collective trusts and private investment funds that are sponsored, managed or advised by GSAM are referred to in this Brochure as “Advisory Accounts.” References to GSAM are to the asset management business of Goldman Sachs, which is carried out by various business units (also referred to as teams) within GSAM. Certain of these business units are the Registrants themselves (e.g., each of HFS, GSIS, and GSAM SV is a business unit), while others are groups

¹ Each of GSAMI, GSAMC, GSAMHK and GSAMS has its principal office and place of business outside the United States. This Brochure is provided to their U.S. clients in connection with their advisory services to U.S. clients and U.S. investors.

within the Registrants (e.g., GSAMLP consists of a number of business units as described further below).

GSAM's Advisory Services

GSAM's advisory services are offered through a variety of investment products and arrangements, depending on the strategy. These include separately managed accounts (either directly or through wrap fee programs) and pooled investment vehicles such as mutual funds and private investment funds. Depending on the strategy, investment advice to clients may be provided on a discretionary or non-discretionary basis. GSAM also may advise individual and institutional investors with regard to alternative investments, including hedge funds, private equity funds, funds of funds, co-investments and other opportunities. For certain investment strategies, GSAM may also provide model portfolios to investment advisers that are affiliated with Goldman Sachs ("Affiliated Advisers") and investment advisers that are unaffiliated with Goldman Sachs, including (i) investment advisers that are not controlled by Goldman Sachs but in which certain Advisory Accounts hold equity, profits or other interests and (ii) investment advisers with which Goldman Sachs has business relationships (collectively, "Unaffiliated Advisers" and, together with Affiliated Advisers, "Advisers") that use such model portfolios to assist in developing their own investment recommendations and managing their client accounts. In addition, as further described in Item 12, Brokerage Practices, GSAM may also execute portfolio transactions at the direction of an Advisory Account.

Below is a description of the strategies and solutions utilized by GSAM in managing and advising Advisory Accounts. For additional information about GSAM's strategies and solutions, please see Item 8, Methods of Analysis, Investment Strategies and Risk of Loss.

Fundamental Equity

The Fundamental Equity team conducts original, bottom-up fundamental research across a broad range of country-specific and multi-regional portfolios. The team manages strategies across a broad range of capitalizations and styles, spanning U.S., global developed, growth and emerging markets. Specifically, the team manages growth equity,

value equity, core equity, global developed markets equity and growth and emerging markets equity strategies.

Energy and Infrastructure (including MLPs)

The Energy and Infrastructure team conducts fundamental analysis and a combination of top-down sub-sector selection and bottom-up company selection. The team invests their assets in Master Limited Partnerships ("MLPs") engaged in, among other sectors, the energy, oil and gas sectors and in securities of other companies in these sectors.

Global Fixed Income and Liquidity Management

The Global Fixed Income team seeks to capitalize on investment opportunities across countries, currencies, sectors and issuers. The team offers single-sector, multi-sector, short duration and government and municipal/tax-free strategies and uses independent specialist teams for bottom-up and top-down analysis, and for generating strategies within their areas of expertise. The Global Liquidity Management team within Global Fixed Income helps clients to construct liquidity management solutions that encompass commercial and government securities as well as multicurrency options.

Insurance Asset Management

The Insurance Asset Management team offers a broad range of investment solutions to life, health, property and casualty insurers, and reinsurance clients. The team develops investment solutions within customized capital and risk management frameworks, including assisting clients in assessing financial risk. The team also incorporates specialized insurance strategy, risk management, reporting and accounting services, unique to the needs of insurers. These services include advisory solutions such as strategic asset allocation and asset liability management.

Credit Alternatives

The Credit Alternatives team offers clients a broad range of investment strategies and customized portfolios primarily focused on public and private opportunities, including, without limitation, direct loan origination, middle market lending strategies, corporate credit strategies (including long-only, event-driven, distressed, and long/short strategies), private investment strategies, and real assets strategies (including investments in renewable power

assets). These strategies seek to provide differentiated sources of yield.

Quantitative Investment Strategies (“QIS”)

The QIS team manages portfolios across a wide variety of equity alpha, alternative risk premia and smart beta strategies in equity, fixed-income, currency and commodities markets through factor-based investments. The team uses a quantitative style of management which features factor-based security selection, thoughtful portfolio construction and efficient execution. The team’s three areas of investment focus are:

- **Equity Alpha:** Seeks to utilize traditional and non-traditional data sources to identify companies that are mispriced, companies that are positioned to grow their business beyond market expectation, and companies that are benefiting from positive themes, trends, and sentiment in pursuit of consistent outperformance in equity portfolios.
- **Alternative Risk Premia:** Focuses on hedge fund beta, liquid alternatives and risk premia strategies, including volatility and trend.
- **Smart Beta:** Focuses on customized, rules-based, and indexed strategies. Strategies include equity portfolios that capture common equity factors and tax-aware equity portfolios.

QIS may also offer customized multi-asset class allocations, risk management strategies, tactical investments and investment advisory solutions.

GSIS

GSIS primarily offers investment management advice through private investment funds (including, without limitation, hedge funds, private equity funds and private equity co-investment funds), and primarily manages direct private investment strategies.

Private investment strategies focus primarily on direct investing through privately negotiated transactions in privately-held companies or assets with growth potential. The strategies may also involve investing in public equities and engaging in hedging transactions. GSIS manages Advisory Accounts that invest in private investments and

GSIS also manages Advisory Accounts that co-invest alongside other Advisory Accounts in single private investments.

In connection with GSIS’s management of Advisory Accounts, certain members of the GSIS team focus on particular investment strategies and sub-strategies and/or on implementing such strategies and sub-strategies in specific geographic regions.

Alternative Investments and Manager Selection (“AIMS”)

AIMS provides investment management and advisory services designed to assist clients in diversifying risk generally through investments with Unaffiliated Advisers, including hedge fund, private equity, real estate, credit and fixed-income, and public equity managers. In addition, AIMS may evaluate co-investment opportunities with Unaffiliated Advisers. AIMS manages client assets through selection of one or more Unaffiliated Advisers, selection of Unaffiliated Advisers to sub-advise pooled investment vehicles or separately managed accounts managed by AIMS and/or its affiliates (such pooled investment vehicles and separately managed accounts, “Manager of Manager Accounts”), direct investment in Underlying Funds (as defined below) that are private funds managed by Unaffiliated Advisers, and establishment of investment vehicles managed by AIMS that invest their assets in such third-party managed Underlying Funds (“AIMS Program Funds”).

AIMS may also provide services incidental to managing Advisory Account assets, including hedging interest rate or currency risk for Advisory Accounts and related cash management, and disposing of assets distributed in kind by Advisers. AIMS may advise Advisory Accounts on various matters, including the conduct of due diligence, portfolio construction and other functions, and may also provide Advisory Accounts with access to due diligence reports and other information with respect to one or more Underlying Funds and Unaffiliated Advisers (“Diligence Reports”). In certain situations, AIMS may agree with certain clients that AIMS may provide a different or lower level of services (including relating to due diligence, oversight and/or monitoring of Unaffiliated Advisers and/or Underlying Funds) than would typically be the case absent such agreement. For purposes of this Brochure, “Underlying

Funds” means investment funds (including pooled investment vehicles and private funds) in which one or more Advisory Accounts invest. The businesses that comprise AIMS include:

- **Hedge Funds:** The AIMS hedge fund business is conducted through HFS. See “AIMS Hedge Funds” below.
- **Private Equity:** AIMS-advised Advisory Accounts invest in the private equity market by making commitments to third-party managed private equity Underlying Funds (primary investments), co-investing directly or indirectly in companies alongside Unaffiliated Advisers (co-investments), by acquiring existing private equity investments in the secondary market or providing liquidity solutions to managers of, or investors in, private equity or related asset classes (secondary investments), and by acquiring minority stakes in alternative investment advisers and their affiliates (“Third-Party Management Companies”). AIMS creates portfolios utilizing these strategies, and these portfolios may receive exposure to leveraged buyouts, growth and venture capital, distressed turnaround, industry-focused and structured investments, natural resources, distressed, mezzanine and real assets, and other related sectors. AIMS also manages certain Advisory Accounts that (i) invest substantially all of their assets in a single Underlying Fund managed by an Unaffiliated Adviser or (ii) allocate substantially all of their assets to an Unaffiliated Adviser pursuant to an investment management agreement with such Unaffiliated Adviser. AIMS Private Equity may allocate the assets of certain AIMS Program Funds (“Seeding Funds”) primarily to new, “start-up” or similar Unaffiliated Advisers that have limited or no independent track records, as well as certain other Unaffiliated Advisers that are seeking seed or similar investments, generally in exchange for rights to share in such Unaffiliated Advisers’ management fees and/or performance-based compensation (“Profits Interests”) and/or other special rights.
- **Private Credit:** AIMS-advised Advisory Accounts invest in the private credit market by making commitments to third-party managed private credit Underlying Funds (primary investments) and co-investing directly or indirectly in private loans or other illiquid credit instruments alongside Unaffiliated Advisers (co-investments). AIMS creates portfolios utilizing these strategies, and these portfolios may receive exposure to strategies such as direct lending, loan portfolios, specialty credit, distressed strategies, and other related strategies. AIMS also manages certain Advisory Accounts that invest substantially all of their assets in a single Underlying Fund managed by an Unaffiliated Adviser.
- **Real Estate:** AIMS-advised Advisory Accounts invest in the private real estate market by making commitments to third-party managed private equity Underlying Funds (primary investments), co-investing directly or indirectly in companies alongside Unaffiliated Advisers (co-investments), acquiring existing real estate investments in the secondary market or providing liquidity solutions to managers of, or investors in, real estate asset classes (secondary investments), and by acquiring minority stakes in Third-Party Management Companies. AIMS creates portfolios utilizing these strategies, and these portfolios may receive exposure to office, multifamily, retail, industrial, hospitality, undeveloped and other types of properties.
- **Environmental, Social and Governance (“ESG”) and Impact:** AIMS creates portfolios on behalf of Advisory Accounts utilizing ESG and impact strategies. For such portfolios, AIMS oversees ESG and impact-oriented investing across public equity, credit and fixed-income, hedge fund, real estate and private equity sectors. For these portfolios, AIMS primarily invests in each of these areas in the manner described in the corresponding descriptions in this section, but with an ESG or impact focus and objective.
- **Public Credit, Fixed Income, and Equity:** AIMS acts as a “manager of managers” in the public credit, fixed-income and equity asset classes. AIMS may select Unaffiliated Advisers to sub-advise Manager of Manager Accounts in public credit, fixed-income and equity asset classes, may invest directly in third-party managed public credit, fixed-income and equity

Underlying Funds, or may establish AIMS Program Funds that invest substantially all of their assets in such third-party managed public credit, fixed-income and equity Underlying Funds. In addition, AIMS may evaluate co-investment opportunities with public credit, fixed-income and equity Unaffiliated Advisers.

AIMS Hedge Funds

HFS acts as an adviser to AIMS Program Funds and other Advisory Accounts that invest primarily in Underlying Funds or other accounts utilizing hedge fund or related strategies on either a discretionary or non-discretionary basis. HFS typically allocates client assets to Unaffiliated Advisers. However, in certain circumstances, HFS allocates client assets to Underlying Funds advised by Affiliated Advisers.

HFS typically allocates Advisory Account assets to an Adviser by directly investing in an Underlying Fund managed by that Adviser. However, HFS may also allocate Advisory Account assets to an Adviser by various other means, including by allocating assets to (i) an investment fund formed by HFS or its affiliate that gives the Adviser authority to manage the investment fund's assets, (ii) an investment fund formed by an Adviser principally for Advisory Accounts, (iii) a feeder fund formed principally for Advisory Accounts that invests substantially all of its assets in a single Underlying Fund, (iv) an AIMS Program Fund that is focused on a specific sector or strategy, or (v) Advisers through one or more managed account platforms. In addition, HFS may evaluate co-investment opportunities with Unaffiliated Advisers, and may also allocate Advisory Account assets to an Underlying Fund indirectly through the use of derivative instruments.

HFS may allocate the assets of Seeding Funds primarily to new, "start-up" or similar Advisers that have limited or no independent track records, as well as certain other Advisers that are seeking seed or similar investments, generally in exchange for Profits Interests and/or other special rights. Other HFS-managed AIMS Program Funds and Advisory Accounts may engage in these transactions as well.

HFS also manages certain other AIMS Program Funds, each of which invests substantially all of its assets in a single Underlying Fund managed by an Unaffiliated Adviser.

HFS acquired Aptitude in December 2018. Aptitude offers advisory services similar to those described above with respect to HFS. In addition to such services, Aptitude also assists clients in the design and implementation of the architecture of overall investment programs, based on, among other things, clients' financial circumstances, risk parameters, investment goals and cash flow needs.

Global Portfolio Solutions ("GPS")

The GPS team provides customized, multi-asset class solutions to clients, which may include markets expertise, asset allocation, and risk management services. The team leverages the broader GSAM platform as well as AIMS' external manager selection platform to offer clients a broad range of competitive investment solutions across asset classes, regions, and the risk spectrum. As agreed upon with a client, GPS provides these services by selecting or recommending investment products, monitoring compliance with investment guidelines and/or policies and periodically rebalancing the portfolio. GPS clients may include pooled investment vehicles formed and managed by the GPS team, including vehicles formed primarily for investment by other Advisory Accounts of GPS, and pooled investment vehicles formed and managed by others, including affiliates ("GPS Program Funds"). The GPS team may also provide model portfolios to Advisers, broker-dealers or other financial intermediaries who may use such model portfolios to assist in developing their own investment recommendations and managing their own accounts or the accounts of their clients, or who may make such model portfolios available to their clients through investment platforms.

Stable Value (GSAM SV)

The Stable Value team offers strategies focused on fixed-income investment management services for institutional clients. The team's services include portfolio evaluation, portfolio structuring, credit analysis, review of investment opportunities, structuring of investments, purchasing and selling investments, negotiation and administration of Stable Value Contracts (as defined below), review and oversight of Unaffiliated Advisers and monitoring of client portfolios.

For certain Advisory Account mandates, GSAM SV retains Unaffiliated Advisers (or invests in their Underlying Funds) for all or part of the mandate or assists the Advisory

Account with such retention or oversight of or reporting with respect to the Unaffiliated Adviser and/or provides reporting to the Advisory Account with respect to the Unaffiliated Adviser. For other mandates, the client is responsible for retaining, monitoring and terminating the Unaffiliated Adviser or Underlying Fund. GSAM SV's retention of Unaffiliated Advisers may be subject to client review in advance or to client approval.

Rocaton

Rocaton provides investment advisory services on either a discretionary or non-discretionary basis to its clients, which include corporate, nonprofit, public, healthcare, insurance and wealth management organizations and high net worth individuals. As agreed upon with a client, Rocaton provides asset allocation analysis and advice, selects or recommends the strategies used to implement clients' allocation policies, assists with the review and selection of third party managers for a wide range of asset classes, both public and private, monitors such managers' compliance with investment guidelines and/or policies, and periodically rebalances the portfolio. For certain of its defined contribution plan clients, Rocaton may select the investment menu (number and types of options) and specify the Qualified Default Investment Alternative ("QDIA"). Rocaton also provides services incidental to providing investment advice, including entering into and negotiating the terms and conditions of agreements related to the management of its clients' assets, providing publications and reports to its clients on a variety of topics, assisting clients in the review, search and selection of a variety of service providers for their programs, and providing searches for, or evaluations of, retirement income or annuity-based products. Rocaton also provides model asset allocation portfolios and analysis of third party manager fees, comparative analysis of fees and expenses, and analysis of components of fees and expenses. Rocaton has established an Investment Council, which is empowered with the decision-making responsibility for the discretionary aspects of any Rocaton client relationship.

In addition to the above, new strategies and products may be developed as markets and businesses change.

INVESTMENT RESTRICTIONS

Clients may impose reasonable restrictions on the management of their separate accounts, including by restricting particular securities or types of investments, provided that GSAM accepts such restrictions. Any such restrictions will be reflected in the investment guidelines or other documentation applicable to the Advisory Account.

Absent specific instructions to the contrary, certain types of account limitations requested by clients, for example prohibiting investments in particular industries or limiting investments to those in certain socially responsible categories, may be defined or identified by reference to information provided by a third-party service provider selected by GSAM. GSAM will apply such restrictions based on GSAM's internal policies and the policies and methodologies of the service provider. The methodology used by GSAM or these service providers to analyze companies may change without notice to clients.

Unaffiliated Advisers appointed by GSAM on behalf of clients or Manager of Manager Accounts are responsible for making investment decisions consistent with the investment guidelines and restrictions developed by GSAM. Where GSAM is the investment adviser to a pooled investment vehicle, investment objectives, guidelines and any investment restrictions are not tailored to the needs of individual investors in those vehicles, but rather apply to the vehicle and are described in the prospectus or other relevant offering document for the vehicle. When an AIMS Program Fund invests in a third-party managed Underlying Fund, investment objectives, guidelines and any investment restrictions of the third-party managed Underlying Fund are described in the prospectus or other relevant offering document for the third-party managed Underlying Fund.

As part of Goldman Sachs, a global financial services organization that is subject to a number of legal and regulatory requirements, GSAM is subject to, and has itself adopted, internal guidelines restrictions and policies that may restrict investment decisions and activities on behalf of Advisory Accounts under certain circumstances. See Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, Participation or Interest in Client Transactions, Firm Policies, Regulatory

Restrictions, and Certain Other Factors Affecting Advisory Accounts.

Additional Investment Restrictions Applicable to GSAM SV Advisory Accounts

For retirement plans and other Advisory Accounts that have a “stable value” or similar investment objective, providers of wrap, separate account or other benefit responsive agreements (“Stable Value Contracts”) typically require that the Advisory Account be managed within specified guidelines as a part of their underwriting and contract process. These guidelines are generally in addition to those imposed by the Advisory Account, and limit the scope or types of investments that GSAM SV might otherwise include within an Advisory Account’s portfolio, which could result in a lower return to investors. These restrictions typically also apply to Unaffiliated Advisers or Underlying Funds that are included within an Advisory Account’s portfolio and, with respect to Underlying Funds, could affect investors who would not otherwise be subject to these limitations (e.g., investors that do not have “stable value” or a similar objective).

WRAP FEE PROGRAMS

GSAM’s investment advisory services are also available through various consulting or bundled “wrap fee” programs (“Wrap Programs”) sponsored by certain broker-dealers, including affiliates of GSAM (“Sponsors”).

A client in a Wrap Program typically receives professional investment management of account assets through one or more investment advisers (including GSAM) participating in the program. Except for execution charges for certain transactions as described below, clients pay a single, all-inclusive (or “wrap”) fee charged by the Sponsor based on the value of the client’s account assets for asset management, trade execution, custody, performance monitoring and reporting through the Sponsor. The Sponsor typically assists the client in defining the client’s investment objectives based on information provided by the client, aids in the selection of one or more investment advisers to manage the client’s account, and periodically contacts the client to ascertain whether there have been any changes in the client’s financial circumstances or investment objectives that warrant a change in the management of the client’s

assets. In certain Wrap Programs, the Sponsor contracts with other investment advisers to perform these services. In a Wrap Program, the Sponsor typically pays GSAM a fee based on the assets of clients invested in the applicable GSAM strategy in the Wrap Program. In certain cases, GSAM may instead be paid fees based on the size of the total Wrap Program assets under management. The fees that GSAM charges one Sponsor may differ from the fees that GSAM charges another Sponsor in connection with managing the same strategy (including as a result of negotiations with particular Sponsors, which may take into account the size and scope of the overall relationship with such Sponsors, among other factors). As a result, Wrap Program clients of one Sponsor may pay more (or less) overall for the same GSAM strategy than the amount paid by Wrap Program clients of another Sponsor.

A Wrap Program client may be able to obtain some or all of the services available through a particular Wrap Program on an “unbundled” basis through the Sponsor of that program or through other firms (including, as described below in this Item 4, Advisory Business—Wrap Fee Programs—Dual Contract Arrangements, through dual contract arrangements pursuant to which GSAM acts as investment adviser). Depending on the circumstances, the aggregate of any separately-paid fees (including in connection with a dual contract arrangement) may be lower (or higher) than the wrap fee charged in the Wrap Program. Payment of a bundled asset-based wrap fee may or may not produce accounting, bookkeeping, or income tax results better than those resulting from the separate payment of (i) securities commissions and other execution costs on a trade-by-trade basis and (ii) advisory fees.

In connection with investment advisory services provided pursuant to a Wrap Program, GSAM will not have access to fulsome information regarding the Wrap Program client’s financial circumstance, investment objectives or overall investment portfolio. In addition, GSAM may receive information about the client at a different time than the Sponsor. As a result, any determination by GSAM as to the appropriateness or suitability for a Wrap Program client of a particular investment will be made without regard to the portion of the client’s portfolio that is not managed by GSAM, and such determinations may be different than

would have been the case had GSAM had access to fulsome information regarding the client's financial circumstance, investment objectives and overall investment portfolio.

The following describes some of the differences between Wrap Program Advisory Accounts and other Advisory Accounts.

Management of Wrap Accounts

Wrap Program Advisory Accounts may not be managed identically to institutional Advisory Accounts. Purchases that are implemented for institutional Advisory Accounts will not always be reflected or fully reflected in a Wrap Program Advisory Account that follows the same or a substantially similar strategy. For example, Wrap Program Advisory Accounts may be constructed and managed with position thresholds and parameters around new positions and changes to weightings in existing positions. These guidelines are specific to Wrap Programs and will generally not apply to institutional or pooled investment vehicle Advisory Accounts. These guidelines are at the discretion of the portfolio management teams and may be set and/or changed without notice to clients. Wrap Program Advisory Accounts may also be managed with the goal of maintaining different cash balances than other types of Advisory Accounts, including institutional Advisory Accounts, in order to manage the impact of relatively frequent inflows and outflows. For these and other reasons, clients should expect the holdings of Wrap Program Advisory Accounts to differ from one another, from Advisory Accounts that do not participate in the Wrap Program, and from those of the model portfolio for the relevant strategy. Deviations between holdings in a Wrap Program Advisory Account and a model portfolio generally are not considered errors. Deviations in holdings from the model portfolio for the strategy will contribute to performance differences between Wrap Program Accounts and institutional Advisory Accounts.

Trading Considerations and Best Execution for Wrap Accounts

Where GSAM is retained as investment adviser under a Wrap Program, GSAM generally does not negotiate on the client's behalf brokerage commissions and charges for transactions in the Wrap Program client's Advisory Account

executed through the Sponsor. These commissions and charges are generally included in the "wrap" fee charged by the Sponsor, although certain execution costs are typically not included in this fee and may be charged to the client (including, but not limited to, broker-dealer spreads, certain broker-dealer mark-ups or mark-downs on principal transactions, fees and other expenses related to transactions in depository receipts, including fees associated with foreign ordinary conversion, creation fees charged by third parties and foreign tax charges, auction fees, fees charged by exchanges on a per transaction basis, fees on NASDAQ transactions, other charges mandated by law, and certain other transaction costs).

GSAM may have discretion to select broker-dealers to execute trades for the Wrap Program Advisory Accounts it manages. Subject to its obligation to seek best execution, GSAM generally places such trades through the Sponsor or its designated broker-dealer because (i) typically the all-inclusive fee paid by each Wrap Program client only covers certain execution costs on agency trades executed through the Sponsor or its affiliates (but does not cover execution costs for trades executed away from the Sponsor or its affiliates, or certain other costs as described below) and (ii) Wrap Program Advisory Accounts are typically custodied with the Wrap Program Sponsor. In addition, operational limitations with these types of accounts may make trading away from the Sponsor more difficult. Wrap Program Advisory Accounts also do not participate in new issues (including initial public offerings), as they are settled on a principal basis through the underwriters. The result of these limitations on trading away from the Sponsor may be that the overall execution of trades and performance in a Wrap Program Advisory Account is less favorable than it is for GSAM's other Advisory Accounts. Clients who enroll in Wrap Programs should satisfy themselves that the Sponsor is able to provide best price and execution of transactions. Clients should also be aware that transactions in Wrap Program Advisory Accounts will generally produce increased trading flow for the Wrap Program Sponsor. In addition, legal and/or regulatory considerations may result in GSAM not selecting certain broker-dealers to execute trades for Wrap Program Advisory Accounts, even when those broker-dealers offer the lowest available commission rates, or lower commission rates than the Sponsor or its

affiliates. See Item 12, Brokerage Practices—Broker-Dealer Selection.

If GSAM selects a broker-dealer other than the Sponsor or its affiliates to effect an agency trade for a Wrap Program Advisory Account, clients should expect that any execution costs charged by that other broker-dealer will be charged to the Advisory Account. For fixed-income trades, and in certain circumstances for trades in equity accounts, transactions may be effected on a principal basis and therefore the spread, mark-ups and mark-downs will be paid by the account on those trades to the third-party broker-dealer. Such execution costs are in addition to the wrap fee paid by clients.

In other Wrap Program arrangements, GSAM may not have discretion to select broker-dealers to execute trades for the Wrap Program Advisory Accounts it manages. In such cases, GSAM is not responsible for “best execution” of trades GSAM enters into on behalf of the client, but rather GSAM takes direction as to the use of brokers from either the client or the Unaffiliated Adviser.

Wrap Program clients should also be aware that GSAM offers a variety of strategies through wrap platforms that may, at various times, result in a higher or lower “turnover” of investment securities. Wrap Program clients investing in a strategy or time period with lower investment turnover may pay a disproportionately high fee for execution services, relative to payment on a per transaction basis. In addition, GSAM generally will not aggregate transactions for Wrap Program Advisory Accounts with those of other accounts, and therefore Wrap Program Advisory Accounts will not benefit from a better price and lower commission rate or lower transaction cost that might have been available had the transactions been aggregated.

Any securities or other assets used to establish a Wrap Program Advisory Account may be sold, and the client will be responsible for payment of any taxes due. Clients should consult their tax advisor or accountant regarding the tax treatment of their account under a Wrap Program.

Wrap Program clients may request that GSAM engage in trades intended to offset capital gains tax liability. Such tax loss harvesting trades are subject to GSAM’s policies regarding minimum size of the trade, timing and format of

the request. As part of this policy GSAM may limit, depending on strategy, the maximum amount of losses that would be permitted to be taken in an account. Generally, if the policies are satisfied, then tax loss harvesting trades are processed on a best efforts basis. Tax loss harvesting trades will generally receive a lower priority than cash flow trades, trades to fund new accounts, trades to liquidate securities in connection with account terminations and block trades. As such, there may be a significant delay between a Wrap Program client’s tax loss harvesting request and its execution, and requests received relatively later in the tax year may not be executed before year end.

As described above and in Item 12, Brokerage Practices, Wrap Programs present unique considerations and as a result it is likely that performance of Wrap Program Advisory Accounts will differ from, and potentially underperform that of, GSAM’s other Advisory Accounts with the same or substantially similar investment strategies. Wrap Program clients should consider whether their overall needs are best met through investments in a Wrap Program Advisory Account or in another product or service with different portfolio management and trading features.

Dual Contract Arrangements

In addition to acting as an investment adviser in connection with Wrap Programs, as described above, GSAM may act as an investment adviser pursuant to “dual contract” managed account arrangements. In such arrangements, an Unaffiliated Adviser and its client enter into an agreement with regard to the Unaffiliated Adviser’s overall management of the client’s assets pursuant to which the Unaffiliated Adviser identifies managers that it believes are suitable for each client. The client, in turn, selects the applicable managers to manage portions of its portfolio. If GSAM is selected, GSAM enters into a separate agreement with the client. In connection with such arrangements, although GSAM enters into a separate agreement with the Unaffiliated Adviser’s client, the considerations relating to limitations on GSAM’s access to information about the client described above in this Item 4, Advisory Business—Wrap Fee Programs will apply. As a result, determinations by GSAM as to the appropriateness or suitability for a client in a dual contract arrangement of a particular investment will be made without regard to the portion of the client’s

portfolio that is not managed by GSAM, and such determinations may be different than would have been the case had GSAM had access to fulsome information.

In the context of dual contract arrangements, execution may be handled by one of the methods outlined above under “Trading Considerations and Best Execution for Wrap Accounts.” In a dual contract arrangement, the client typically pays GSAM an “unbundled” fee based on the assets managed by GSAM, which is in addition to fees owed by the client to the Unaffiliated Adviser. Clients with dual contract arrangements through a particular Unaffiliated Adviser may pay higher (or lower) fees than clients with dual contract arrangements through other Unaffiliated Advisers (including as a result of negotiations with the particular Unaffiliated Adviser, which may take into account the size and scope of the overall relationship with the Unaffiliated Adviser, among other factors). For example, GSAM may have relationships or other arrangements with certain Unaffiliated Advisers pursuant to which GSAM provides favorable pricing to clients with dual contract arrangements through such Unaffiliated Advisers.

As described above in this Item 4, Advisory Business—Wrap Fee Programs, given that fees in a dual contract arrangement are generally payable on an “unbundled” basis, clients that enter into dual contract arrangements with GSAM may pay, in the aggregate, lower (or higher) fees than Wrap Program clients, depending on the services provided by GSAM in connection with such arrangements and the fees for such services relative to the wrap fee payable by a client in a Wrap Program.

GSAM clients with dual contract arrangements should refer to the Form ADV of the applicable Unaffiliated Adviser for additional information regarding the dual contract arrangement.

ASSETS UNDER MANAGEMENT

As of December 31, 2018:

- GSAMLP had assets under management of \$902,461,604,978, of which \$874,551,267,644 was managed on a discretionary basis and \$27,910,337,334 was managed on a non-discretionary basis.
- GSAMI had assets under management of \$286,217,252,649, of which \$286,207,161,533 was managed on a discretionary basis and \$10,091,116 was managed on a non-discretionary basis.
- HFS had assets under management of \$14,802,133,836, of which \$14,672,860,445 was managed on a discretionary basis and \$129,273,392 was managed on a non-discretionary basis.
- GSIS had assets under management of \$4,812,261,325, all of which was managed on a discretionary basis. As of December 31, 2018, GSIS did not have any assets under management that were managed on a non-discretionary basis.
- GSAM SV had assets under management of \$53,482,120,196, of which \$20,083,019,869 was managed on a discretionary basis and \$33,399,100,327 was managed on a non-discretionary basis.
- GSAMC had assets under management of \$49,277,167,895, all of which was managed on a discretionary basis. As of December 31, 2018, GSAMC did not have any assets under management that were managed on a non-discretionary basis.
- GSAMHK had assets under management of \$15,067,207,498, all of which was managed on a discretionary basis. As of December 31, 2018, GSAMHK did not have any assets under management that were managed on a non-discretionary basis.
- GSAMS had assets under management of \$966,520,230, all of which was managed on a discretionary basis. As of December 31, 2018, GSAMS did not have any assets under management that were managed on a non-discretionary basis.
- Aptitude had assets under management of \$1,391,700,000, all of which was managed on a

discretionary basis. As of December 31, 2018, Aptitude did not have any assets under management that were managed on a non-discretionary basis.

- Rocaton had assets under management of \$578,093,000,000, of which \$8,736,600,000 was managed on a discretionary basis and \$569,356,400,000 was managed solely on a non-discretionary basis. For purposes of this calculation, client assets managed on a discretionary basis include assets for which Rocaton provides partial discretionary services or full discretionary services.
- SPIAS had assets under management of \$3,838,000,000, all of which was managed on a non-discretionary basis.² As of December 31, 2018, SPIAS did not have any assets under management that were managed on a discretionary basis.

Item 5 – Fees and Compensation

COMPENSATION FOR ADVISORY SERVICES

Separately Managed Accounts

Clients generally pay advisory fees for separate account management based on a percentage of assets (generally of the net asset value of the assets, or, with respect to certain Advisory Accounts, the book value or the levered or notional value of the assets) in their Advisory Accounts. Clients may also pay advisory fees for separate account management based on other criteria, including, for example, based on the amount of assets a client determines to allocate to investments recommended by GSAM in respect of a non-discretionary Advisory Account. In addition, clients may pay a flat fee for certain types of advisory services, such as asset allocation advice and the provision of model portfolios. The actual fees, minimum fees and minimum account sizes for GSAM may be negotiated, and a client may pay more or less than the fees set forth in this Brochure, or more or less than similar clients or clients invested in similar strategies. Amounts may vary as a result of negotiations, discussions and/or factors that may include the particular circumstances of the client, the size and scope

of the overall client relationship, client customization of the investment guidelines, additional or differing levels of servicing, or as may be otherwise agreed with specific clients. Servicing arrangements such as reporting may also vary among clients. In some cases, clients with multiple Advisory Accounts may be able to aggregate accounts managed by GSAM within each product or across Advisory Accounts, for purposes of applying lower fee rates at higher asset levels (referred to herein as “breakpoints”) or reduced fee schedules. Registrants may, in their discretion, with respect to certain clients, lower fees, waive minimums on fees, provide lowest available fee arrangements, or agree to credits or offsets relating to certain types or specified amounts of expenses. Clients that negotiate fees with differing breakpoints, including flat fees and performance-based fees, may pay a higher fee than the fees set forth in this Brochure as a result of fluctuations in the amount of the client’s assets under management and account performance.

Please see Appendix A for the fee schedules attributable to separately managed accounts advised by each of GSAML, GSAM SV, GSAMI, GSAMC, GSAMHK, and GSAMS. HFS, GSIS, Aptitude, Rocaton and SPIAS do not maintain a standard fee schedule for separately managed accounts (or any other Advisory Accounts). Actual fees are individually negotiated with each Advisory Account client and may vary depending on a number of factors, including those described above.

GSAM may also be compensated for performing diligence on, and advising clients whether or not to participate in, potential investment opportunities for such clients’ Advisory Accounts that are not otherwise made available to other Advisory Accounts or in which other Advisory Accounts do not otherwise participate. The compensation that GSAM receives in respect of such diligence and advice will vary, and may be dependent on the clients’ determination to participate in the potential investment opportunities.

Pooled Investment Vehicle Fees

GSAM acts as investment adviser to pooled investment vehicles such as mutual funds, collective investment trusts, private investment funds, and other pooled investment vehicles (e.g., hedge funds, private equity funds, funds of

² As of July 1, 2019, SPIAS transferred \$29,218,000,000 of non-discretionary assets under management to GSAML.

funds, real estate funds and business development companies). GSAM's fees for such services are based on each investment vehicle's particular structure, investment process, and other factors. GSAM generally receives a management fee for management of non-private investment funds and a management fee and an incentive fee or allocation (which may take the form of a carried interest and which may be received by an affiliate of GSAM) from each private investment fund and business development company (other than certain categories of private investment funds, including AIMS Program Funds and liquid alternative funds). The amount and structure of the management fee, incentive fee and/or allocation varies from fund to fund (and may vary significantly depending on the investment fund) and is set forth in the prospectus or other relevant offering document for each fund. In certain cases, investors may receive fee reductions of all or a portion of the management fee (and/or incentive fee or allocation) attributable to an investor's interest in the pooled investment vehicle, or invest fee free in pooled investment vehicles and pay negotiated fees outside of the pooled investment vehicle, which may be based on a separate fee schedule agreed upon by GSAM and/or its affiliates and the applicable investor. Certain of GSAM's fee structures may create an incentive for GSAM to cause the pooled investment vehicles to make investments earlier in the life of such vehicle than otherwise would have been the case, or defer the disposition of a poorly performing investment in order to defer any potential clawback obligation, continue to receive asset-based management fees, or possibly receive a larger carried interest if the value of the investment increases in the future. GSAM may receive similar fees from other types of vehicles (e.g., securitization vehicles) in respect of the advisory services GSAM provides to such vehicles.

Certain investors that are invested in pooled investment vehicles may pay higher or lower fees or may be subject to higher or lower incentive allocations than similarly situated investors that are invested in the same pooled investment vehicle. Amounts may vary as a result of negotiations, discussions and/or factors that may include the particular circumstances of the investor, the size and scope of the overall relationship, whether the investor has a multi-strategy, multi-asset class or multi-product investment program with Goldman Sachs or GSAM, or as may be

otherwise agreed with specific investors. Fees and allocations charged to investors may differ depending on the class of shares or other interests purchased.

Master-feeder funds, AIMS Program Funds, GSIS-managed private funds and certain other funds are subject to multiple levels of expenses and, in certain cases, may be subject to multiple levels of fees. Certain pooled investment vehicles are also subject to subscription and/or redemption/withdrawal fees, including in connection with "soft locks" (i.e., early redemption penalties), described in the relevant offering and governing documentation.

Notwithstanding the foregoing, in certain cases, GSAM may provide investment advisory services to funds without receiving any fee for such services. In these cases, Goldman Sachs may receive placement fees or compensation for other non-investment advisory services from the funds, the investors in the funds (including Advisory Accounts), or from the companies or Underlying Funds in which the Goldman Sachs-managed funds invest. The terms of any such arrangements are disclosed in the governing documents or disclosure documents relating to the Goldman Sachs-managed funds.

Servicing and Similar Fees

With respect to certain Advisory Accounts that are investment funds (and in certain cases other Advisory Accounts), the applicable governing documents may provide for fees to be paid to GSAM or its affiliates in connection with the provision of certain administrative or other services. Such fees will be in addition to any investment advisory fees chargeable to the Advisory Accounts. For information about administrative and other fees paid to third-party service providers, please see this Item 5, Fees and Compensation—Other Fees and Expenses—Custody, Administration and Other Fees.

Fees for Services to Portfolio Companies

GSAM, GS&Co. and their affiliates may receive deal fees, sponsor fees, monitoring fees, transaction fees or other fees for services provided to portfolio companies. Advisers of Underlying Funds and their affiliates may also receive such fees. Sponsor and transaction fees generally are structured as payments of a percentage of either the enterprise value of a company, in the case of an acquisition or disposition, or

the aggregate amount of the financing, in the case of financings or recapitalizations. Monitoring fees may be payable as fixed dollar amounts or may be calculated as a percentage of EBITDA (or other similar metric) of the portfolio company. Over the life of an investment, GSAM, GS&Co. and their affiliates may receive multiple sponsor or transaction fees with respect to an investment. Certain of these fees, such as monitoring fees, may be accelerated in connection with certain events such as the sale or initial public offering of the underlying portfolio company. In such a case, GSAM, GS&Co. and their affiliates may receive a payment equal to all or some portion of future annual monitoring fees. GSAM, GS&Co. and their affiliates may also receive commitment fees and break-up fees in connection with investments or potential investments, and personnel thereof may receive fees, equity or other compensation in their capacity as directors of portfolio companies. Any such fees may not be offset against the fees that the Advisory Accounts and Underlying Funds would otherwise be required to pay to GSAM or the Advisers. The fees and expenses imposed by GSAM as manager of Advisory Accounts, or by Advisers of Underlying Funds, will, in the absence of a fee offset, reduce investment profits.

Goldman Sachs may also provide various services to Advisory Accounts and to portfolio companies and other companies in which Advisory Accounts have an interest. See Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Goldman Sachs May Act in Multiple Commercial Capacities.

Compensation in connection with these services may take the form of commissions, mark-ups, markdowns, financial advisory fees, underwriting and placement fees, sales fees, financing and commitment fees, brokerage fees, and other fees, compensation or profits. Such compensation may not be negotiated and may be more or less than what a comparable third party might charge. Goldman Sachs has an interest in obtaining fees and other amounts for such services which are favorable to Goldman Sachs. Fees and other compensation paid to Goldman Sachs in respect of these types of services are not shared with Advisory Accounts or their investors, and, subject to applicable law, details of such fees and other compensation are not typically disclosed to investors in Advisory Accounts.

Inducements/Non-Major Monetary Benefits

In connection with services provided by GSAM to Advisory Accounts, from time to time, GSAM may receive from or provide to third parties, minor non-monetary benefits permitted under applicable law, including (i) information or documentation relating to financial instruments or investment services; (ii) issuer-commissioned research coverage; (iii) participation in conferences, seminars or training events on the benefits and features of specific financial instruments or investment services; (iv) hospitality of a de minimis value during meetings or those events specified in iii above; (v) connected research on an issuer in the context of an issuer capital raising; (vi) research provided for a trial period; and (vii) such other services and/or benefits that can be considered minor non-monetary benefits under applicable law from time to time.

From time to time, Goldman Sachs (including GSAM) and its personnel may receive the benefit of “friends and family” and similar discounts from portfolio companies of Advisory Accounts under which such portfolio companies make their goods and/or services available at reduced rates. Because many portfolio companies typically offer such discounts to customers other than Goldman Sachs (including GSAM) and other such persons as part of their standard commercial practices to expand their respective customer bases, Goldman Sachs (including GSAM) and its personnel generally refrain from requesting or negotiating for such discounts in the ordinary course.

Considerations Related to Asset-Based and Performance-Based Compensation

GSAM may receive different types of compensation in respect of Advisory Accounts. Asset-based compensation is based on the market value of the investments in the Advisory Account (or, in the case of certain Advisory Accounts, the book, levered, or notional value, depending on the applicable advisory agreement) and is paid without regard to the performance of the Advisory Account (other than to the extent reflected in market values or, if applicable, book, levered, or notional values). GSAM will receive asset-based compensation, which may be significant, in respect of an Advisory Account even if the Advisory Account loses money. Performance-based compensation is contingent on Advisory Account

performance, and in some cases is subject to a preferred return or a high water mark. Considerations related to performance-based compensation are set forth in Item 6, Performance-Based Fees and Side-By-Side Management.

Compensation Received by Goldman Sachs

Compensation received by GSAM and its affiliates related to various services provided to Advisory Accounts, including separate accounts and accounts that are pooled investment vehicles, and Underlying Funds will generally be retained by GSAM and its affiliates. Except to the extent required by applicable law or expressly agreed to by GSAM, GSAM is not required to offset such compensation against fees and expenses a client or Advisory Account may otherwise owe GSAM and its affiliates. In certain circumstances, clients may negotiate for certain of the fees charged in respect of Advisory Accounts to be credited against the fees GSAM charges such clients in respect of other Advisory Accounts in which they invest or which are managed on behalf of such clients. For additional information regarding fee arrangements with respect to Advisory Account investments in Affiliated Products, see Item 10, Other Financial Industry Activities and Affiliates, Conflicts Relating to the Allocation of Advisory Account Assets to Affiliated Products and External Products.

CALCULATION AND DEDUCTION OF ADVISORY FEES

Advisory and management fees for Advisory Accounts generally are calculated and billed either monthly or quarterly in arrears depending on the Advisory Account, and generally (although not in all cases, including in the case of pooled investment vehicles) are payable within thirty (30) days upon the client's receipt of an invoice. The frequency of calculation of incentive fees or allocations (which may take the form of a carried interest), and the timing of payments in respect thereof, will depend on the specific Advisory Account. Subject to negotiation, asset-based fees will generally be prorated through the date of liquidation or termination, and incentive fees and allocations, if any, will generally be calculated for the period during which the Advisory Account was managed. Where the custodian is an affiliate of GSAM, fees and other expenses will be automatically deducted from the client's Advisory Account,

unless other arrangements have been made. Where the custodian is a third party, clients may arrange to have such fees debited directly from the client's account for credit to GSAM, subject to applicable law.

OTHER FEES AND EXPENSES

In addition to the advisory fees described above, clients will be subject to other fees and expenses related to GSAM's advisory services. See below in this Item 5, Fees and Compensation—Other Fees and Expenses—Allocation of Expenses and Broken-Deal Expenses.

Underlying Fund and Unaffiliated Adviser Fees and Expenses

Where GSAM has recommended or invested Advisory Account assets in Underlying Funds managed by Unaffiliated Advisers, Advisory Accounts generally will bear all fees and expenses applicable to the investment in the Underlying Funds, including fixed fees, asset-based fees, performance-based fees, carried interest, incentive allocation, and other compensation, fees, expenses and transaction charges payable to Unaffiliated Advisers in consideration of their services to the Underlying Funds.

Fixed fees and performance-based compensation to Unaffiliated Advisers that manage hedge funds or private equity funds generally fall within the following approximate ranges, although in some instances, such fees and compensation materially exceed the percentages referenced below or may be structured in materially different ways: (i) with respect to Underlying Funds that are hedge funds, fixed fees of 0% to 4% of each Unaffiliated Adviser's allocation and performance-based compensation of 0% to 30% of the net capital appreciation in each individual Unaffiliated Adviser's investment for the year, and (ii) with respect to Underlying Funds that are private equity funds, fixed fees of 0.50% to 1.50% of committed capital or invested capital (or a variation thereof) and performance-based compensation of 10% to 20% that applies once investors have received a return of contributed capital and a specified minimum return on that capital. Unaffiliated Advisers' compensation with respect to other types of Underlying Funds may fall within or outside these ranges.

In addition, Advisory Accounts investing in Underlying Funds managed by Unaffiliated Advisers generally will bear fees paid for advisory, administration, distribution, 12b-1, shareholder servicing, sub-accounting, custody, sub-transfer agency and other services, which may be paid to GSAM or its affiliates, or to third party entities. See also Item 10, Other Financial Industry Activities and Affiliations. An investor in an Advisory Account investing in Underlying Funds managed by Unaffiliated Advisers will also bear a proportionate share of the fees and expenses of each Underlying Fund managed by an Unaffiliated Adviser in which the Advisory Account invests. All fees and expenses of Underlying Funds managed by Unaffiliated Advisers are generally in addition to the fees each Advisory Account pays to GSAM.

Transaction Charges

Except as set forth with respect to Wrap Program clients as described in Item 4, Advisory Business—Wrap Fee Programs, GSAM's clients will pay brokerage commissions, mark-ups, mark-downs and other commission equivalents as well as spreads and/or transaction costs related to transactions effected for their Advisory Accounts to executing broker-dealers. As described in Item 12, Brokerage Practices, GSAM will effect these transactions subject to its obligation to seek best execution. The different types of transaction charges include:

- **Commissions:** the amount charged by a broker for purchasing or selling securities, real estate or other investments as an agent for the client, which is disclosed on the client's trade confirmations or otherwise.
- **Commission equivalents:** an amount charged by a dealer for purchasing or selling securities or other investments in certain riskless principal transactions. Riskless principal transactions refer to transactions in which a dealer, after having received an order from a client to buy a particular security, purchases such security from another person to offset a contemporaneous sale to the client or, after having received an order from a client to sell a particular security, sells such security to another person to offset a contemporaneous purchase from the client.

- **Mark-ups:** the price charged to a client, less the prevailing market price, which is included in the price of the security.
- **Mark-downs:** the prevailing market price, less the amount a dealer pays to purchase the security from the client, which is included in the price of the security.
- **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), which is reflected in the price of the security. The difference or spread narrows or widens in response to the supply and demand levels of the security.

As described further in Item 4, Advisory Business, for Wrap Program clients, commissions and certain other transaction charges are generally included in the "wrap" fee charged by the Sponsor when trades are executed through the Sponsor, although certain execution costs are typically not included in this fee and may be charged to the client. If transactions are effected through a broker-dealer other than the Sponsor, all transaction charges will be charged to the client in addition to the "wrap" fee.

Additional information about transaction charges is available in Item 12, Brokerage Practices. See also Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Custody, Administration and Other Fees

Custody fees, administration fees and all other fees charged by service providers providing services relating to Advisory Accounts are levied by the custodian, the administrator or other service providers for the Advisory Account and are not included in the advisory fees payable to GSAM. An Advisory Account (and fund investors indirectly) will generally bear such expenses unless provided otherwise in the applicable governing documents.

Expenses charged to an Advisory Account may include:

- (i) debt-related expenses, including expenses related to raising leverage, refinancing, short term and other liquidity facilities, administering and servicing debt, and the cost of compliance with lender requests

- (including travel and entertainment expenses relating to the foregoing);
- (ii) investment-related expenses, including research, expenses relating to identifying, evaluating, valuing, structuring, purchasing, monitoring, managing (which may include costs and expenses of attending and/or sponsoring industry conferences or other meetings), servicing, and harvesting of investments and potential investments (including travel and entertainment expenses relating to the foregoing);
 - (iii) expenses related to hedging, including currency, interest rate and/or other hedging strategies;
 - (iv) legal, tax and accounting expenses, including expenses for preparation of annual audited financial statements, tax return preparation, routine tax and legal advice, and legal costs and expenses associated with indemnity, litigation, claims, and settlements;
 - (v) professional fees (including, without limitation, fees and expenses of consultants, finders and experts);
 - (vi) in the case of Advisory Accounts that are pooled investment vehicles, fees paid in connection with the placement of interests in such Advisory Accounts;
 - (vii) in the case of certain Advisory Accounts that are pooled investment vehicles, fees and expenses incurred in connection with the activities of advisory committees and their members (in their capacity as such), including, for example, travel and other expenses associated with meetings and investments, to the extent contemplated in the governing documents of the applicable Advisory Accounts;
 - (viii) fees and expenses of directors, trustees, or independent general partners;
 - (ix) technology expenses, including news and quotation services;
 - (x) insurance premiums (which insurance may cover numerous Advisory Accounts, in which case each participating Advisory Account is responsible for a share of the premiums);
 - (xi) expenses related to compliance by an Advisory Account with any applicable law, rule or directive or any other regulatory requirement, or compliance with the foregoing requirements by GSAM or its affiliates to the extent such compliance relates to an Advisory Account's activities;
 - (xii) fees payable to GSAM or its affiliates for loan servicing, tax and accounting services provided by GSAM or its affiliates to Advisory Accounts, which represent an allocable portion of overhead costs of the departments providing such services and which may be determined by GSAM by reference to the amount of time spent by and the seniority of the employee providing the in-house services; provided that, for the avoidance of doubt, since the in-house expense allocation process relies on certain judgments and assessments that in turn are based on information and estimates from various individuals, the allocations that result may not be exact;
 - (xiii) costs and expenses incurred by certain Advisory Accounts in connection with any activities or meetings of special committees or councils formed by GSAM with respect to such Advisory Accounts;
 - (xiv) any other reasonable expenses that may be authorized by the applicable governing documents, or that may be reasonably necessary or appropriate in connection with managing an Advisory Account; and
 - (xv) in the case of Advisory Accounts with stable value objectives, fees charged by providers of Stable Value Contracts, which can include fees for advisory services.
- Individual consultants or advisors (some of whom may be former employees of Goldman Sachs) may be engaged by GSAM on behalf of Advisory Accounts and/or portfolio companies to provide consulting or advisory services to GSAM, Advisory Accounts and/or portfolio companies, including, without limitation, sourcing, operational consulting, industry consulting, asset level consulting and other services, and in certain cases, otherwise assisting Advisory Accounts with respect to the oversight of portfolio companies in which investments are made. These consultants or advisors may not work exclusively for GSAM, the Advisory Accounts and/or portfolio companies, and are not employees of GSAM, even if most or all of their

work is performed on behalf of GSAM or at the direction of GSAM. The appropriate level of compensation for such advisors, consultants or other persons may be difficult to determine, especially if the expertise and services the individuals provide are unique and/or tailored to a specific engagement. Compensation paid to these consultants or advisors for consulting or advisory services related to the Advisory Account or the portfolio company is generally borne by the Advisory Account, is not offset against the management fee paid by the Advisory Account (which may incentivize GSAM to retain these advisors, consultants and other persons as independent contractors, rather than hiring them as employees) and may include an annual fee and/or a discretionary performance-related bonus. In addition to consultant or advisory fees, the consultant or advisor may also receive the opportunity to invest in Advisory Accounts that are pooled investment vehicles or specific investments on a no-fee basis. The scope of services provided under the consulting and advisory agreements may include serving on the board of portfolio companies. When determining the directors of a portfolio company, GSAM may in some situations designate a third party who is not an employee of GSAM who has specific skills and experience that would benefit the portfolio company. Consultants, advisors and such third parties may receive compensation for serving on the board of a portfolio company in addition to the compensation noted above, which may be paid by a portfolio company or, in certain cases, by the Advisory Account or GSAM. Such consultants, advisors or other third parties are entitled to retain those sources of compensation, and such compensation is not expected to offset management fees payable by Advisory Accounts. As such, when determining directors for portfolio companies, GSAM seeks to choose individuals to maximize the long-term value of the investment, not the amount of the applicable management fee that may be offset.

GSAM does not guarantee the services of any third party, including any third-party custodian to an Advisory Account, and does not assume any responsibility for the payment of such third parties.

To the extent Goldman Sachs provides services to Advisory Accounts not included in the advisory fee, Goldman Sachs will be entitled to retain all such fees and other amounts and

no fees or other compensation will be reduced thereby. For additional information about fees for administrative and other services paid to GSAM or its affiliates, please see above in this Item 5, Fees and Compensation—Other Fees and Expenses—Administrative and Servicing Fees.

Selection of Service Providers

GSAM, on behalf of Advisory Accounts and their portfolio companies (if any), expects to engage service providers (including attorneys and consultants) that may also provide services to Goldman Sachs and other clients managed by other parts of Goldman Sachs and their portfolio companies (if any). In addition, certain service providers to GSAM, Advisory Accounts or their portfolio companies may also be portfolio companies or other affiliates of GSAM or Advisory Accounts (for example, a portfolio company of an Advisory Account may retain a portfolio company of another Advisory Account). To the extent it is involved in such selection, GSAM intends to select these service providers based on a number of factors, including expertise and experience, knowledge of related or similar products, quality of service, reputation in the marketplace, relationships with GSAM, Goldman Sachs or others, and price. These service providers may have business, financial or other relationships with Goldman Sachs (including its personnel), including being a portfolio company of, or otherwise affiliated with, GSAM, Goldman Sachs, or an Advisory Account. These relationships may influence GSAM's selection of these service providers for Advisory Accounts or their portfolio companies. In such circumstances, there may be a conflict of interest between GSAM, Goldman Sachs, and the Advisory Accounts (or their portfolio companies) or between Advisory Accounts (or their portfolio companies) if the Advisory Accounts (or their portfolio companies) determine not to engage or continue to engage these service providers.

GSAM may, in its sole discretion, determine to provide, or engage an affiliate of GSAM to provide, certain services to Advisory Accounts and their portfolio companies, instead of engaging one or more third parties to provide such services. Subject to the governing documents of a particular Advisory Account, GSAM or its affiliates will receive compensation in connection with the provision of such services. As a result, GSAM faces a conflict of interest when selecting

service providers for Advisory Accounts and their portfolio companies. Notwithstanding the foregoing, the selection of service providers will be conducted in accordance with GSAM's fiduciary obligations to Advisory Accounts.

The service providers selected by GSAM may charge different rates to different recipients based on the specific services provided, the personnel providing the services, the complexity of the services provided, or other factors. As a result, the rates paid with respect to these service providers by Advisory Accounts or their portfolio companies, on the one hand, may be more or less favorable than the rates paid by Goldman Sachs, including GSAM, on the other hand. In addition, the rates paid by GSAM or the Advisory Accounts or their portfolio companies, on the one hand, may be more or less favorable than the rates paid by other parts of Goldman Sachs or clients managed by other parts of Goldman Sachs or their portfolio companies, on the other hand.

Goldman Sachs (including GSAM), its personnel, and/or Advisory Accounts may hold investments in companies that provide services to portfolio companies generally, and, subject to applicable law, GSAM may refer or introduce such companies' services to portfolio companies that have issued securities that are held in Advisory Accounts.

Allocation of Expenses and Broken-Deal Expenses

Multiple Advisory Accounts may participate in a particular investment or incur expenses applicable in connection with the operation or management of the Advisory Accounts, or otherwise may be subject to costs or expenses that are allocable to more than one Advisory Account (which may include, without limitation, research expenses, technology expenses, expenses relating to participation in bondholder groups, restructurings, class actions and other litigation, and insurance premiums). GSAM may allocate investment-related and other expenses on a pro rata or different basis. Certain Advisory Accounts are, by their terms or by determination of GSAM, which may be made on a case-by-case basis, not responsible for their share of such expenses, and, in addition, GSAM has agreed with certain Advisory Accounts to cap the amount of expenses (or the amount of certain types of expenses) borne by such Advisory Accounts, which may result in such Advisory Accounts not

bearing the full share of expenses they would otherwise have borne as described above. As a result, certain Advisory Accounts may be responsible for bearing a different or greater amount of expenses, while other Advisory Accounts may not bear any, or do not bear their full share, of such expenses.

Advisory Accounts will generally incur expenses with respect to the consideration and pursuit of transactions that are not ultimately consummated ("broken-deal expenses"). Examples of broken-deal expenses include (i) research costs, (ii) fees and expenses of legal, financial, accounting, consulting or other advisers (including GSAM or its affiliates) in connection with conducting due diligence or otherwise pursuing a particular non-consummated transaction, (iii) fees and expenses in connection with arranging financing for a particular non-consummated transaction, (iv) travel and entertainment costs, (v) deposits or down payments that are forfeited in connection with, or amounts paid as a penalty for, a particular non-consummated transaction and (vi) other expenses incurred in connection with activities related to a particular non-consummated transaction.

GSAM has adopted a policy relating to the allocation of broken-deal expenses among Advisory Accounts and other potential investors. Pursuant to the policy, broken-deal expenses generally will be allocated among Advisory Accounts in the manner that GSAM determines to be fair and equitable, which may be pro rata or on a different basis. Notwithstanding the foregoing, and unless otherwise indicated in the applicable governing agreements, offering memoranda or other documentation, in the case of commingled funds and other Advisory Accounts that, in connection with their pursuit of a transaction, offer the opportunity to participate in the transaction to certain non-discretionary Advisory Accounts or other potential investors, including funds organized for the purpose of investing in the specific transaction (collectively, "Non-Discretionary Co-investors"), if such transaction is not ultimately consummated, the commingled funds and other Advisory Accounts will generally bear all of the broken-deal expenses, including those that might otherwise have been allocated to the Non-Discretionary Co-investors. However, in the event that the Non-Discretionary Co-

investors agreed to bear their share of the broken-deal expenses, or co-investors had a contractual right or other understanding to be offered the right to co-invest in the transaction, they will be allocated their share of the broken-deal expenses determined in the same manner as Advisory Accounts generally unless otherwise indicated in the applicable governing agreements, offering memoranda or other documentation, provided that such Non-Discretionary Co-investors that have the right to, and do, decline to participate in the transaction will not be allocated any portion of the broken-deal expenses incurred following any such decline (such amount to be determined by GSAM in its reasonable discretion). In addition, GSAM may bear the allocable share of broken-deal expenses for particular Advisory Accounts or Non-Discretionary Co-investors and not for others, as it determines in its sole discretion.

PREPAID FEES

Other than as described below with respect to Rocaton, GSAM generally does not charge clients fees in advance unless agreed with the client. In certain cases, transaction charges or other expenses may be payable to GSAM or its affiliates at the inception of an investment in a fund or other investment vehicle or a portfolio company. See this Item 5, Fees and Compensation—Other Fees and Expenses—Transaction Charges. Rocaton may charge clients in advance of the calendar quarter for which it provides the advisory services. In the event that such client terminates its investment advisory agreement in writing effective prior to the provision of such services by Rocaton, a refund will be made where a client has made a full period payment to Rocaton. The effective date is generally different than the date the notice of termination is provided, as the agreement typically includes a minimum notice period (often between 30 to 60 days). In such cases, where investment advisory services have ended prior to the last day in the billing period, the investment advisory fee is prorated according to the number of days in the billing period that the advisory agreement was in effect, unless the advisory agreement provides otherwise. Advisory fee refunds are initiated by Rocaton and are generally made by check.

COMPENSATION FOR THE SALE OF SECURITIES

Generally, except as described below, certain personnel of GSAM (“GSAM Personnel”) do not receive transaction-based compensation for the sale of securities or other investment products based upon a predetermined formula. Compensation of GSAM Personnel consists of a base salary and year-end discretionary variable compensation. While the base salary is established at the beginning of each year, year-end discretionary variable compensation is based on a variety of factors, including, but not limited to: contribution to net revenues for the past year which in part are derived from advisory fees, and for certain Advisory Accounts, performance-based fees; individual performance and his or her contribution to overall team performance, including in consideration of certain qualitative factors such as risk management, judgment, compliance and conduct; the performance of GSAM and Goldman Sachs; anticipated compensation levels among competitor firms; the individual’s role; and investment performance. Certain GSAM Personnel involved in the marketing, promotion and/or sale of investment products may be eligible to receive transaction-based compensation based upon a predetermined formula that is in part related to the sale of such products. Certain personnel of GSAM and its affiliates may receive compensation based on the sale of securities or other investment products including interests in Accounts (as defined below), including Advisory Accounts. Such compensation may be received in connection with the sale of investment products (including money market funds) through online trading portals or other technology platforms that may be utilized by certain clients. See Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

CLIENT SELECTION OF UNAFFILIATED BROKERS

Clients have the option to purchase certain investment products recommended by GSAM directly or through broker-dealers that are not affiliated with Goldman Sachs. In some cases, acquiring an investment product through a broker-dealer that is not affiliated with Goldman Sachs may result in fees and execution charges that are lower than those charged by Goldman Sachs. In other cases, fees and execution charges may be higher than those charged by Goldman Sachs.

Item 6 – Performance-Based Fees and Side-By-Side Management

Certain Advisory Accounts are subject to performance-based compensation (and may also include an asset-based compensation component). Performance-based compensation may include carried interest, override, incentive allocation, performance fees and other similar forms of performance-based compensation.

Performance-based compensation arrangements for Advisory Accounts may vary among clients and investment strategies. Certain Advisory Accounts may be subject to performance-based compensation calculated by reference to the relevant high water marks for such Advisory Accounts, while other Advisory Accounts may be subject to performance-based compensation that is paid only after a specified return has been achieved (a “preferred return”), the thresholds of which may vary across Advisory Accounts. For example, Advisory Accounts (including hedge funds) that invest in readily marketable securities often provide for an asset-based fee based on the market value of the investments in the account at specified month or quarter ends and/or performance-based compensation calculated based on the applicable high water mark. Other Advisory Accounts, such as Advisory Accounts (including private equity funds) that invest in assets which lack a readily available market value, may provide for an asset-based fee based on the investor’s capital commitment to the account or based on the amount of such commitment that is invested and performance-based compensation, typically in the form of a carried interest, that is subject to a preferred return. These different types of performance-based compensation may result in certain Advisory Accounts paying higher or lower performance-based fees than other Advisory Accounts.

Advisory Accounts that bear performance-based compensation reward GSAM for positive performance in those Advisory Accounts. Performance-based compensation arrangements provide a heightened incentive for portfolio managers to make investments that may present a greater potential for return but also a greater risk of loss, or that may be more speculative than would exist if only asset-based fees were applied.

The simultaneous management of Advisory Accounts that bear performance-based compensation and Advisory Accounts that only bear an asset-based fee, or that bear performance-based compensation that is calculated in a different manner, creates a conflict of interest as the portfolio manager has an incentive to favor Advisory Accounts with the potential to bear greater fees when allocating resources, services, functions or investment opportunities among Advisory Accounts. For example, a portfolio manager will be faced with a conflict of interest when allocating scarce investment opportunities, given the possibly greater compensation from Advisory Accounts that bear performance-based compensation, as opposed to Advisory Accounts that bear no performance-based compensation. To address these types of conflicts, GSAM has adopted policies and procedures under which allocation decisions may not be influenced by compensation arrangements and investment opportunities will be allocated in a manner that GSAM believes is consistent with its obligations and fiduciary duties as an investment adviser. GSAM’s policies and procedures relating to allocation of investment opportunities are described further below. Investment groups within GSAM are subject to these and/or other similar policies and procedures that are consistent with GSAM’s obligations and fiduciary duties as an investment adviser and that address circumstances that may be unique to their businesses. No assurance can be made that these policies and procedures will have their desired effect.

Notwithstanding GSAM’s allocation policies, the availability, amount, timing, structuring or terms of investments available to particular Advisory Accounts, including Advisory Accounts engaging in the same or similar strategies, may differ.

SIDE-BY-SIDE MANAGEMENT OF ADVISORY ACCOUNTS; ALLOCATION OF OPPORTUNITIES

GSAM may manage or advise multiple Advisory Accounts (including Advisory Accounts in which Goldman Sachs and personnel of Goldman Sachs have an interest) that have investment objectives that are the same or similar and that may seek to make or sell investments in the same securities or other instruments, sectors or strategies. This creates potential conflicts, particularly in circumstances where the availability or liquidity of investment opportunities is

limited. Areas in which such limited opportunities may exist include, without limitation, in local and emerging markets, high yield securities, fixed-income securities, regulated industries, real estate assets, primary investments and secondary interests in private investment funds, direct or indirect investments in and co-investments alongside private investment funds, investments in MLPs in the oil and gas industry and IPOs/New Issues (as defined below). Opportunities may also exist where Advisers limit the number of investors in (or the size of) their Underlying Funds, or the amount of assets in accounts that they manage. For example, limited availability may exist with certain Advisers or with respect to certain classes of interests issued by an Underlying Fund that have better terms than other classes or where GSAM has negotiated different investment terms (including, without limitation, lower fees or more frequent liquidity than other investors) with an Adviser for itself and its clients but the Adviser limits the size of the investment by Goldman Sachs and its clients that will be subject to such terms. If GSAM wishes to transfer an existing investment that would be subject to the different terms or fee arrangements depending upon the Advisory Accounts to which it is transferred, GSAM may face potential conflicts in connection with the allocation of such investments among Advisory Accounts.

To address these potential conflicts, GSAM has developed allocation policies and procedures that provide that GSAM Personnel making portfolio decisions for Advisory Accounts will make investment decisions for, and allocate investment opportunities among, Advisory Accounts consistent with GSAM's fiduciary obligations. These policies and procedures may result in the pro rata allocation (on a basis determined by GSAM) of limited opportunities across eligible Advisory Accounts managed by a particular portfolio management team, but in other cases such allocation may not be pro rata.

Allocation-related decisions for Advisory Accounts may be made by reference to one or more factors and suitability considerations. Factors may include:

- Advisory Account investment horizons and objectives;
- Different levels of exposure to certain strategies, including sector oriented, concentrated new opportunities or other strategies;
- Client-specific investment guidelines, restrictions and instructions, including, without limitation, the ability to utilize leverage or hedge through short sales or other techniques;
- Whether Advisory Accounts give GSAM discretion or request client approval for investments;
- Current and expected future capacity of applicable Advisory Accounts;
- Limits on GSAM's brokerage discretion, including client directed brokerage arrangements;
- Tax sensitivity and objectives of Advisory Accounts;
- Cash and liquidity needs and other considerations, including, without limitation, availability of cash for investment (e.g., purchase orders for a Wrap Program account are generally only executed to the extent of available cash);
- Relative sizes and expected future sizes of applicable Advisory Accounts and eligible capital;
- Expected future capacity of the applicable Adviser and/or Underlying Fund and limitations set by the applicable Adviser and/or Underlying Fund or other relevant parties;
- Availability of other appropriate or substantially similar investment opportunities;
- Legal and regulatory restrictions affecting certain Advisory Accounts or affecting holdings across Advisory Accounts, which may result in adjusting existing or future positions across Advisory Accounts and may consequently open up capacity for new Advisory Accounts or Advisory Account cash-flows;
- Minimum denomination, minimum increments, de minimis threshold and round lot considerations;
- Limitations set by relevant parties (e.g., Unaffiliated Advisers);
- Differences in benchmark factors and hedging strategies among Advisory Accounts;
- Current investments held by Advisory Accounts similar to the applicable investment opportunity;

- Whether an investment opportunity constitutes a follow-on investment with respect to a particular asset held in certain Advisory Accounts;
- The relationship of Advisory Accounts with particular issuers or investment opportunities, or sourcing or other investment-related activities of Advisory Accounts or the GSAM teams managing such Advisory Accounts;
- Reputational matters and other such considerations; and
- Suitability requirements and the nature of the investment opportunity.

Suitability considerations may include:

- Relative attractiveness of an investment to different Advisory Accounts;
- Concentration of industry sector, sub-strategy, or positions in an Advisory Account;
- Appropriateness of a security for the applicable benchmark, if any, and benchmark sensitivity of an Advisory Account;
- An Advisory Account's risk tolerance, risk parameters and strategy allocations;
- Use of the opportunity as a replacement for an opportunity that GSAM believes to be attractive for an Advisory Account but is otherwise unavailable to the Advisory Account; and/or
- Considerations relating to hedging a position in a pair trade.

Non-proportional allocations may occur across Advisory Accounts, including, without limitation, in fixed-income securities due to the availability of multiple appropriate or substantially similar investments in fixed-income strategies, as well as due to differences in benchmark factors, hedging strategies, or other reasons. In addition, the fact that certain personnel of Goldman Sachs are dedicated to one or more Advisory Accounts or clients may be a factor in determining the allocation of opportunities (including private equity opportunities and IPOs/New Issues) sourced by such personnel. Investment opportunities sourced by one portfolio management team may not be made available to Advisory Accounts managed by other portfolio management teams. In addition, certain portfolio management teams

may transact with Goldman Sachs on behalf of Advisory Accounts, whereas other portfolio management teams, including teams utilizing the same investment strategy, do not. As a result, certain Advisory Accounts may receive allocations of certain investment opportunities, including IPO/New Issues and other profitable investments, that are not available to Advisory Accounts managed by portfolio management teams that do not transact with Goldman Sachs.

GSAM may, from time to time, develop and implement new trading strategies or seek to participate in new trading strategies and investment opportunities. These strategies and opportunities may not be employed in all Advisory Accounts or employed pro rata among Advisory Accounts where they are used, even if the strategy or opportunity is consistent with the objectives of such accounts.

Further, a trading strategy employed for one Advisory Account that is similar to, or the same as, that of another Advisory Account may be implemented differently, sometimes to a material extent. For example, an Advisory Account may invest in different securities or other assets, or invest in the same securities and other assets but in different proportions, than another Advisory Account with the same or similar trading strategy. The implementation of an Advisory Account's trading strategy will depend on a variety of factors, including the portfolio managers involved in managing the trading strategy for the Advisory Account, the time difference associated with the location of different portfolio management teams, and the factors described above. In addition to such factors, GSAM may make decisions based on other factors such as strategic fit and other portfolio management considerations, including an Advisory Account's capacity for such strategy or opportunity, the liquidity of the strategy and its underlying instruments, the Advisory Account's liquidity, the business risk of the strategy relative to an Advisory Account's overall portfolio make-up, and the lack of efficacy of, or return expectations from, the strategy for the Advisory Account. For example, such a determination may, but will not necessarily, include consideration of the expectation that a particular strategy will not have a meaningful impact on an Advisory Account given the overall size of the account, the

limited availability of opportunities in the strategy and/or the availability of other strategies for the account.

As referenced in the factors above, certain Advisers and/or Underlying Funds may accommodate only a limited amount of capital or may otherwise refuse to manage some or all of the assets that GSAM may wish to allocate to them. In allocating capacity-constrained investment opportunities among Advisory Accounts, GSAM may reserve certain portions of such investment opportunities for prospective Advisory Accounts or existing Advisory Accounts that have not yet made a determination to make the investment, which may lead to certain existing Advisory Accounts that have determined to make the investment not receiving an allocation, or receiving a lower than desired allocation, with respect to an investment opportunity even when GSAM has capacity to allocate such opportunity to such existing Advisory Accounts.

During periods of unusual market conditions, GSAM may deviate from its normal trade allocation practices. For example, this may occur with respect to the management of unlevered and/or long-only Advisory Accounts that are typically managed on a side-by-side basis with levered and/or long-short Advisory Accounts. During such periods, GSAM will seek to exercise a disciplined process for determining allocations (including to Accounts in which Goldman Sachs and its personnel have an interest).

As a result of the various considerations above, there will be cases in which certain Advisory Accounts (including Advisory Accounts in which Goldman Sachs and personnel of Goldman Sachs have an interest) receive an allocation of an investment opportunity at times that other Advisory Accounts do not, or when other Advisory Accounts receive an allocation of such opportunities but on different terms (which may be less favorable). The application of these considerations may cause differences in the performance of different Advisory Accounts that employ the same or similar strategies.

In certain cases, one or more funds or other Advisory Accounts are intended to be GSAM's primary investment vehicles focused on, or receive priority with respect to, a particular strategy or type of investment (as determined in GSAM's discretion) as compared to other funds or Advisory Accounts. In such cases, such other funds or Advisory

Accounts may not have access to such strategy or type of investment, or may have more limited access than would otherwise be the case. In addition, other Accounts (including Accounts in which Goldman Sachs and personnel of Goldman Sachs have an interest) may participate (through GSAM or through other areas of Goldman Sachs) in investment opportunities that would be appropriate for such funds or other Advisory Accounts. Such Accounts will not be subject to the GSAM allocation policies. Participation by such Accounts in such transactions may reduce or eliminate the availability of investment opportunities to, or otherwise adversely affect, Advisory Accounts. Furthermore, in cases in which one or more funds or other Advisory Accounts are intended to be GSAM's primary investment vehicles focused on, or receive priority with respect to, a particular trading strategy or type of investment, such funds or other Advisory Accounts may have specific policies or guidelines with respect to Advisory Accounts, other Accounts or other persons receiving the opportunity to invest alongside such funds or other Advisory Accounts with respect to one or more investments ("Co-Investment Opportunities"). As a result, certain Advisory Accounts, other Accounts or other persons will receive allocations to, or rights to invest in, Co-Investment Opportunities that are not available generally to other Advisory Accounts. See this Item 6, Performance-Based Fees and Side-by-Side Management—Co-Investment Opportunities below.

In addition, in some cases GSAM may make investment recommendations to Advisory Accounts that make investment decisions independently of GSAM. In circumstances in which there is limited availability of an investment opportunity, if such Advisory Accounts participate in the investment opportunity at the same time as, or prior to, other Advisory Accounts, the availability of the investment opportunity for other Advisory Accounts will be reduced irrespective of GSAM's policies regarding allocations of investments.

In certain cases, persons or entities who do not have an Advisory Account relationship with GSAM may receive allocations of opportunities from GSAM, and be included in GSAM's allocation procedures as if they were Advisory Accounts, even though there is no investment advisory

relationship between GSAM and such persons or entities. Such cases include, but are not limited to, certain entities to which GSAM provides various services, including management and other services in relation to their business strategies and operations (as further described below in Item 7, Types of Clients), certain entities in which Advisory Accounts have a direct or indirect interest, certain entities with which Advisory Accounts have a business or other relationship, and/or certain entities to which GSAM or GSAM Personnel provide investment-related or other services (which may include serving on governing or advisory boards). Such persons or entities may have investment objectives or business strategies that are the same as or similar to the investment objectives or investment programs of Advisory Accounts, and may seek to make or sell investments in the same securities or other instruments, sectors or strategies as Advisory Accounts. Although a particular investment opportunity may be appropriate for both such a person or entity and an Advisory Account (including without limitation an Advisory Account which has an interest in or relationship with such person or entity), such opportunity may be allocated in whole or in part to the person or entity that does not have an Advisory Account relationship in accordance with GSAM's allocation policies and procedures. In addition, due to regulatory or other considerations, the receipt by the person or entity of an investment opportunity may restrict or limit the ability of a related Advisory Account to receive an allocation of the same opportunity.

IPO/NEW ISSUE ALLOCATION POLICIES

Allocation of initial public offerings or new issues ("IPO/New Issue") will be effected consistent with fiduciary duties and in accordance with the general allocation policies and procedures outlined above under Item 6, Performance-Based Fees and Side-by-Side Management—Side-By-Side Management of Advisory Accounts; Allocation of Opportunities. The application of the relevant factors may result in non-pro rata allocations, and certain Advisory Accounts (including Advisory Accounts in which Goldman Sachs and personnel of Goldman Sachs have an interest) may receive an allocation when other Advisory Accounts do not. For example, as described above in this Item 6, Performance-Based Fees and Side-By-Side Management,

Side-By-Side Management of Advisory Accounts; Allocation of Opportunities, Advisory Accounts managed by a portfolio management team that transacts with Goldman Sachs may receive allocations of IPO/New Issues and other profitable investments that are not available to Advisory Accounts managed by portfolio management teams, including teams that utilize the same investment strategy, that do not transact with Goldman Sachs. Allocations may be adjusted under certain circumstances, for example in situations where pro rata allocations would result in de minimis positions or odd lots. Furthermore, some Advisory Accounts may not be eligible to participate in an IPO/New Issue where, for example, the investment guidelines for an Advisory Account prohibit IPOs/New Issues, the account is a directed brokerage account (including accounts in the Wrap Program), or the account is owned by persons restricted from participating in IPOs/New Issues pursuant to Financial Industry Regulatory Authority Rules 5130 and/or 5131, as amended, supplemented and interpreted from time to time, or other applicable laws or rules or prudent policies in any jurisdiction.

DISCRETIONARY AND NON-DISCRETIONARY ACCOUNTS

GSAM may provide non-discretionary investment advisory services where GSAM advises Advisory Accounts on purchasing, selling, holding, valuing, or exercising rights with respect to particular investments, but does not have discretion to execute purchases or sales on behalf of the Advisory Accounts without the specific instruction of the client. GSAM may advise with respect to the same or similar securities in discretionary and non-discretionary Advisory Accounts. There may be timing differences related to the transmission of advice to non-discretionary Advisory Account clients for consideration and a determination of whether to act on the advice. As a result, GSAM may execute trades in investments for discretionary Advisory Accounts in advance of GSAM communicating with non-discretionary account clients about those investments. As a result, particularly with large orders or where the investments are scarce or thinly traded, non-discretionary Advisory Accounts may receive allocations or prices that are less favorable than those obtained for discretionary Advisory Accounts.

In other cases, GSAM may advise discretionary accounts independently of non-discretionary accounts. For example, in connection with non-discretionary Advisory Accounts, GSAM may have information with respect to pending purchases or sales, or relating to a non-discretionary client's business and financial position. In the event that GSAM considers such information to be of a sensitive nature, GSAM may, on a case by case basis, elect to implement internal policies and procedures (including, where appropriate, the use of information barriers) to manage the flow of such information within GSAM, which may prevent the transmission or affect the timing of transmission of certain advice to some accounts.

CO-INVESTMENT OPPORTUNITIES

As described above, in cases in which one or more funds or other Advisory Accounts are intended to be GSAM's primary investment vehicles focused on, or that receive priority with respect to, a particular strategy or type of investment, such funds or other Advisory Accounts may have specific policies or guidelines with respect to Advisory Accounts, other Accounts or other persons receiving Co-Investment Opportunities, which will result in certain Advisory Accounts, other Accounts or other persons receiving allocations to, or rights to invest in, Co-Investment Opportunities that are not available to Advisory Accounts generally.

Policies relating to Co-Investment Opportunities depend on the type of funds or other Advisory Accounts and the particulars of their investment programs, among other factors. Typically, policies relating to Co-Investment Opportunities are tailored to the funds or other Advisory Accounts that are the primary investment vehicles focused on, or that receive priority with respect to, the applicable investment opportunity. Generally, Co-Investment Opportunities are made available when GSAM determines that while it is in the best interests of the funds or other Advisory Accounts to acquire the full amount of a particular investment (as opposed to not making the investment), it is further in the best interests of the funds or other Advisory Accounts, due to diversification, portfolio management, leverage management, investment profile, risk tolerance or other exposure guidelines or limitations, cash flow or other considerations, for the funds or other Advisory Accounts to

acquire or otherwise hold less economic exposure to the investment than the full amount. In addition, GSAM may provide Co-Investment Opportunities (including opportunities to make investments in accordance with a particular investment thesis utilized by an Advisory Account alongside such Advisory Account) to certain persons, including certain of GSAM's non-discretionary clients, if the capacity available with respect to an investment opportunity exceeds the amount that GSAM determines is appropriate or optimal for the Advisory Account participating in such investment opportunity.

Generally, GSAM has broad discretion in determining to whom and in what relative amounts to allocate Co-Investment Opportunities. Factors GSAM may take into account include, but are not limited to, the magnitude and nature of a potential recipient's relationship with Goldman Sachs, if any, whether such potential recipient is able to assist or provide a benefit to the funds, Advisory Accounts and/or Goldman Sachs in connection with the potential transaction or otherwise, whether GSAM believes the potential recipient is able to execute a transaction quickly or is willing to bear expenses associated with a potential transaction that is not consummated, and whether the potential recipient is expected to provide expertise or other advantages in connection with a particular investment. Co-Investment Opportunities may or may not give preference to investors in the applicable funds or other Advisory Accounts, or investors that have made commitments over a certain threshold as opposed to other investors, and Co-Investment Opportunities may be provided in connection with a commitment to a fund or other Advisory Account. No Advisory Account or other person (including Advisory Accounts that are similarly situated to Advisory Accounts or other persons receiving Co-Investment Opportunities) will have any right to any Co-Investment Opportunity unless such person has entered into an agreement with respect thereto.

Co-Investment Opportunities may be provided on a case-by-case basis as they arise or in the form of priority rights with respect to future Co-Investment Opportunities. GSAM may or may not receive fees or other compensation in connection with Co-Investment Opportunities. Co-Investment Opportunities may be acquired at the same time and on the

same terms as the funds or other Advisory Accounts making the primary investment, or at different times or on different terms, including in a subsequent sale by one or more of such funds or other Advisory Accounts to the participants in a Co-Investment Opportunity. In addition, GSAM is incentivized to offer certain potential co-investors (including, by way of example, as a part of a strategic relationship or based on the size of such co-investor's commitment, individually and in the aggregate, to the Advisory Accounts within their commitment periods) opportunities to co-invest in opportunities of a certain size, in priority and/or on more favorable terms as compared to other co-investors because the extent to which any such co-investor participates in (or is offered) co-investment opportunities may impact the amount of performance-based compensation and/or management fees (as well as any discounts or rebates thereof that may result if certain target co-investment allocations or other conditions under such arrangements are not achieved) to which GSAM and/or its affiliates may be entitled under such arrangements with such co-investors. The allocation of expenses, and in particular broken-deal expenses, with respect to Non-Discretionary Co-investors is discussed in further detail above in Item 5, Fees and Compensation—Other Fees and Expenses—Allocation of Expenses and Broken-Deal Expenses.

PROVISION OF PORTFOLIO INFORMATION TO MODEL PORTFOLIO ADVISERS

GSAM may provide model portfolios to affiliated and unaffiliated investment advisers ("Model Portfolio Advisers") who use such model portfolios to assist in developing their own investment recommendations and managing their own client accounts. Accounts managed by Model Portfolio Advisers are referred to herein as "Model Portfolio Accounts."

GSAM may (but need not) delay communicating information regarding model portfolios or any updates thereto until after other Advisory Accounts have commenced trading. In addition, there may be circumstances outside of GSAM's control which result in timing differences in the receipt of information regarding or updates to model portfolios by a particular Model Portfolio Adviser or Model Portfolio Account, on the one hand, and Advisory Accounts or other persons, on the other hand. In

such circumstances, Model Portfolio Advisers, including personnel of the Private Wealth Management unit of GS&Co. who make execution decisions for Model Portfolio Accounts, will not have had the chance to evaluate or act upon the model portfolio recommendations prior to the time at which other Advisory Accounts received such recommendations and had the opportunity to act upon them. It is also possible that Model Portfolio Advisers, including PWM personnel who make execution decisions for Model Portfolio Accounts, may act upon such recommendations before other Advisory Accounts have commenced trading based on such recommendations. Trades on behalf of accounts that commence trading after the others may be subject to price movements, particularly with large orders or where the securities are thinly traded. As a result, Model Portfolio Accounts may not track the model and Model Portfolio Accounts and Advisory Accounts may receive prices that are less favorable than the prices obtained for other accounts. This could occur, for example, because of time zone differences or other reasons that cause orders to be placed at different times. Furthermore, any delay in the communication or receipt of updates to model portfolios may in certain instances reduce or eliminate the usefulness of such model portfolios to Model Portfolio Advisers, Model Portfolio Accounts and Advisory Accounts.

Item 7 – Types of Clients

TYPES OF CLIENTS

GSAM provides investment solutions to a range of individual and institutional investors worldwide. GSAM's clients include individuals, families and family entities, banks and thrift institutions, pooled investment vehicles, pension and profit sharing plans, trusts, estates, charitable organizations, insurance companies, corporations, and other business entities. In addition to those types of clients, GSAM may provide investment advice to U.S. and non-U.S. government entities, sovereign wealth funds, local authorities and public international bodies, as well as mutual funds, closed end funds (including business development companies), exchange traded funds, collective trusts, long-only pooled investment vehicles (direct and Manager of Manager Accounts that are pooled investment vehicles), hedge funds (direct and funds-of-funds), private equity

funds, real estate funds, securitization vehicles and other private investment vehicles (e.g., AIMS Program Funds).

GSAM also has client and other relationships with other entities, including special purpose acquisition vehicles and operating companies. GSAM provides various services to these entities, including management and other services in relation to their business strategies and operations. GSAM (or an affiliate of GSAM) may receive compensation in exchange for these services, which may include asset and/or performance-based compensation or other forms of compensation (e.g., equity interests in such entities).

GSAM does not provide services to these entities pursuant to investment advisory contracts and GSAM's relationships with these clients are not investment advisory relationships. As a result, investors in such entities may not have the protections of the substantive provisions of the Advisers Act and certain other laws and regulations. However, GSAM in its discretion may, and in many cases does, operate such entities in accordance with, and take such entities into account for purposes of, certain of the policies and procedures described herein. In particular, such entities generally receive allocations of opportunities from GSAM, and generally are included in GSAM's allocation procedures, as described above in Item 6, Performance Based Fees and Side-By-Side Management—Side-By-Side Management of Advisory Accounts; Allocation of Opportunities. In addition, GSAM's activities on behalf of such entities may create conflicts of interest between such entities, on the one hand, and Advisory Accounts, on the other hand, that are the same as or similar to the conflicts that arise between Advisory Accounts, or between an Advisory Account, on the one hand, and an Account, on the other hand, as described in Item 6, Performance Based Fees and Side-By-Side Management and Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

ACCOUNT REQUIREMENTS

GSAM does not generally impose a minimum dollar value of assets in order to open or maintain an account. However, GSAM does consider the minimum annual fee an account is expected to generate when determining whether to open or maintain an account. GSAM takes into account the dollar value of assets expected to be managed in an account, as

well as the type of investment strategy to be employed, in determining whether to open or maintain a separately managed account, and other Registrants may also take these factors into account.

In the case of consulting or Wrap Programs sponsored by certain broker-dealers, GSAM generally requires clients to have minimum assets under management of \$100,000. The minimum account size applicable to GSAM clients with "dual contract" managed account arrangements may differ from that applicable to GSAM clients participating in consulting or Wrap Programs.

To open or maintain an Advisory Account with GSAM, clients are required to sign an investment advisory agreement that, among other things, describes the nature of the investment advisory authority given to GSAM. Under delegated authority from one or more of its affiliates, GSAM may also manage accounts of its affiliates' clients and may 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 investment advisory agreement with Goldman Sachs or with GSAM's affiliate and not GSAM.

In the case of separately managed accounts and private investment funds, U.S. investors must generally be "accredited investors" as defined in Rule 501(a) of Regulation D under the U.S. Securities Act of 1933, as amended (the "1933 Act"), "qualified purchasers" as defined in Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended, and the rules thereunder (the "Investment Company Act") and "qualified eligible persons" under Rule 4.7 of the U.S. Commodity Exchange Act, as amended. The minimum amount investors must invest in such GSAM-managed funds and accounts is set forth in each such fund's prospectus or other relevant offering document and varies from fund to fund depending on the particular investment product. Such minimum amount is typically between \$500,000 and \$5,000,000, although may be lower or higher, and may be waived in the discretion of a fund's general partner, managing member, board of directors, or other managing body.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

GSAM and its investment teams offer a broad range of products across asset classes, regions and the risk spectrum. These investment teams are described below.

GSAM's investment teams use a variety of proprietary and non-proprietary analysis and data to evaluate investment options and formulate investment advice for Advisory Accounts. The methods of analysis and particular account characteristics will vary depending on the particular investment strategy offered, but may include fundamental or quantitative (including asset allocation models) analysis. Additional sources of research information include other general information and analysis as may be appropriate under the circumstances. Advisory Accounts differ from portfolio management group to portfolio management group, and guidelines, strategies and sub-strategies may differ among Advisory Accounts.

Advisory Account clients and investors in pooled investment vehicles should understand that all investment strategies and the investments made pursuant to such strategies involve risk of loss, including the potential loss of the entire investment, which clients and investors should be prepared to bear. 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 will fluctuate due to market conditions and other factors. The investment decisions made and the actions taken for Advisory Accounts will be subject to various market, liquidity, currency, economic, political and other risks, and investments may lose value. Please see this Item 8—Methods of Analysis, Investment Strategies and Risk of Loss—Material Risks for Significant Investment Strategies and Particular Types of Securities and Appendix B—Information on Significant Strategy Risks, for information about the risks associated with security types and investment techniques used by GSAM.

Fundamental Equity

The Fundamental Equity team utilizes fundamental research in choosing securities for an Advisory Account. The team may also use macro analysis of numerous economic and valuation variables to anticipate changes in company earnings and the overall investment climate. The team is able to draw on the research and market expertise of securities dealers, including affiliates of GSAM. Equity investments in an Advisory Account will generally be sold when the team believes that the market price fully reflects or exceeds the investments' fundamental valuation or when other more attractive investments are identified. The team's Advisory Accounts generally invest in common stocks, preferred stocks, interests in real estate investment trusts, convertible debt obligations, convertible preferred stocks, equity interests in trusts, partnerships, joint ventures, limited liability companies and similar enterprises, warrants and stock purchase rights and synthetic and derivative instruments that have economic characteristics related to equity securities.

Energy and Infrastructure (including MLPs)

The Energy and Infrastructure team conducts fundamental analysis and a combination of top-down sub-sector selection and bottom-up company selection. The team selects their investments based on a range of criteria, including valuation, sector exposure, stability of cash flow and expected distribution growth. The team is able to draw on the research and market expertise from the broader GSAM platform. The team's Advisory Accounts generally invest in equities listed on established U.S. securities exchanges.

Global Fixed Income and Liquidity Management

The Global Fixed Income team uses specialist teams for generating strategies within their areas of expertise. The team's investment process is generally based on four basic elements:

- *Developing a long-term risk budget.* The team establishes a "risk budget" or range that a particular Advisory Account may deviate from its respective benchmarks with respect to sector allocations, country allocations, securities selection and, to a lesser extent, duration. Following analysis of risk and return objectives, the team allocates the overall risk budget to

each component strategy to seek to optimize potential return;

- *Generating investment views and strategies.* The strategy teams generate investment ideas within their areas of specialization. Generally, there are top-down strategy teams responsible for cross-sector, duration, country and currency decisions and bottom-up strategy teams that formulate sub-sector allocation and security selection decisions;
- *Portfolio construction.* The strategy teams collaborate to build a diversified portfolio of individual securities consistent with each client's overall risk and return objectives; and
- *Dynamic adjustments based on market conditions.* As market conditions change, the volatility and attractiveness of sectors and strategies can change as well. To optimize an Advisory Account's risk/return potential within its long-term risk budget, the portfolio managers dynamically adjust the mix of top-down and bottom-up strategies. At the same time, the strategy teams adjust their strategies and security selections in an effort to seek to optimize performance within their specialty areas.

The Global Liquidity Management team uses a combination of active duration management, term structure, and sector and security selection decisions. Duration and term structure decisions reflect the team's view on the timing and direction of monetary policy, as well as an Advisory Account's immediate and near-term cash requirements. Sector and individual security selection decisions also depend on Advisory Account guidelines, as well as on fundamental and quantitative sector research that seeks to optimize the risk/return profile of the portfolio. Security selection is restricted to issuers that meet certain credit standards.

Insurance Asset Management

The Insurance Asset Management team focuses on educating and assisting insurers in areas such as strategic asset allocation, asset liability management, capital management, peer analysis, capital and tax-efficient investment strategies. In providing this education and assistance, a team of professionals with experience in the

insurance industry and quantitative analysts use risk and capital modeling optimization and stress testing capabilities based on Goldman Sachs' proprietary optimization systems. As agreed with Advisory Accounts, the team's fixed-income investment approach takes into account regulatory, capital and accounting and other client-specific requirements. The fixed-income investment strategies employed to manage assets may include: (i) modified total return strategies that are typically managed to total return objectives; and/or (ii) income/buy and hold strategies that are typically managed to specific, client-defined income, yield or spread targets. The team includes dedicated fixed-income portfolio managers and insurance-focused sector specialists that are integrated into the Global Fixed Income team. Where appropriate, the team also leverages the resources of other GSAM investment teams across asset classes with the goal of providing clients with diverse sources of risk-adjusted returns.

Credit Alternatives

The Credit Alternatives team utilizes a bottom-up, fundamentally-based investment approach with a focus on capital preservation to provide clients with differentiated sources of return or yield over the long-term. The team offers clients a broad range of investment strategies and customized portfolios primarily focused on public and private opportunities, including, without limitation, corporate credit strategies, private investment strategies and real asset strategies. The businesses that comprise Credit Alternatives include:

Corporate Credit

Corporate credit strategies managed by the team focus primarily on syndicated, liquid corporate credit opportunities in North America. The team is responsible for identifying investment opportunities, conducting research and due diligence on prospective investments and ongoing risk management and portfolio monitoring.

The team utilizes a flexible approach to investing to capture a diversified set of credit opportunities. The team's investment strategies are not constrained by benchmark allocations and therefore the team pursues its highest conviction ideas. Capital preservation is a priority, and the

team's approach seeks to minimize event risk through rigorous, bottom-up credit selection.

The team's corporate credit investment strategies include investments across the spectrum of corporate credit including high yield securities, investment grade securities, bank loans, and to a lesser extent, convertible and preferred securities. These strategies may also invest in derivative instruments, such as interest rate swaps, currency forwards and credit default swaps, which may be used for hedging purposes and efficient portfolio management.

The team utilizes a broad range of strategies including:

- **Long-only strategies.** Long-only strategies seek to identify investment opportunities across leveraged capital structures with a focus on strong fundamentals. For every investment, the team seeks to understand the upside potential versus the downside risks. In addition, the team considers important factors such as instrument and market liquidity, technical dynamics in the market, impact on the current portfolio, overall risk/return potential, and attractiveness of the position relative to others.
- **Event-driven strategies.** Event-driven strategies seek to exploit situations in which an anticipated corporate event is expected to generate price movement, including, for example, mergers, acquisitions, restructurings, bankruptcies, recapitalizations, spin-offs, split-offs, liquidations, regulatory or legal developments and other events.
- **Distressed strategies.** Distressed strategies involve the purchase of securities and other obligations of companies that are experiencing significant financial or business distress.
- **Long/short strategies.** Long/short strategies involve taking long positions across leveraged capital structures with a focus on strong fundamentals. These strategies utilize short positions that seek to provide active downside management.

Private Investments

Private investment strategies managed by the team focus primarily on private corporate credit investment opportunities in North America and utilize a bottom-up,

fundamental research approach to lending. The team is responsible for identifying investment opportunities, conducting research and due diligence on prospective investments, negotiating and structuring investments and monitoring and servicing investments.

The team's private investment strategies include direct originations of secured debt and unsecured debt, as well as investments in select equity investments. Secured debt may include first lien loans, second lien loans and unitranche debt (including "last-out" portions of such debt). Unsecured debt may include, among other things, mezzanine debt. The team may make investments through both primary originations and open-market secondary purchases. The team currently does not limit its focus to any specific industry.

Real Assets

Real assets investment strategies managed by the team focus primarily on renewable energy projects. The team is responsible for identifying opportunities for new portfolio acquisitions, conducting research and due diligence on prospective acquisitions of renewable energy projects and negotiating and structuring any such acquisitions. The team is also responsible for overseeing the operations of projects.

The team's renewable energy strategy is focused primarily on acquiring, owning and operating medium-sized solar energy projects that are expected to generate cash flow in connection with contractual arrangements with "off-take" counterparties that have agreed to purchase energy. The objective of the team's business strategy is to generate predictable long-term, distributable cash flows as well as, to a lesser extent, capital appreciation through the acquisition and operation of such assets.

Quantitative Investment Strategies

The QIS team members focused on Equity Alpha strategies attempt to forecast expected returns on a global universe of stocks on a daily basis using proprietary models developed by the QIS team. These models are based on certain investment themes including, among others, Fundamental Mispricings, High-Quality Business Models, Sentiment Analysis and Market Themes & Trends.

- **Fundamental Mispricings.** The team seeks to identify high-quality businesses trading at attractive prices relative to their intrinsic values and peer groups, which the team believes leads to strong performance over the long-run.
- **High-Quality Business Models.** The team seeks to identify companies that are generating high-quality revenues with sustainable business models and aligned management incentives.
- **Sentiment Analysis.** The team seeks to identify stocks experiencing improvements in their overall market sentiment.
- **Market Themes and Trends.** The team seeks to identify companies positively positioned to benefit from themes and trends in the market and macroeconomic environment.
- Custom indexing across domestic, international and global markets, including ESG (environments, social, governance) solutions;
- ActiveBeta™ equity portfolios that employ a transparent, rules-based and patented methodology for constructing benchmark-aware factor portfolios that aim to achieve efficient exposure to a diverse set of investment factors;
- Customized, tax-managed equity exposure, which seeks to improve after-tax returns for taxable individual and corporate clients; and
- Tax-loss harvesting and enhanced dividends.

In implementing such programs, the QIS team relies on resources including sophisticated risk modeling capabilities, algorithmic trading, transaction cost modeling and optimization-based portfolio construction.

The QIS team members focused on Alternative Risk Premia strategies create portfolios comprising hedge fund beta, liquid alternatives and risk premia strategies including volatility and trend. The methods and techniques that may be utilized in the team's investment processes include:

- A comprehensive, customizable solution for implementing a hedge fund beta program as well as practical tools for analyzing and attributing an existing hedge fund portfolio;
- Construction, risk-management, and implementation of long/short alternative risk premia portfolios across asset classes;
- Customized options-based overlay solutions for equity portfolios.

The QIS team members focused on Smart Beta strategies design and manage customized, rules-based, and indexed equity strategies, as well as the implementation of smart beta strategies in equity portfolios through the capture of common factors, and tax-aware equity portfolios. The team offers a comprehensive and customizable platform for implementing a smart beta investment strategy within a global equity portfolio. The methods and techniques that may be utilized in the team's investment processes include:

From time to time, in implementing these strategies, the team will monitor and may make changes to the selection or weight of individual or groups of securities, currencies, or markets in which Advisory Accounts invest. Such changes may result from changes in the quantitative methodology, changes in the manner of applying the quantitative methodology, changes in trading procedure, or adjustments to the outputs of the model in the qualitative or quantitative judgment of the team.

The team may also offer customized multi-asset class allocations, risk management strategies, tactical investments and investment advisory solutions.

GSIS

The GSIS investment team currently manages Advisory Accounts that utilize private investment strategies. Private investment strategies focus primarily on investing through privately negotiated transactions in privately held companies or assets with growth potential. The team currently manages Advisory Accounts that invest in private investments and the team also manages Advisory Accounts that co-invest alongside other Advisory Accounts in a single private investment.

The team generally conducts a bottom-up analysis of each of the portfolio's investments. Prior to making an investment, it is the investment team's practice to conduct due diligence on all aspects of the investment that it deems

relevant, which may include without limitation, business, financial, tax, accounting, environmental, legal or other factors, in order to determine whether the investment is appropriate for the portfolio.

In connection with GSIS's management of Advisory Accounts, certain members of the GSIS team focus on particular investment strategies and sub-strategies and/or on implementing such strategies and sub-strategies in specific geographic regions.

The team attempts to identify opportunities backed by favorable macroeconomic forces, secular trends and superior management teams. The team seeks to provide senior equity capital (or securities with equity-like characteristics) to companies that have limited leverage, and the team generally tries to negotiate a series of structural protection provisions including preferential returns, anti-dilution protection, consent rights over capital raising and exit and other mechanisms for ongoing investment oversight. The team may have board representation in the form of a director or observer seat.

Investments may be made through, among other instruments, common and preferred equity investments, convertible securities and loans, mezzanine debt securities, secured and unsecured loans and other debt securities, warrants, options, derivatives, physical assets and contractual rights to future payments. In addition, the team may hold public market positions in companies as a result of a private portfolio investment listing on a stock exchange. Investments may also be made directly into public market securities, and equities, indices, futures, currencies and derivative products may be used for hedging purposes. Further, although not core to the strategy, the team may co-invest with third parties or otherwise participate with others in pooled investment vehicles (including private equity funds managed by Affiliated Advisers or Unaffiliated Advisers), or may allocate discrete portions of their assets to accounts managed by Affiliated Advisers or Unaffiliated Advisers with respect to which the team is a passive investor.

AIMS

AIMS provides investment management and advisory services through investments with Unaffiliated Advisers, including Unaffiliated Advisers engaged in hedge fund,

private equity, real estate, credit and fixed-income, and public equity strategies, although AIMS also makes direct investments as described below. AIMS manages client assets through selection of one or more Unaffiliated Advisers, selection of Unaffiliated Advisers to sub-advise Manager of Manager Accounts, direct investment in Underlying Funds that are private funds advised by Unaffiliated Advisers, and establishment of AIMS Program Funds.

In connection with its Unaffiliated Adviser activities, AIMS uses a multi-step diligence process to evaluate investments, and ultimate investment decisions are generally made by an investment committee. After AIMS makes a primary or secondary investment, Unaffiliated Advisers are typically responsible for the day-to-day investment decisions, although AIMS may develop benchmarks and written investment guidelines for the management of Advisory Account assets by Unaffiliated Advisers. AIMS's responsibilities with respect to Unaffiliated Advisers generally are limited to the selection, appointment, evaluation, monitoring and removal of such Unaffiliated Advisers, and AIMS generally does not have any rights with respect to determining or approving specific investments made by the Unaffiliated Advisers other than setting general investment objectives and guidelines. Similarly, with respect to direct co-investments, although AIMS will be involved with the selection, evaluation and monitoring of such investments, after the initial investment decision is made, AIMS's role generally is passive and the Unaffiliated Advisers are typically responsible for day-to-day investment decisions. The Unaffiliated Advisers generally are responsible for compliance with all applicable laws, rules and regulations pertaining to their investment activities. In certain situations, AIMS may agree with certain clients that it may provide a different or lower level of services (including relating to due diligence, oversight and/or monitoring of Unaffiliated Advisers and/or Underlying Funds) than would typically be the case absent such agreement.

The one or more Unaffiliated Advisers to which an Advisory Account allocates assets from time to time will generally be determined by AIMS, in its sole discretion, based on factors deemed relevant by AIMS. AIMS may,

from time to time, vary or change materially the actual allocation of assets made by an Advisory Account, as it deems appropriate in its sole discretion, including, without limitation, by way of allocation of assets to new Unaffiliated Advisers, complete or partial withdrawal of an allocation to any existing Unaffiliated Adviser, a reallocation of assets among existing Unaffiliated Advisers, or any combination of the foregoing without prior notice to, or the consent of, the Advisory Accounts. The identity and number of the Unaffiliated Advisers to which an Advisory Account allocates assets may change materially over time. AIMS may allocate assets to one or more Unaffiliated Advisers, directly or indirectly, through, among other means, one or more discretionary managed accounts or investment funds (including AIMS Program Funds) established by AIMS, any Unaffiliated Adviser or their respective affiliates.

Notwithstanding the foregoing, AIMS does not typically negotiate the investment objectives, guidelines or investment restrictions of the third-party managed Underlying Funds in which AIMS Program Funds invest, although it may determine to do so from time to time.

AIMS – Hedge Funds

The AIMS hedge fund business is conducted through HFS. See “AIMS Hedge Funds” below.

AIMS – Private Equity

AIMS-advised Advisory Accounts invest in the private equity market by making commitments to third-party managed private equity Underlying Funds (primary investments), co-investing directly or indirectly in companies alongside Unaffiliated Advisers (co-investments), acquiring existing private equity investments in the secondary market or providing liquidity solutions to managers of, or investors in, private equity or related asset classes (secondary investments), and acquiring minority stakes in Third-Party Management Companies. AIMS creates portfolios utilizing these strategies, and these portfolios may receive exposure to strategies such as leveraged buyouts, growth and venture capital, distressed turnaround, industry-focused and structured investments, natural resources, distressed, mezzanine, real assets and other related sectors. AIMS also manages certain Advisory Accounts that (i) invest substantially all of their assets in a

single Underlying Fund managed by an Unaffiliated Adviser or (ii) allocate substantially all of their assets to an Unaffiliated Adviser pursuant to an investment management agreement with such Unaffiliated Adviser.

AIMS – Private Credit

AIMS-advised Advisory Accounts invest in the private credit market by making commitments to third-party managed private credit Underlying Funds (primary investments) and co-investing directly or indirectly in private loans or other illiquid credit instruments alongside Unaffiliated Advisers (co-investments). AIMS creates portfolios utilizing these strategies, and these portfolios may receive exposure to strategies such as direct lending, loan portfolios, specialty credit, distressed strategies, and other related strategies. AIMS also manages certain Advisory Accounts that invest substantially all of their assets in a single Underlying Fund managed by an Unaffiliated Adviser.

AIMS – Real Estate

AIMS creates portfolios on behalf of Advisory Accounts to provide exposure to the real estate private equity market by making commitments to third-party managed Underlying Funds (primary investments), investing in commercial real estate assets alongside Unaffiliated Advisers (direct co-investments), and by acquiring existing real estate private equity investments on the secondary market (secondary investments). AIMS uses a broad network of relationships, including institutional investors, professional contacts, industry experts, financial advisors and others, to source investment opportunities. In formulating its investment views, AIMS may rely on macroeconomic and global insights, capital market views, corporate and industry expertise, and policy insights of its own personnel, other GSAM professionals and data from third-party information providers. AIMS uses a multi-step diligence and decision-making process when evaluating and selecting real estate private equity investments as part of its Unaffiliated Adviser activities, although AIMS’s role typically is passive after the initial investment decision is made.

AIMS – ESG and Impact

AIMS creates portfolios utilizing ESG and impact strategies. For such portfolios, AIMS oversees ESG and

impact-oriented investing across the public equity, credit and fixed-income, hedge fund, real estate and private equity sectors. For these portfolios, AIMS primarily invests in each of these areas in the manner described in this Item 8, Methods of Analysis, Investment Strategies and Risk of Loss—Methods of Analysis and Investment Strategies, but in connection with ESG investments AIMS applies an ESG or impact focus and objective.

AIMS also may incorporate ESG and impact-related factors into its diligence process with respect to Unaffiliated Advisers that do not have an ESG or impact focus, which are assessed alongside the conventional due diligence factors used in connection with such Unaffiliated Advisers.

AIMS – Public Credit, Fixed Income and Equity

In the public credit, fixed-income and equity asset classes, AIMS acts as a “manager of managers.” AIMS may select Unaffiliated Advisers to sub-advise Manager of Manager Accounts in public credit, fixed-income and equity asset classes, may invest directly in third-party managed public credit, fixed-income, and equity Underlying Funds, or may establish AIMS Program Funds that invest substantially all of their assets in such third-party managed public credit, fixed-income, and equity Underlying Funds. Such funds may focus on thematic investments (i.e., specific investment themes or ideas that are derived from short-term or medium-term market views). The Unaffiliated Advisers 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 Unaffiliated Advisers are available for investment by Advisory Accounts.

AIMS Hedge Funds

HFS acts as an adviser to AIMS Program Funds and other Advisory Accounts that invest primarily in Underlying Funds or other accounts utilizing hedge fund or related strategies on either a discretionary or non-discretionary basis. HFS typically allocates client assets to Unaffiliated Advisers. However, in certain circumstances, HFS allocates client assets to Underlying Funds advised by Affiliated Advisers. In addition, HFS may evaluate co-investment opportunities with Unaffiliated Advisers.

HFS generally employs a dynamic investment process in respect of Advisory Accounts that includes Adviser selection, portfolio design and ongoing risk analysis and monitoring. HFS has developed computer systems and operational capabilities to assist in the monitoring of Advisers. Both qualitative and quantitative criteria are factored into the Adviser selection process. These criteria generally include (to the extent applicable) portfolio management experience, strategy, style, historical performance, including risk profile and drawdown (i.e., downward performance) patterns, risk management philosophy and the ability to absorb an increase in assets under management without a diminution in returns. HFS also examines an Adviser’s organizational infrastructure (to the extent the Adviser has an established infrastructure), including the quality of the investment professionals and staff, the types and application of internal controls, and any potential for conflicts of interest.

Advisers are typically responsible for the day-to-day investment decisions in connection with Advisory Account assets that they manage, although HFS may develop benchmarks and written investment guidelines for the management of such assets. HFS’ responsibilities with respect to investments with Unaffiliated Advisers generally are limited to the selection, appointment, evaluation, monitoring and removal of such investments or Unaffiliated Advisers, and HFS generally does not have any rights with respect to determining or approving specific investments made by the Unaffiliated Advisers. HFS does not typically negotiate the investment objectives, guidelines or investment restrictions of the Underlying Funds in which Advisory Accounts invest, although it may determine to do so from time to time.

The one or more Advisers to which an Advisory Account allocates assets from time to time will generally be determined by HFS, in its sole discretion, based on factors deemed relevant by HFS. HFS may, from time to time, vary or change materially the actual allocation of assets made by an Advisory Account, as it deems appropriate in its sole discretion, including, without limitation, by way of allocation of assets to any new Adviser, complete or partial withdrawal of an allocation to any existing Adviser, a reallocation of assets among existing Advisers, or any

combination of the foregoing without prior notice to, or the consent of, investors. The identity and number of the Advisers to which an Advisory Account allocates assets may change materially over time. HFS may allocate assets to one or more Advisers, directly or indirectly, through, among other means, one or more discretionary managed accounts established by HFS, any Adviser or their respective affiliates.

The strategies the Advisers may utilize include, without limitation, strategies within one or more of the following four hedge fund sectors. In addition, HFS may allocate assets to Advisers whose principal investment strategies are not within one of these hedge fund sectors but are related or unrelated to any such sectors, or which focus on thematic investments (i.e., specific investment themes or ideas that are derived from short-term or medium-term market views).

- **Equity Long/Short Sector** - Equity long/short strategies involve making long and short equity investments, generally based on analysis of fundamental evaluations, although it is expected that Advisers will employ a wide range of styles. For example, Advisers may (i) focus on companies within specific industries; (ii) focus on companies only in certain countries or regions; (iii) focus on companies with certain ranges of market capitalization; or (iv) employ a more diversified approach, allocating assets to opportunities across investing styles, industry sectors, market capitalizations and geographic regions.
- **Relative Value Sector** - Relative value strategies seek to profit from the mispricing of financial instruments, capturing spreads between related securities that deviate from their fair value or historical norms. Directional and market exposure is generally held to a minimum or completely hedged. Hence, relative value strategies endeavor to have low correlation and beta to most market indices.
- **Event-Driven and Credit Sector** - Event-driven strategies seek to achieve gains from market movements in security prices caused by specific corporate events or changes in perceived relative value. These strategies may include, among others, merger arbitrage, distressed credit, opportunistic credit, and “value with a catalyst” investing styles. Merger

arbitrage investing involves long and/or short investments in securities affected by a corporate merger or acquisition. Distressed credit investing typically involves the purchase of securities or other financial instruments—usually bonds or bank loans—of companies that are in, or are about to enter, bankruptcy or financial distress. Opportunistic credit investing generally involves investing across the capital structure (which could include investing in both mezzanine debt and convertible securities of an issuer and/or adjusting exposures across fixed income and floating rate market segments based on perceived opportunity and current market conditions). This can be done by taking a long position in a credit security or other financial instrument that is believed to be underpriced or a short position in a credit security or other financial instrument that is believed to be overpriced. “Value with a catalyst” investing involves taking a view on the likelihood and potential stock price outcome of corporate events such as divestitures, spin-offs, material litigation, changes in management, or large share buybacks.

- **Tactical Trading Sector** - Tactical trading strategies are directional trading strategies, which generally fall into one of two categories: global macro strategies and managed futures strategies. Global macro strategies generally utilize analysis of macroeconomic and financial conditions to develop views on country, regional or broader economic themes and then seek to capitalize on such views by trading in securities, commodities, interest rates, currencies, and other instruments. Managed futures strategies involve trading in futures and currencies globally, generally using systematic or discretionary approaches.

As part of its investment program or for other reasons (including because such assets cannot be readily liquidated or because the value of such assets cannot be readily ascertained), an Adviser may determine that assets held by an Underlying Fund should be segregated (or “side pocketed”) from the other assets of the Underlying Fund until such time the assets are realized or become marketable or until the occurrence of such other specified event or circumstance as may be determined by the Adviser. See

Appendix B—Information on Significant Strategy Risks—Risks That Apply Primarily to Investments in Underlying Funds and with Respect to Advisers—Risks Related to Side Pockets.

HFS acquired Aptitude in December 2018. Aptitude engages in investment processes and strategies similar to those described above with respect to HFS. In addition, for certain Advisory Accounts, Aptitude also (i) assists in designing, adopting and adjusting, as necessary or advisable, a program with exposure to a variety of asset classes, strategies, goals and parameters tailored to the client's needs and circumstances and (ii) applies derivative overlays including options, swaps, forwards and futures contracts to obtain or hedge against market exposures. The Aptitude investment committee makes all investment decisions with respect to Aptitude clients.

GPS

The GPS team focuses on and implements customized multi-asset class allocations, risk management strategies, portfolio construction, tactical investments, and investment advisory solutions and products. As agreed upon with the client, the team provides these services by selecting or recommending investment products, monitoring compliance with investment guidelines and/or policies, and periodically rebalancing the portfolios. The team selects or recommends investment options from a broad range of investment products, including but not limited to, pooled investment vehicles (both public and private), separately managed accounts, public securities and derivative instruments. Investment products may be sponsored, managed, or advised by GSAM or Goldman Sachs ("Affiliated Products") or sponsored, managed or advised by Unaffiliated Advisers ("External Products"), and may employ a broad range of investment strategies, including but not limited to, passive investment strategies, long-only investment strategies (e.g., exchange-traded funds, mutual funds and private investment funds) and alternative investment strategies (e.g., hedge funds, funds of hedge funds, private equity funds, funds of private equity funds and real estate funds).

GPS Program Funds currently include pooled investment vehicles formed and managed by the GPS team that focus on investing in a specific asset class or strategy, as well as

pooled investment vehicles formed and managed by other investment managers, including affiliates, to which the GPS team provides asset allocation advice and other services. GPS Advisory Accounts may invest in GPS Program Funds, including GPS Program Funds that are Affiliated Products.

When reviewing potential investment products for an Advisory Account, the GPS team considers various factors it deems relevant in its sole discretion, which may include quantitative as well as qualitative factors (which may be inherently subjective). The team may give different weights to different factors and the factors may change from time to time. The team may consider, without limitation, (i) product-related factors, such as track record, index comparisons, liquidity, risk and return assumptions (taking into account applicable fees in connection with such risk/return analysis), investment strategy and objectives, investment process, tenure, stability and seniority of investment teams, overall market opportunity, and consultant ratings, (ii) the team's experience and familiarity with particular potential investment products and, if applicable, the investment management teams managing such investment products or their organizations, (iii) client-driven factors, such as the client's investment mandate, the effect on the client's portfolio diversification objectives, consistency with the client's asset allocation model, and the projected timing of implementation, and (iv) other factors, such as capacity constraints and minimum investment requirements, as determined by the team.

The GPS team may consider different factors for different products, and certain factors play a greater role in the review of certain products while others may play no role at all. With respect to an Advisory Account that invests in both Affiliated Products and External Products, the team gives different weights to different factors depending on whether its review is for an Affiliated Product or for an External Product. For example, the team considers qualitative and subjective factors (such as the investment product's investment objective and process) to a greater extent than quantitative factors (such as the investment product's returns and performance consistency over specified time periods) when it reviews an Affiliated Product than it does when it reviews an External Product. Accordingly, Affiliated Products and External Products are not subject to

the same review of quantitative and qualitative characteristics. With respect to an Advisory Account that generally, or for particular asset classes or strategies, invests only in either Affiliated Products or External Products, a particular Affiliated Product or External Product that is recommended or selected may not have been recommended or selected had the more quantitative factor weighted review (in the case of Affiliated Products) or the more qualitative weighted review (in the case of External Products) been employed, which could result in the recommendation or selection of an investment product that does not perform as well as the investment product that would have been recommended or selected under the alternative review. With respect to an Advisory Account that may invest in both Affiliated Products and External Products, an Affiliated Product could be recommended or selected over an External Product as a result of the different weighting systems, and the Affiliated Product that was recommended or selected may not perform as well as the External Product that would have been recommended or selected had the more quantitative review been applied to both Affiliated Products and External Products.

The GPS team may also provide model portfolios to Advisers, broker-dealers or other financial intermediaries who may use such model portfolios to assist in developing their own investment recommendations and managing their own accounts or the accounts of their clients, or who may make such model portfolios available to their clients through investment platforms. Such model portfolios may be focused on one or more asset classes or strategies or may be limited to certain types of investment products (for example, model portfolios consisting solely of ETFs or mutual funds).

See Item 10, Other Financial Industry Activities and Affiliations—Conflicts That Apply Primarily to GPS for a discussion of conflicts that apply primarily to GPS.

Stable Value (GSAM SV)

GSAM SV has established a team approach for managing Advisory Accounts.

Stable value strategies consist of a combination of fixed-income portfolio management and Stable Value Contracts with an overall objective of seeking capital preservation and

current income. The Stable Value team's approach to managing stable value portfolios begins with negotiating investment guidelines with the client, which includes establishing parameters for the types of investments permitted for the Advisory Account, credit quality and duration considerations and parameters, and whether internal and/or third party management will be used. The team oversees each Advisory Account's daily cash flow, makes allocations to various underlying strategies and Stable Value Contracts, monitors and maintains portfolio duration, and coordinates the resources of Stable Value's investment, legal and compliance teams. These activities are supported by an ongoing review of client portfolio structure, cash flow history, guidelines and objectives. The team may provide a full range of services for particular stable value clients, or services may be focused on a subset of stable value management such as advising on overall Stable Value Contract structure or Unaffiliated Adviser asset allocation.

Entering into Stable Value Contracts is an important aspect of stable value management. The team identifies and selects, or assists in the selection of, the financial organizations issuing Stable Value Contracts and negotiates contracts on behalf of Advisory Accounts. In addition, the team monitors and reviews the financial and business condition of each provider of a Stable Value Contract held by Advisory Accounts. The team's Stable Value Contract services may include fundamental credit research to develop the firm's approved issuer list, contract provider selection and contract negotiation. In addition, the team performs certain administrative, reporting and compliance services required or necessary under the terms of Stable Value Contracts.

Unaffiliated Advisers generally receive allocations of Advisory Account assets for management as determined by the team in consultation with the client. Such Unaffiliated Advisers generally are responsible for compliance with all applicable laws, rules and regulations pertaining to their investment activities, including applicable guidelines that may be established under such Unaffiliated Adviser's investment management agreement and Stable Value Contracts.

For certain client Stable Value mandates, the team retains Unaffiliated Advisers for all or part of the mandate or assists the client with such retention or oversight of the Unaffiliated

Adviser and/or provides reporting to the client with respect to the Unaffiliated Adviser. The team's retention of Unaffiliated Advisers may be subject, at a minimum, to client review in advance, or, in other cases, to client approval. In certain cases, clients may retain the authority to hire and terminate Unaffiliated Advisers that provide advisory services for Stable Value accounts. When selecting and reviewing Unaffiliated Advisers, the team utilizes the services of the AIMS team, which as it relates to the team's business focuses primarily on accounts where GSAMLP acts as "manager of managers" in the credit and fixed-income asset classes.

Private Real Estate

The GSAM Private Real Estate team invests in commercial real estate assets on behalf of GSAM-advised Advisory Accounts across multiple property types, including office, multifamily, retail, industrial, and undeveloped properties located in major U.S. markets.

Investments made on behalf of Advisory Accounts generally are made in the form of equity investments in entities holding real property, but may also take the form of direct interests in real property. Investments may also include any form of securities in, relating to, or deriving their value from real estate, including interests in mortgage debt instruments, real estate companies or other entities that have an interest in real estate (such as operating companies, holding companies, investment funds, and joint ventures). Many investments are held through joint ventures, partnerships and similar arrangements, although often the Advisory Accounts will seek to either control or co-control joint venture or similar arrangements or have approval authority over major decisions.

The GSAM Private Real Estate team expects that one or more property managers, will oversee the day-to-day management and operation of investments made on behalf of Advisory Accounts and that these property managers will be paid customary fees and expenses that will be borne by the applicable Advisory Account. Where investments are owned through joint venture arrangements with an operating partner, such operating partner may also serve as the property manager with respect to that investment.

The team uses a broad network of relationships, including institutional investors, professional contacts, industry experts, financial advisors and others, to source investment opportunities. In formulating its investment views, the team may rely on macroeconomic and global insights, capital market views, corporate and industry expertise, and policy insights of its own personnel, other GSAM professionals and data from third-party information providers. The team's portfolio construction process combines bottom-up, fundamental research and judgment with top-down views driven by research and quantitative tools.

Rocaton

In developing its asset allocation recommendations, Rocaton uses proprietary risk, return and correlation assumptions to assess the expected risk and expected return of different asset mixes over a variety of market environments. Specifically, Rocaton often utilizes a Monte Carlo portfolio optimization process to forecast risk and return inputs over different scenarios. Recommended allocations are generally based on forecasted risk and forecasted return characteristics, including expected volatility and correlation of returns, liquidity and transaction costs, as well as on client objectives. Each of these characteristics is based on underlying assumptions that may be reassessed from time to time.

For some of its clients, Rocaton reviews and recommends investment structures initially by asset class. Rocaton then evaluates and recommends exposure to different types of investment strategies within each asset class, including active, enhanced, and passive strategies. These recommendations are based on client objectives and input (e.g., risk, expected returns, and fees and expenses). In addition, Rocaton may utilize its alternatives research professionals to identify and recommend specific investments in private equity, real estate and hedge funds. For defined contribution clients, Rocaton may consider best practices, behavioral finance, client-specific factors, and the current and/or prior investment structure, among other factors, when making investment structure recommendations or decisions.

Rocaton analyzes various investment managers including, as appropriate, their investment strategies, levels of service and past performance. Generally, Rocaton utilizes a mixture of

quantitative and qualitative analysis to review managers' organizational stability, investment processes, and historical performance. For certain of its non-discretionary clients, Rocatón provides recommendations to add, remove or replace investment managers, and may also provide advice in connection with the selection of investment managers generally. Rocatón may also provide lists of recommended managers or funds for particular asset classes. For its discretionary clients, Rocatón may, in its sole discretion, select, add and replace investment managers. In addition, as permitted by client guidelines, Rocatón may make commitments to private partnerships and other illiquid alternative investments such as real estate, private equity and hedge funds.

For certain of its discretionary clients, Rocatón reviews service providers using a mixture of quantitative and qualitative analysis. Rocatón typically reviews, among other things, the costs, capabilities, experience level, and the efficiency of such service providers, with the goal of recommending the hiring, retention or replacement of a service provider. Absent specific arrangements, Rocatón does not enter into or negotiate agreements with service providers on behalf of clients.

Rocatón provides periodic reviews of client investment programs and their investment managers, with a focus on manager performance, diversification, and overall risk management. Rocatón tailors its reviews based on each client's specific requirements and analyzes sources of over- and underperformance using its internal analytics. Rocatón obtains information about investment programs and managers through a variety of sources, including from clients, investment managers and third parties. The scope of Rocatón's ongoing program review, including the frequency of reporting and manager review, is based on the agreement between Rocatón and each client. Rocatón may draft periodic performance and risk reports and/or analyses of the managers and funds used in the program. In addition, Rocatón may provide access to client education and research papers.

When specifically agreed to by Rocatón and a client, Rocatón may provide advisory services related to retirement plans, investment options and manager fees and expenses. These services may include, but are not limited to, analysis

of specific manager fees, comparative analysis of fees and expenses, and analysis of components of fees and expenses. Rocatón bases these services on information and research that Rocatón acquires or performs on various plans, investment options and managers.

Other Investment Teams

In addition to the investment teams described above, GSAM may add additional investment teams and its current investment teams may offer additional strategies at any time.

MATERIAL RISKS FOR SIGNIFICANT INVESTMENT STRATEGIES AND PARTICULAR TYPES OF SECURITIES

Clients should understand that all investment strategies and the investments made pursuant to such strategies involve risk of loss, including the potential loss of the entire investment, which clients should be prepared to bear. 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 investments will fluctuate due to market conditions and other factors. The investment decisions made and the actions taken for Advisory Accounts will be subject to various market, liquidity, currency, economic, political and other risks, and investments may lose value. The types of risks to which an Advisory Account is subject, and the degree to which any particular risks impact an Advisory Account, may change over time depending on various factors, including the investment strategies, investment techniques and asset classes utilized by the Advisory Account, the timing of the Advisory Account's investments, prevailing market and economic conditions, reputational considerations, and the occurrence of adverse social, political, regulatory or other developments.

Following is a summary of the material risks for each of GSAM's significant investment strategies, security types and the investment techniques employed by the GSAM investment teams in their significant investment strategies and certain other risks applicable to Advisory Accounts. GSAM offers advisory services across a broad range of strategies and investment types and does not primarily recommend any particular type of security to its clients.

Appendix B describes in greater detail, and contains certain additional information about, the risks associated with security types and investment techniques used by GSAM. In addition, to the extent clients receive prospectuses, constituent documents, supplemental risk disclosures or other applicable documents pertaining to their Advisory Accounts, clients should carefully read the product-specific risk disclosures contained therein. See also Item 10, Other Financial Industry Activities and Affiliates and Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading for additional information about risks associated with certain conflicts faced by Goldman Sachs and GSAM.

The information contained in this Brochure (including in Appendix B) cannot disclose every potential risk associated with an investment strategy, or all of the risks applicable to a particular Advisory Account. Rather, it is a general description of the nature and risks of the strategies and securities and other instruments that clients may include in their investment guidelines for their Advisory Account. Clients should not include these strategies and financial instruments in their guidelines for their Advisory Account unless they understand the risks of the strategies and financial instruments that they permit GSAM to utilize for their Advisory Account. Clients should also be satisfied that such strategies and financial instruments are suitable for their Advisory Account in light of the clients' circumstances, investment objectives and financial situation. In addition, clients of GSAM's pooled investment vehicles should carefully review the prospectuses or other offering documents and constituent documents for additional information about risks associated with those products.

GENERAL RISKS

- Adverse Effects of Global Economic Conditions—Advisory Accounts may be adversely affected by financial markets and economic conditions throughout the world.
- Advisory Account Consent Requirements—Advisory Account consent may be required to invest in certain transactions in which Goldman Sachs receives compensation or is a principal, and GSAM may determine not to seek such consent due to timing or other considerations, in which case the Advisory Account will not have the opportunity to make the investment.
- Allocation of Advisory Account Assets to Underlying Funds and Advisers—The risks associated with certain types of securities and investment strategies described herein apply with respect to investments in Underlying Funds and with Advisers. Additional information about risks associated with the activities of Underlying Funds and Advisers is available herein, as well as in the prospectuses, offering memoranda and constituent documents of the Underlying Funds.
- An Advisory Account's Investment Flexibility May Be Constrained by Confidentiality Concerns—An Advisory Account may decline investment opportunities for which it is required to enter into a confidentiality agreement, which may limit the flexibility to broaden its investment portfolio.
- Bankruptcy—A company in which an Advisory Account invests may become involved in a bankruptcy or other reorganization or liquidation proceeding.
- Board Participation and/or Creditors Committees—Advisory Accounts may be restricted in their investment activities if GSAM or GSAM Personnel have representation on board of directors and/or creditors committees, and GSAM's fiduciary duties to the portfolio company as a result of the foregoing may conflict with the interests of Advisory Accounts.
- Cash Management Risks—GSAM 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 objective.
- Changes to Investment Program; Additional Investment Strategies—GSAM may utilize additional investment strategies and sub-strategies and/or remove, substitute or modify its investment strategies and sub-strategies or any of the types of investments it is then utilizing, which may have an adverse effect on the Advisory Account.
- Concentration and Geographic Risk—A portfolio that concentrates its investments in a relatively small

number of issuers, asset classes, geographic locations or economic sectors may be more adversely affected by adverse economic, business, political or other developments than a less concentrated portfolio.

- **Conflicts of Interest**—Goldman Sachs' activities and dealings may affect a particular Advisory Account in ways that may disadvantage or restrict the Advisory Account and/or benefit Goldman Sachs or other Accounts.
- **Conversion of Equity Investments**—Equity securities acquired through the conversion of convertible debt instruments or as a result of a restructuring event may be subject to restrictions on transfer or disposition.
- **Corporate Event Risks**—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**—Advisory Accounts may be exposed to the credit risk of counterparties with which, or the brokers, dealers, custodians and exchanges through which, they engage in transactions.
- **Currency Risks**—An Advisory Account that holds investments denominated in currencies other than the currency in which the Advisory Account is denominated may be adversely affected by the volatility of currency exchange rates.
- **Cybersecurity**—Personal, confidential or proprietary information being sent to or received from a client, vendor, service provider, counterparty or other third-party may be intercepted, misused or mishandled.
- **Data Sources Risks**—Information from third party data sources to which GSAM subscribes may be incorrect.
- **Dependence on Key Personnel**—Advisory Accounts rely on certain key personnel of GSAM who may leave GSAM or become unable to fulfill certain duties.
- **Dilution from Subsequent Closings**—Investors subscribing for interests at subsequent closings of Advisory Accounts that are pooled investment vehicles

generally will participate in existing investments, diluting the interest of existing investors therein.

- **Electronic Trading**—GSAM may trade on electronic trading and order routing systems, which may experience component failure and issues with system access, varying response times and security.
- **Emerging Markets and Growth Markets Risks**—Investing in emerging and growth markets entails social, economic, technological and political risks not usually associated with investing in developed markets.
- **Environmental and Social Impact Considerations**—GSAM may in its discretion take into account ESG considerations and political, media, and reputational considerations relating thereto, and, for example, as a result, GSAM may not make or not recommend the making of investments when it would otherwise have done so, which could adversely affect the performance of Advisory Accounts. On the other hand, GSAM may determine not to take such considerations into account, and such considerations may prove to have an adverse effect on the performance of the applicable investments.
- **Environmental Risks and Natural Disasters**—Investments in or relating to real estate assets may be subject to liability under environmental protection statutes, rules and regulations, and may also be subject to risks associated with natural disasters.
- **Expedited Transactions**—In the event GSAM undertakes investment analyses and decisions on an expedited basis to take advantage of investment opportunities, there is a risk that not all circumstances and risks of the investment are known.
- **Failure to Make Capital Contributions**—If an investor in an Advisory Account that is a pooled investment vehicle fails to contribute funds to such Advisory Account as required, or is excused from participating in an investment made by such Advisory Account, the other investors in such Advisory Account may be required to contribute additional capital to make up for such shortfall.
- **Frequent Trading and Portfolio Turnover Rate Risks**—High turnover and frequent trading in an Advisory

Account could result in, among other things, higher transactions costs and adverse tax consequences.

- **Government Investment Restrictions**—Government regulations and restrictions may limit the amount and type of securities that may be purchased or sold by GSAM on behalf of Advisory Accounts, and economic sanction laws in the United States and other jurisdictions may significantly restrict or completely prohibit GSAM and Advisory Accounts from investing or continuing to hold an investment in, or transacting with or in, certain countries, individuals, and companies.
- **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.
- **Indirect Investment in Non-U.S. Securities**—Investments in participation notes and depository receipts used to establish an indirect position in a foreign market are subject to the same risks as the securities underlying such instruments and may be subject to certain fees or expenses.
- **Interest Rate Risks**—Interest rates may fluctuate significantly, causing price volatility with respect to securities or instruments held by Advisory Accounts.
- **Investment Style Risks**—Advisory Accounts may outperform or underperform other accounts that invest in similar asset classes but employ different investment styles.
- **Investments in Undervalued Assets**—The identification of investment opportunities in undervalued assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued assets offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses.
- **Legal, Tax and Regulatory Risks**—New and existing legal, tax (including the passage of comprehensive tax reform described in Appendix B, Information on Significant Strategy Risks—General Risks—Legal, Tax and Regulatory Risks), and regulatory regimes may adversely impact the ability of GSAM to conduct activities and transactions in respect of the Advisory Account or may require material adjustments to the business and operations of Advisory Accounts.
- **Lending of Portfolio Securities**—Advisory Accounts may engage in securities lending and may invest the cash collateral securing the securities loans in short term investments. To the extent that cash collateral is so invested, such collateral will be subject to market depreciation or appreciation, and the Advisory Account will be responsible for any resulting losses.
- **Leverage Risks**—The use of leverage by an Advisory Account creates exposure to potential gains and losses in excess of the initial amount invested, and relatively small market movements may result in large changes in portfolio value.
- **Limited Assets**—An Advisory Account with limited assets may be unable to trade in certain instruments and/or diversify its portfolio across investment strategies or instruments.
- **Limited Information Risks**—As a result of information barriers constructed between different divisions and areas of Goldman Sachs or other policies and procedures of Goldman Sachs, generally GSAM will not have access, or will have limited access, to information and personnel in other areas of Goldman Sachs, and therefore, GSAM will generally not be able to review potential investments for Advisory Accounts with the benefit of information held by other divisions of Goldman Sachs.
- **Liquidity Risks**—Advisory Accounts, or Advisers to which an Advisory Account's assets are allocated, may make illiquid or non-publicly traded investments, and may have difficulty acquiring or disposing of such investments at a price and time that they deem advantageous.
- **Litigation Risk**—Advisory Accounts may be subject to third-party litigation, which could give rise to legal liability and could have an adverse effect on the Advisory Accounts. If an Advisory Account were to be

found liable in any suit or proceeding, any associated damages and/or penalties could have an adverse effect on the value of the Advisory Account.

- **Losses in Affiliated Underlying Funds Borne Solely by Investors**—All losses of an Advisory Account, including losses relating to investments in Underlying Funds managed by GSAM, shall be borne solely by the investors in such Advisory Account and not by Goldman Sachs.
- **Management of Discretionary and Non-Discretionary Accounts**—Non-discretionary advisory clients may not be able to implement GSAM's recommendations with respect to the allocation or reallocation of assets as quickly as GSAM implements such recommendations on behalf of discretionary advisory clients, which could cause significant differences in the performance between non-discretionary and discretionary advisory clients with the same or similar investment objectives.
- **Management Risks**—A strategy used by GSAM may fail to produce the intended results for an Advisory Account, and there is a risk that the entire amount invested may be lost.
- **Market Abuse Risk**—Certain markets have a history of alleged or actual price manipulation and market abuse and improper influence. Any fraud, price manipulation, market abuse, or improper influence in markets in which Advisory Accounts invest, directly or indirectly, may have an adverse effect on such Advisory Accounts.
- **Market and Macro Risks**—The value of an Advisory Account's investments may increase or decrease in response to events affecting particular industry sectors or governments and/or general economic conditions.
- **Market Disruption Risks and Terrorism Risks**—A number of events could have adverse effects on the global economy and may exacerbate some of the general risk factors related to investing in certain strategies.
- **Master-Feeder Structure**—Actions of an investor in the master entity of a "master-feeder" structure may adversely impact other investors in the "master-feeder" structure.
- **Mid Cap and Small Cap Risks**—Investments in mid- and small- capitalization companies are generally subject to more price volatility than larger, more established companies and may lack sufficient market liquidity.
- **Model Risks**—The design or operation of proprietary quantitative or investment models used for Advisory Account may be deficient.
- **No Assurance of Achievement of Investment or Performance Objectives**—There is no assurance that Advisory Accounts will achieve their investment or performance objectives.
- **Non-Hedging Currency Risks**—Volatility in currency exchange rates may produce significant losses to an Advisory Account which has purchased or sold currencies through the use of forward contracts or other instruments.
- **Non-U.S. Custody Risk**—Advisory Accounts that invest in foreign securities may hold non-U.S. securities and cash with non-U.S. custodians. Such non-U.S. custodians may be newly formed, or subject to little or no regulatory oversight over or independent evaluation of their operations, and the laws of certain countries may place limitations on an Advisory Account's ability to recover its assets if a non-U.S. custodian enters bankruptcy.
- **Non-U.S. Securities Risks**—Non-U.S. securities may be subject to heightened risk of loss because of more or less non-U.S. government regulation, less public information, less liquidity, greater volatility and less economic, political and social stability in the countries of domicile of the issuers of the securities and/or the jurisdictions in which these securities are traded.
- **Operational Risk**—An Advisory Account may suffer losses arising from shortcomings or failures in internal processes, people or systems, or from external events.
- **Partial or Total Loss of Capital**—Certain investments made by GSAM for Advisory Accounts are intended for investors who can accept the risks associated with investing in illiquid securities and the possibility of partial or total loss of capital.

- **Performance-Based Compensation**—The receipt of performance-based compensation by GSAM and managers of Underlying Funds in which an Advisory Account invests creates an incentive to make investments that are riskier or more speculative than would be the case in the absence of such arrangements.
- **Private Investment Risks**—Private investments are highly competitive and illiquid.
- **Reliance on Technology**—GSAM may employ investment strategies that are dependent upon various computer and telecommunications technologies, which could fail.
- **Restricted Investments Risks**—Restricted securities are subject to various requirements and fees that may make them more difficult to dispose of promptly or at an advantageous price.
- **Restrictions on Investments**—Advisory Accounts may be unable or limited in their ability to invest in certain types of investments due to undertakings of Goldman Sachs with respect to the same investments.
- **Risk Management Risks**—There can be no assurance that GSAM's use of various strategies to manage the volatility and related risk of an Advisory Account's portfolio will achieve its objective.
- **Risks Involved in the Development of Models**—Human and technological errors may occur in designing, writing, testing, and/or monitoring models and may be difficult to detect.
- **Risks of New Investment Strategies**—GSAM may determine to implement newer and more speculative investment strategies or investment techniques which may result in unsuccessful investments.
- **Risks of Technological Developments**—The widespread adoption of new internet, networking or telecommunications technologies or other technological changes could require issuers in which Advisory Accounts invest to incur substantial expenditures to modify or adapt their services or infrastructure to such new technologies, which could adversely affect their results of operations or financial condition. In addition, new services or technologies offered by competitors or new entrants may make such issuers less differentiated or less competitive when compared to other alternatives.
- **Risks Related to the Discontinuance of Interbank Offered Rates, in particular LIBOR**—It is likely that banks will not continue to provide submissions for the calculation of the London Inter-bank Offered Rate ("LIBOR") after 2021 and possibly prior to then, and Advisory Accounts that undertake transactions in instruments that are valued using LIBOR rates or other interbank offered rates ("IBORs") or enter into contracts which determine payment obligations by reference to LIBOR or other IBOR rates may be adversely affected as a result.
- **Risks Related to Side Pockets**—Certain Advisory Accounts that are pooled investment vehicles have the ability, under certain circumstances, to segregate one or more assets through the use of side pockets, which entails a number of risks, including significant liquidity and valuation risks and the risk that the use of side pockets may affect the amount and timing of any management fees and incentive compensation charged by the Advisory Account.
- **Social Media Risks**—The dissemination of negative or inaccurate information about issuers in which Advisory Accounts invest via social media could harm their business, reputation, financial condition, and results of operations, which could adversely affect Advisory Accounts and, due to reputational considerations, influence GSAM's decision as to whether to remain invested in such issuers.
- **Speculative Position Limits Risks**—An Advisory Account's ownership of net long or net short positions in futures contracts or options on such futures contracts may be limited by rules of the Commodity Futures Trading Commission ("CFTC") and some exchanges.
- **Tax-Managed Investment Risks**—The pre-tax performance of a tax-managed Advisory Account may be lower than the performance of similar Advisory Accounts that are not tax-managed.
- **Technology Sector Risks**—Stock prices of technology companies may experience significant price movements

as a result of intense market volatility, worldwide competition, consumer preferences, product compatibility, product obsolescence, government regulation, or excessive investor optimism or pessimism.

- **Timing of Implementation Risks**—There may be delays in the implementation of investment strategies, including as a result of differences in time zones and the markets on which securities trade.
- **Trading on Non-U.S. Exchanges**—Futures and securities traded on exchanges located outside the United States may be subject to greater counterparty risk than those traded on U.S. exchanges, financial irregularities and/or lack of appropriate risk monitoring and controls.
- **Use of Third-Party General Partners or Independent Boards of Directors**—Certain Advisory Accounts may utilize the services of third-party general partners or majority independent boards of directors. GSAM generally will not have the right to control or direct the actions of a third-party general partner or majority independent board of directors, and a third-party general partner or majority independent board of directors may take actions that could result in an adverse effect on an Advisory Account and also may terminate the investment management agreement between the Advisory Account and GSAM.
- **Valuation Risks**—In valuing assets that lack a readily ascertainable market value GSAM or its agent may utilize dealer-supplied quotations or pricing models based on methodologies that are subject to error.
- **Volatility Risks**—The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.
- **Warehousing Investments Risks; Seed Capital**—Goldman Sachs may warehouse one or more investments on behalf of an Advisory Account or provide seed capital to an Advisory Account to acquire

investments prior to admission of third party investors. The value of these investments may decline prior to or following the transfer of such investments to an Advisory Account or redemption of the seed capital, but any decline in value of the investment will not affect the purchase price paid by the Advisory Account or the price at which the seed capital is redeemed, which could result in losses to the Advisory Account.

RISKS THAT APPLY PRIMARILY TO EQUITY INVESTMENTS

General

- **Energy, Oil and Gas Sector Risks**—Investments in MLPs that primarily derive their income from investing in companies within the energy, oil and gas sectors are subject to risks including fluctuations in commodity prices, natural disasters, regulatory changes and adverse political events.
- **Equity and Equity-Related Securities and Instruments**—The value of common stocks of U.S. and non-U.S. issuers may be affected by factors specific to the issuer, the issuer's industry and the risk that stock prices historically rise and fall in periodic cycles.
- **Exchange-Traded Fund Risks**—ETFs may fail to accurately track the market segment or index that underlies their investment objective.
- **Infrastructure Company Risk**—Infrastructure companies are susceptible to various factors that may negatively impact their businesses or operations, including, without limitation, costs associated with compliance with and changes in applicable regulations, the effects of general economic conditions worldwide, increased competition, uncertainties and delays with respect to the timing and receipt of government and/or regulatory approvals, uncertainties regarding the availability of natural resources at reasonable prices, unfavorable tax laws, and high leverage.
- **Investments in Technology Start-Up and Similar Companies**—Portfolio companies that are technology start-up or similar companies face risks related to, among other things, significant regulatory, public and

political scrutiny, and an inability to generate meaningful revenue.

- **IPOs/New Issues Risks**—The purchase of IPO/New Issue shares may involve high transaction costs and such shares may be subject to greater risks than investments in shares of publicly traded companies.
- **Master Limited Partnership Risks**—Investments by an Advisory Account in securities of MLPs involve risks that differ from investments in common stock, including: limited control and limited voting rights; dilution; compulsory redemptions at an undesirable time or price because of regulatory changes; and greater price volatility.
- **Pre-IPO Investments Risks**—Investments in privately held companies, including in pre-IPO shares, are less liquid and difficult to value, and there is significantly less information available about such companies relative to public companies.
- **Preferred Stock, Convertible Securities and Warrants Risks**—The value of preferred stock, convertible securities and warrants will vary with the movements in the equity market and the performance of the underlying common stock.
- **Private Investments in Public Equities (“PIPEs”)**—Equity issued in PIPE transactions is subject to transfer restrictions and is less liquid than securities issued through a registered public offering.
- **Risks Relating to Portfolio Company Reputation**—If a portfolio company fails to maintain the strength and value of the portfolio company’s brand, or if its public image or reputation were to be tarnished by negative publicity, its value is likely to decrease, which could have an adverse effect on Advisory Accounts.
- **Illiquidity of Investments**—Private equity investments generally will be long-term and highly illiquid.
- **Investments in Venture Capital Funds**—Investments in venture capital funds tend to be highly illiquid, speculative, and involve a significant risk of loss.
- **Limited Ability to Negotiate Terms and Structures**—GSAM may not have the opportunity and/or ability to negotiate the terms of the interests in the portfolio companies or other special rights or privileges, which may adversely affect Advisory Accounts.
- **Operating and Financial Risks and Competition Associated with Portfolio Companies**—Investments in certain portfolio companies, which may be highly leveraged and subject to restrictive financial and operating covenants, may involve a high degree of business and financial risk due to, among other things, the early stage of development of such companies, a lack of operating history, and intense competition.
- **Reliance on Company Management**—The success or failure of an investment in a portfolio company will depend to a significant extent on the portfolio company’s management team. A member of a portfolio company’s management team may engage in activities that pose legal, regulatory, financial, reputational or other risks to the portfolio company, and such activities may be difficult or impossible to detect.

RISKS THAT APPLY PRIMARILY TO FIXED-INCOME INVESTMENTS

Private Equity

- **Difficulty in Valuing Fund Investments**—Valuation of interests in Underlying Funds may be difficult because there generally will be no established market for these interests or for securities of privately-held companies which Underlying Funds may own.
- **Assignments and Participations**—Assignments and participations are typically sold strictly without recourse to the selling institution thereof, and the selling institution will generally make no representations or warranties about the underlying loans.
- **Bank Obligations**—Advisory Accounts may invest in obligations issued or guaranteed by U.S. or foreign banks that are subject to extensive governmental regulations which may limit both the amount and types of loans which may be made and interest rates which may be charged. Among the significant risks relating to such obligations are general economic conditions as

well as exposure to credit losses arising from possible financial difficulties of borrowers.

- **Commodity Exposure Risks**—Exposure to the commodities markets may result in greater volatility than investments in traditional securities due to changes in overall market movements, commodity index volatility, changes in interest rates, factors affecting a particular industry or commodity, as well as changes in value, supply and demand and governmental regulatory policies.
- **Contingent Convertible Instruments Risks**—Risks associated with contingent convertible securities include less absorption risk, risk as subordinated instruments, and risk that their market value will fluctuate based on unpredictable factors.
- **Corporate Debt Securities Risks**—Corporate debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility.
- **Credit/Default Risk**—The issuers or guarantors of fixed-income instruments may fail to make payments or fulfil other contractual obligations.
- **Credit Ratings**—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.
- **Exchange-Traded Notes**—Exchange-traded notes are subject to credit risk, do not make periodic interest payments, and may impose fees and expenses on the Advisory Account.
- **Fixed-Income Securities Risks**—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.
- **Floating and Variable Rate Obligations Risks**—There may be a lag between an actual change in the underlying interest rate benchmark and the reset time for an interest payment with respect to instruments with a floating and/or variable rate obligation, which could harm or benefit the Advisory Account, depending on the interest rate environment or other circumstances.
- **General Risks of Secured Loans**—An investment in loans that are secured may be subject to the risk, among others, that the security interests in the underlying collateral are not properly or fully perfected, or that other lenders may have exclusive liens over particular assets (including assets held by non-guarantor subsidiaries) and/or may have priority over the Advisory Account. These risks could have an adverse impact on an Advisory Account's recovery in connection with a secured loan.
- **High Yield Debt Securities Risks**—High yield debt securities have historically experienced greater default rates than investment grade securities and are subject to additional liquidity and volatility risk.
- **Inflation Protected Securities Risks**—Investments in inflation protected securities involve risks including an inability to accurately measure the rate of inflation and declining prices due to market deflation.
- **Lack of Control Over Investments**—GSAM may not have complete or even partial control over decisions affecting an investment.
- **Limited Amortization Requirements**—Senior secured debt will typically have limited mandatory amortization and interim repayment requirements, which may increase the risk that a company will not be able to repay or refinance the senior debt.
- **Loan Risks**—Risks associated with investing in loans include illiquidity due to extended trade settlement periods, default and foreclosure and decline in, or total loss of value of, the collateral securing the loan.
- **Mezzanine Debt Risks**—An Advisory Account holding mezzanine debt will have lower priority than senior creditors, trade creditors and employees and will have substantially less influence over a company's affairs than that of senior creditors, especially during periods of financial distress or following an insolvency.
- **Mortgage-Backed and/or Other Asset-Backed Securities Risks**—Mortgage-related and other asset-backed securities are subject to certain risks, such as "extension risk," "prepayment risk," and, for securities offered by non-governmental issuers, the failure of

private insurers to meet their obligations and unexpectedly high rates of default on the mortgages backing the securities.

- **Municipal Securities Risks**—Municipal securities risks include credit/default risk, interest rate risk, potential changes in tax rates, the ability of the issuer to repay the obligation, the relative lack of information about certain issuers of municipal securities, and the possibility of future legislative changes which could affect the market for and value of municipal securities.
- **Non-Investment Grade Investment Risks**—Non-investment grade fixed-income securities are considered speculative and are subject to the increased risk of an issuer's inability to meet principal and interest payment obligations, greater price volatility, interest rate sensitivity and less secondary market liquidity.
- **Non-Performing Loan Risks**—There can be no assurance as to the amount or timing of payments with respect to non-performing loans. The obligor and/or guarantor of such loans may also be in bankruptcy or liquidation, which may require substantial workout negotiations or restructuring and can result in significant losses to Advisory Accounts.
- **Obligations Risks**—Many loan obligations are subject to legal or contractual restrictions on purchase and sale or resale and are relatively illiquid and may be difficult to value.
- **Other Debt Instruments; CBOs and CLOs Risks**—Debt instruments such as collateralized bond obligations and collateralized loan obligations may be difficult to value and may be subject to certain transfer limitations.
- **Purchases of Securities and Other Obligations of Financially Distressed Companies**—The purchase of securities and other obligations of companies that are experiencing significant financial or business distress involves a substantial degree of risk and may not show any return for a considerable period of time, if ever.
- **Second Lien Loan Risks**—Second lien loans generally are subject to similar risks as those associated with investments in senior loans, and, because they are subordinated or unsecured and thus lower in priority of payment to senior loans, they are subject to additional risks, including the risk that the borrower may be unable to meet scheduled payments, price volatility, illiquidity, and the inability of the originators to sell participations in such loans.
- **Senior Loan Risks**—Senior loans are typically rated below investment grade, and are subject to similar risks as non-investment grade securities, such as credit risk and liquidity risk. Although senior loans generally will be secured by specific collateral, there can be no assurance that liquidation of such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal or that such collateral could be readily liquidated.
- **Short Duration Fixed-Income Strategies**—A strategy focused on short duration fixed-income securities generally will earn less income and may provide lower total returns than longer duration strategies.
- **Short-Term Investment Fund Risk**—Advisory Accounts with "stable value" mandates may invest in Short-Term Investment Funds ("STIFs"), and the ability of such Advisory Accounts to maintain a stable net asset value is dependent in part on the ability of the STIF vehicle to maintain a stable net asset value.
- **Sovereign Debt Risks**—Investment in sovereign debt obligations involves risks not present in debt obligations of corporate issuers, such as the issuer's inability or unwillingness to repay principal or interest, and limited recourse to compel payment in the event of a default.
- **Stable Value Risks**—Risks of investing in Stable Value Contracts include, among others, increased fees, decreased flexibility of terms, the risk that providers do not fulfill their obligations under such contracts, the lack of guarantee that such contracts will continue to be valued at their contract value rather than market or fair value, and long withdrawal notice periods.
- **U.S. Government Securities Risks**—Issuers of U.S. government securities may not have the funds to meet their payment obligations and may not receive financial support from the United States.

- **U.S. Treasury Securities Risk**—Securities backed by the U.S. Treasury or the full faith and credit of the United States are guaranteed only as to the timely payment of interest and principal when held to maturity, but the market prices for such securities are not guaranteed and will fluctuate, including as changes in global economic conditions affect the demand for these securities.

RISKS THAT APPLY PRIMARILY TO DERIVATIVES INVESTMENTS AND SHORT SALES

- **Call and Put Options Risks**—The market price of the security underlying a call or put option may decrease below, or increase above, as applicable, the purchase price of the underlying security.
- **Failure of Brokers, Counterparties and Exchanges Risks**—An Advisory Account will be exposed to the credit risk of the counterparties with which, or the brokers, dealers and exchanges through which, it deals.
- **Forward Contracts Risks**—Investment in forward contracts, which are generally not regulated and are not subject to limitations on daily price moves, may involve counterparty credit risk and default risk.
- **Futures Risks**—Futures positions may be illiquid due to daily limits on price fluctuations, and the CFTC may suspend trading or order immediate liquidation and settlement of a particular contract.
- **Hedging Risks**—Hedging techniques involve risks such as the possibility that losses on the hedge may be greater than gains in the value of the positions of an Advisory Account.
- **Requirement to Perform**—When entering into forward, spot or option contracts, or swaps, an Advisory Account may be required, and must be able, to perform its obligations under the contract.
- **Reverse Repurchase Agreements Risks**—The value of securities being relinquished in a reverse repurchase transaction may decline below the closing price, and counterparties to a reverse repurchase agreement may be unable or unwilling to complete the transaction as scheduled.

- **Risks of Cross-Guarantee and Cross-Collateralization of Borrowing Obligations**—Advisory Accounts that are pooled investment vehicles may be jointly responsible for the repayment of indebtedness, and in such cases one Advisory Account may be adversely affected if another Advisory Account defaults on its obligations.
- **Risks of Derivative Investments**—Investments in options, futures, and other derivative instruments involve risks including illiquidity in the markets for derivative instruments, failure of the counterparty to perform its contractual obligations, or the risks arising from margin requirements.
- **Short Selling/Position Risk**—Short selling involves the risk of potentially unlimited losses and the inability to reacquire a security or close the transaction timely or at an acceptable price.
- **Swaps Risks**—The use of swaps may be subject to various types of risks, including, among others, market risk, liquidity risk, structuring risk, legal risk, tax risk, and the risk of non-performance by the counterparty.
- **When-Issued Securities and Forward Commitments**—The purchase of securities on a when-issued or forward commitment basis involves a risk of loss if the value of the security to be purchased declines before the settlement date. Conversely, the sale of securities on a forward commitment basis involves the risk that the value of the securities sold may increase before the settlement date.

RISKS THAT APPLY PRIMARILY TO INVESTMENTS IN THIRD-PARTY MANAGEMENT COMPANIES

- **Activities of Third-Party Management Company Personnel**—Personnel of a Third-Party Management Company may engage in activities that pose legal, regulatory, financial, reputational or other risks to the Third-Party Management Company, and such activities may be difficult or impossible to detect.
- **Changes in Expected Investment Objectives of Third-Party Management Companies**—Advisory Accounts will generally not be able to reduce or withdraw their investments in Third-Party Management Companies in

the event such Third-Party Management Companies change their investment objectives and strategies and economic terms.

- **Clawback Payments to Third-Party Management Companies**—Third-Party Management Companies may make distributions to Advisory Accounts that are subject to clawback arrangements.
- **Consent and Filing Requirements in Connection with Investments in Third-Party Management Companies**—The acquisition and disposition of interests in Third-Party Management Companies may be subject to the consent and filing requirements of governmental or regulatory bodies, which consent may or may not be granted.
- **Inability to Fulfill Investment Objective or Implement Investment Strategy; Competitive Investment Environment**—There can be no assurances as to the availability of opportunities to invest in Third-Party Management Companies due to the potentially high levels of investor demand for such investments and transfer restrictions to which the Third-Party Management Companies are subject.
- **Key Persons; Non-Competition**—Third-Party Management Companies may rely heavily on certain of their key personnel to manage and direct their operations, and the departure of any personnel or their inability to fulfill their responsibilities may adversely affect the Third-Party Management Company's ability to effectively implement its investment program, which may have an adverse effect on an Advisory Account.
- **Limited Track Record of Third-Party Management Companies**—An Advisory Account may invest in a Third-Party Management Company that has only recently commenced operations and therefore has a limited operating history upon which GSAM can evaluate its anticipated performance.
- **Past Performance of Third-Party Management Companies**—The past performance of a Third-Party Management Company, or of a manager that has established a Third-Party Management Company after having worked with various investment firms, may not

be an indication of the future performance of such Third-Party Management Company.

- **Performance Dependent Upon Third-Party Management Companies**—Returns of an investment in a Third-Party Management Company will depend upon the performance of such Third-Party Management Company.
- **Risks Applicable to Allocation of Assets to Certain Third-Party Management Companies**—Third-Party Management Companies may have limited direct experience managing their funds and/or limited or no experience managing certain of the strategies expected to be deployed by them in their investment program.

RISKS THAT APPLY PRIMARILY TO INVESTMENTS IN UNDERLYING FUNDS AND WITH RESPECT TO ADVISERS

- **Advisers' Activities May be Limited**—In order to avoid restrictions on its investment activities imposed by regulatory or other requirements, an Adviser may reject, limit or restrict investments by Advisory Accounts.
- **Advisers and Underlying Funds Invest Independently**—Advisers and Underlying Funds generally make investment decisions independently of other Advisers and other Underlying Funds, respectively, and may at times compete for investments or hold, or cause an Advisory Account to hold, economically offsetting positions or interests in the same underlying investments.
- **Changes to Investment Program; Additional Investment Strategies of Underlying Funds**—Managers of Underlying Funds in which an Advisory Account invests may modify the investment strategies and sub-strategies being utilized by the Underlying Fund.
- **Failure by Other Investors to Meet Capital Calls**—Failure by other investors to meet a capital call by an Underlying Fund could have adverse consequences for GSAM's clients.
- **Giveback Obligations**—An Underlying Fund may require the return of distributions received from investments.

- **Government Investigations**—An Adviser or any current or former personnel or affiliate thereof may become involved in an investigation by a governmental or regulatory agency or may otherwise be suspected to have been involved in any wrongdoing, resulting in reputational harm to the Adviser and the diversion of the Adviser’s attention from its investment management responsibilities.
- **Investment and Trading Risks**—Investments in Underlying Funds are speculative and involve a high degree of risk, including the risk that the entire amount invested may be lost.
- **Investments of Advisory Accounts May Not Be Diversified**—Greater concentration with any single Adviser or in any single sector likely will increase the adverse effect on an Advisory Account of any problems experienced by such Adviser.
- **Investments in Certain Multi-Adviser Structures**—Where an Underlying Fund allocates funds to investment funds selected by its Adviser that are affiliated with such Adviser and investment funds selected by such Adviser that are not affiliated with such Adviser (“Multi-Adviser Structures”), GSAM generally will have limited ability to examine the organizational infrastructure of the underlying managers and the investment funds in which the Advisory Account indirectly invests.
- **Limitations on Ability to Rebalance Portfolio**—Due to factors including illiquidity, GSAM may at certain times be unable to reallocate an Advisory Account’s assets among Advisers as it determines is advisable.
- **Limitations on GSAM’s Authority**—Agreements with Advisers, market conditions and applicable law may limit GSAM’s participation in the day-to-day management of unaffiliated Underlying Funds, which may delay, among other things, GSAM’s reaction to market or other conditions.
- **Limited Ability to Invest in Underlying Funds**—Certain Underlying Funds can accommodate only a limited amount of capital, and each Underlying Fund has the right to refuse to manage some or all of the assets that GSAM may wish to allocate to such Underlying Fund.
- **Limited Ability to Negotiate Terms of Investments in Underlying Funds**—GSAM may have limited or no opportunity to negotiate the terms of the interests in the Underlying Funds or other special rights or privileges, and, as a result, the terms, structure and other aspects of such investments may be disadvantageous for legal, tax, regulatory, and other reasons.
- **Limited Regulatory Oversight**—Underlying Funds and Advisers to which Advisory Accounts allocate assets may not be registered under the Investment Company Act and the Advisers Act (as defined below), respectively, and may be subject to limited or no regulatory requirements or governmental oversight.
- **Liquidity Risk of Underlying Funds**—Redemptions or withdrawals from Underlying Funds may be significantly delayed as a result of minimum holding periods, limitation of dates on which interests may be redeemed, significant redemption notice periods or redemption fees imposed by the Underlying Fund.
- **Multiple Levels of Fees and Expenses**—Subject to applicable law, Advisory Accounts investing in Advisers or Underlying Funds generally bear any asset-based and performance-based fees or allocations and expenses at the Advisory Account level and at the Adviser or Underlying Fund level (although there may be circumstances in which Advisory Accounts bear such fees at only the Advisory Account level, or only the Adviser level).
- **New Strategies Risks**—Advisers may utilize additional investment strategies and sub-strategies, and/or remove, substitute or modify their investment strategies and sub-strategies or any of the types of investments then being utilized prior to GSAM having the opportunity to evaluate such decisions or withdraw an Advisory Account’s assets.
- **Non-Recourse Risk**—The governing agreements of Underlying Funds in which Advisory Accounts invest may limit a trustee and/or manager’s liability to investors.
- **Reliance on Unaffiliated Advisers**—Success of investments with Unaffiliated Advisers depends upon, among other things, the ability of the Unaffiliated

Advisers to develop and successfully implement strategies that achieve their investment objectives.

- **Risks Associated with Certain Methods for Allocating Assets to Advisers**—Additional costs and liquidity and credit risks arise when assets are allocated to Advisers indirectly, including through intermediate investment vehicles formed or managed by GSAM or by purchasing derivatives.
- **Risks Associated with “Start-up” Advisers**—Investments with “start-up” Advisers pose greater risks and uncertainty than investments with more experienced Advisers.
- **Risks Related to Investments in Underlying Funds**—Additional subscriptions to Underlying Funds will dilute the indirect interests of such Underlying Funds’ existing investors, and GSAM may have no ability to assess the accuracy of valuations received in respect of investments in such Underlying Funds.
- **Risks Related to Thematic Investments**—Certain Advisers may implement specific investment themes or ideas that are derived from short-term or medium-term market views. It is expected that only a limited number of Underlying Funds will have a thematic focus, and, therefore, thematic investment opportunities and capacity for Underlying Funds with a thematic focus will be limited. As a result, Underlying Funds may hold large cash balances or be highly concentrated in a limited number of positions.
- **Risks Related to Underlying Fund Side Pockets**—An Advisory Account that holds side-pocketed assets in an Underlying Fund is subject to significant liquidity and valuation risks.
- **Transactions Between and Among Advisory Accounts**—The transfer price for transfers between and among Advisory Accounts will not take into account any value associated with the transfer of the Advisory Account’s investment holding period, if any, in an Underlying Fund, or the prior high net asset value.

RISKS THAT APPLY PRIMARILY TO REAL ESTATE INVESTMENTS

- **Dependence on Property Managers and Operating Partners**—Reliance on third parties to manage or operate investments poses significant risks, including, among others, that the manager or operating partner may suffer a business failure, become bankrupt or engage in activities that compete with investments.
- **Development Risks**—Real estate investments may require development or redevelopment, which carries additional risks, including the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction, and the availability of financing on favorable terms.
- **Failure to Qualify as a REIT Would Result in Higher Taxes**—If any real estate investment trust (“REIT”) were to fail to qualify as a REIT in any taxable year, it would be subject to U.S. federal, state and local income tax, including any applicable alternative minimum tax, on its taxable income at regular corporate rates, and distributions by the REIT would not be deductible by such REIT in computing its taxable income.
- **Impact of Recessionary Environment on Real Estate Investments**—All real estate-related investments are subject to the risk that a general downturn in the national or local economy will depress real estate prices.
- **Real Estate Industry Risks**—The real estate industry is sensitive to economic downturns, which may cause occasional or permanent reductions in property values and the values of securities of real estate companies may fluctuate between under-performance or out-performance of equity securities markets.
- **REIT Risks**—The securities of REITs involve greater risks than those associated with larger, more established companies and may be subject to more abrupt or erratic price movements because of interest rate changes, economic conditions and other factors.
- **Risks Relating to the Acquisition and Ownership of Undeveloped Land**—The acquisition or ownership of undeveloped land for residential or commercial land

banking purposes involves risks associated with real estate development, entitlement and other regulatory risks, and liquidity risk.

RISKS THAT APPLY PRIMARILY TO ESG INVESTMENTS

- **Dependence on Government Funding, Tax Credits and Other Subsidies**—The success of certain environmental and social impact investments may depend on government funding, tax credits or other public or private sector subsidies, which are not guaranteed over the life of the investment.
- **Environmental and Social Impact Investments**—Environmental and/or social impact investments may not provide as favorable returns or protection of capital as other investments, and may be more concentrated in certain sectors than investments that do not have the intention of generating measurable social and environmental impact.
- **Risks Associated with Impact Investments**—GSAM may take into account the potential environmental and/or social impact when making decisions regarding the selection, management and disposal of investments, which may result in a lower financial returns than if it did not take into account such impact.

RISKS THAT APPLY PRIMARILY TO RENEWABLE ENERGY INVESTMENTS

- **Operational Risks of Renewable Energy Investments**—The value of renewable power investments is dependent on contractual arrangements with third parties who may not perform on their obligations. In addition, governance or economic rights of co-owners of renewable power investments and failures or limitations of physical operating assets may adversely affect the overall performance of investments.
- **Regulatory Restrictions Applicable to Renewable Power Investments**—Renewable power projects are subject to numerous environmental, health and safety laws, regulations, guidelines, policies, directives, government approvals, permit requirements and other requirements which may make the operation of such projects costly and less profitable.

- **Risks Relating to Co-Ownership Arrangements**—An Advisory Account may enter into a joint ownership structure with the developer of a renewable energy project, and may have a lesser degree of control over the business operations of a project than if the Advisory Account were the sole owner, which could result in an increase in the financial, legal, operational or compliance risks associated with the project and have an adverse effect on the performance of the project and the Advisory Account.
- **Risks Relating to Development Support Arrangements**—In connection with the implementation of a renewable energy strategy, an Advisory Account may enter into certain development support arrangements, including extending credit in the form of loans or equity support, with developers of renewable power projects, which presents a number of significant risks, including the risk that the developer or a project may default on their obligations to the Advisory Account, and the Advisory Account may have limited recourse against the developer or the project.
- **Risks Relating to the Renewable Energy Market**—The renewable energy market is at a relatively early stage of development and may fail to fully develop. The renewable energy market is also subject to a high degree of uncertainty as a result of potential tax, regulatory and technological changes, and is highly competitive. These market characteristics may limit demand for and availability of renewable energy projects and may increase costs associated with such projects.

Item 9 – Disciplinary Information

This Item requests information relating to the Registrants. There are no reportable material legal or disciplinary events related to the Registrants. In the ordinary course of their business, the Registrants and their management persons, as well as Goldman Sachs, Advisory Accounts, and/or other Goldman Sachs personnel, have in the past been, and may in the future be, subject to periodic audits, examinations, claims, litigation, formal and informal regulatory or other inquiries, requests for information, subpoenas, employment-related matters, disputes, investigations, and other civil,

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 the Registrants or their 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, GSAM and Goldman Sachs to potential liabilities and to legal, compliance and other related costs. 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. Please also see Appendix B—Information on Significant Strategy Risks—General Risks—Legal, Tax and Regulatory Risks. Information about the Registrants’ investment management affiliates is contained in Part 1 of each Registrant’s Form ADV.

For information relating to other Goldman Sachs affiliates, please visit www.gs.com and refer to the public filings of The Goldman Sachs Group, Inc.

Item 10 – Other Financial Industry Activities and Affiliations

BROKER-DEALER REGISTRATION

Certain of GSAM’s management persons may be registered representatives of GS&Co., a registered broker-dealer, if necessary or appropriate to perform their responsibilities.

COMMODITY POOL OPERATOR, COMMODITY TRADING ADVISOR, FUTURES COMMISSION MERCHANT REGISTRATION

Each of GSAMLP, GSAMI, HFS and GSIS is registered with the CFTC as a commodity pool operator (“CPO”) and a commodity trading advisor (“CTA”), and GSAMS is registered with the CFTC as a CTA. Each of GSAMLP, GSAMI, GSAMS, HFS, and GSIS is a registered swap firm with the National Futures Association. In addition, certain of GSAM’s management persons may be registered as associated persons and swap associated persons to the extent necessary or appropriate to perform their responsibilities.

OTHER MATERIAL RELATIONSHIPS WITH AFFILIATED ENTITIES

GSAM may use, suggest or recommend its own services or those of affiliated Goldman Sachs entities. GSAM may manage Advisory Accounts on behalf of such affiliated Goldman Sachs entities, which may create potential conflicts of interest related to GSAM’s determination to use, suggest or recommend the services of such entities. The particular services involved will depend on the types of services offered by the affiliate. The arrangements may involve sharing or joint compensation, or separate compensation, subject to the requirements of applicable law. 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. Compensation may take the form of commissions, markups, markdowns, service fees or other commission equivalents. Advisory Accounts will not be entitled to any such compensation retained by Goldman Sachs’ affiliates.

Broker-Dealer; Derivatives Dealer

Subject to client consent, GSAM may use, or suggest or recommend that advisory clients use, the securities, futures execution, custody or other services offered by GSAM’s broker-dealer and other affiliates. These may include (but are not limited to) GS&Co., Goldman Sachs International (“GSI”), Goldman Sachs (Asia) Securities Limited, Goldman Sachs Japan Co., Ltd., and Goldman Sachs Saudi Arabia. Clients pay for broker-dealer or other services performed by GSAM’s affiliates in addition to the advisory fee paid to GSAM.

For accounts offered through PWM but managed by GSAM, transactions are executed according to GSAM’s policies and procedures regarding execution of trades. In addition, the broker-dealer affiliates that provide custodial services may benefit from the use of free credit balances (i.e., cash) in advisory clients’ accounts, subject to the limitation set forth in SEC Rule 15c3-3 under the U.S. Securities Exchange Act of 1934, as amended.

GSAM may receive record keeping, administrative and support services from its broker-dealer affiliates. GSAM

may also obtain research ideas, analyses, reports and other services (including distribution services) from broker-dealer affiliates. As described in Item 12, Brokerage Practices, GSAM may pay affiliates for brokerage and research services that assist GSAM in the investment decision-making process with “soft” or commission dollars. As permitted by applicable law, GSAM may receive these services in lieu of the affiliates reducing the commissions or fees they charge an Advisory Account, and these services may or may not be used to benefit the Advisory Account.

Subject to client consent to the extent required by applicable law, GSAM may enter into principal transactions, including over-the-counter derivatives transactions, for clients with its affiliates, including GS&Co., GSI and other affiliates of GSAM. GSAM’s affiliates will earn mark-ups, mark-downs, spreads, financing fees and other charges that may be embedded in the cost of the derivative. Clients will pay these charges in addition to the advisory fee paid to GSAM. GSAM and its affiliates may share all or a portion of their charges and fees with each other and with their affiliates and employees, including, in the case of PWM clients, with the client’s Private Wealth Advisor. For additional information about principal trading, please see Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

In addition, Goldman Sachs 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 the date hereof, Goldman Sachs held ownership interests in the following ECNs: (i) Chicago Board Options Exchange, Inc, (ii) Chicago Stock Exchange, Inc, (iii) International Securities Exchange, LLC, (iv) NASDAQ OMX PHLX, Inc. (formerly the Philadelphia Stock Exchange), (v) NYSE MKT LLC, (vi) NYSE, (vii) Virtu Financial - VFCM, (viii) BIDS, (ix) Sigma X², (x) BondDesk, (xi) Dealerweb, (xii) MTS S.P.A, (xiii) TradeWeb and (xiv) TradeWeb Retail. Goldman Sachs may acquire ownership interests in other ECNs (or increase ownership in the ECNs listed above) in the future.

Information regarding the ECNs in which Goldman Sachs has an ownership interest, as well as the ECNs used by GSAM, is updated from time to time and is available at <https://www.goldmansachs.com/disclosures/ecns-disclosure.html>.

Consistent with its duty to seek best execution for the Advisory Accounts, GSAM may, from time to time, directly or indirectly through a broker-dealer, 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. In addition, Goldman Sachs may be compensated through fees or cash credits for order flow or execution of trades in connection with trading on ECNs. GSAM will effect trades for an Advisory Account through such ECNs only if GSAM (or the broker-dealer through which GSAM is accessing the ECN) 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, GSAM executes transactions with affiliates and related persons in accordance with its best execution policies and procedures.

In the event assets of an Advisory Account are treated as “plan assets” subject to the U.S. Employee Retirement Income Security Act of 1974 (“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, GSAM 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, GSAM 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).

Through GSAM’s trading on or membership to various trading platforms or venues, or interactions with certain service providers (including depositaries and messaging platforms), GSAM and its affiliates may receive interests,

shares, or other economic benefits from such service providers.

Investment Companies and Other Pooled Investment Vehicles

GSAM or its affiliates act in an advisory or sub-advisory capacity and other capacities, 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 GSAM Personnel are also directors, trustees and/or officers of these investment companies and other pooled investment vehicles. GSAM and its affiliates, in their capacities as advisers or sub-advisers to these entities, will receive management or advisory fees. Although such fees are generally paid by the entities, the costs are ultimately borne by their investors. These fees will be in addition to any advisory fees or other fees agreed between the investors in their capacities as clients and GSAM and its affiliates for investment advisory, brokerage or other services.

Other Investment Advisers

The Registrants have investment advisory affiliates in Australia, Brazil, China, England, Germany, Hong Kong, India, Ireland, Israel, Italy, Japan, Malaysia, New Zealand, Russia, Saudi Arabia, Singapore and the United States. These affiliates include: Goldman Sachs Asset Management Australia Pty Ltd., Goldman Sachs Asset Management Brasil Ltda., GSAM Services Private Limited, Goldman Sachs Services Private Limited, Goldman Sachs (India) Securities Private Limited, Goldman Sachs (Malaysia) Sdn Bhd, Goldman Sachs (Asia) L.L.C., Goldman Sachs (Russia), Goldman Sachs Do Brasil Banco Multiplo S/A, Goldman Sachs Saudi Arabia, Goldman Sachs (Singapore) Pte., GS&Co., The Ayco Company, L.P. ("Ayco"), GSI, Goldman Sachs Asset Management Global Services Limited, Honest Advisors, LLC, United Capital Financial Advisers, LLC and PFE Advisers, LLC.

Among the Registrants' investment advisory affiliates, GS&Co., Ayco, Honest Advisors, LLC, United Capital Financial Advisers, LLC and PFE Advisers, LLC are registered with the SEC as investment advisers. Goldman

Sachs do Brasil Banco Multiplo S.A., GSAM Services Private Limited, Goldman Sachs (India) Securities Private Limited, and Goldman Sachs Services Private Limited are not registered with the SEC as investment advisers but are non-U.S. affiliated advisers that may provide advice or research to the Registrants for use with the Registrants' U.S. clients (in such capacity, "Participating Affiliates"). The Participating Affiliates will act according to a series of SEC no-action relief letters mandating that Participating Affiliates remain subject to the regulatory supervision of both the Registrants and the SEC. The Registrants have or intend to have co-advisory or sub-advisory relationships with affiliates, and/or participating affiliate relationships with certain of these Participating Affiliates.

The Registrants may, in their discretion, delegate all or a portion of their advisory or other functions (including placing trades on behalf of Advisory Accounts) to any affiliate that is registered with the SEC as an investment adviser or to any Participating Affiliate. To the extent the Registrants delegate advisory or other functions to affiliates that are registered with the SEC as investment advisers, a copy of the brochure of each such affiliate is available on the SEC's website (www.adviserinfo.sec.gov) and will be provided to clients or prospective clients upon request. Certain services may be performed for affiliates by employees of the Registrants who are also employees of such affiliates or through delegation or other arrangements. Clients that want more information about any of these affiliates should contact the applicable Registrant.

In addition, the Registrants may participate in sub-advisory, co-advisory or other joint projects related to pooled investment vehicles with institutions that are not a part of Goldman Sachs.

Financial Planner

GSAM's affiliate, Ayco, provides financial planning services, investment management and other services to publicly traded companies and privately held firms and their respective executives and employees. Ayco's personnel may recommend GSAM's investment advisory services to its clients and may receive fees from GSAM.

Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Adviser

Certain Registrants and affiliates are registered with the CFTC as a futures commission merchant, CPO, CTA, swap firm and/or swap dealer. These firms include: GS&Co., GSAMI, HFS, GSAMS, and GSIS. If permitted by law and applicable regulations, GSAM may buy or sell futures on behalf of its clients through its CFTC-registered affiliates and these affiliates may receive commissions. GSAM may also utilize the services of these affiliates in connection with foreign exchange transactions for Advisory Accounts.

Bank or Thrift Institution

The Goldman Sachs Group, Inc. is a bank holding company registered with the Board of Governors of the Federal Reserve System (the “Federal Reserve”). The Goldman Sachs Group, Inc. is subject to supervision and regulation by the Federal Reserve.

GSAM also has relationships with The Goldman Sachs Trust Company, N.A., a national bank limited to fiduciary activities (“GSTC”) and The Goldman Sachs Trust Company of Delaware (“GSTD”), a Delaware limited purpose trust company. GSTC and GSTD may provide personal trust and estate administration and related services to GS&Co.’s clients. GSAM and its affiliates may provide a variety of services to GSTC and GSTD, including investment advisory, distribution, marketing, operational, infrastructure, financial, auditing, and administrative services. GSAM and its affiliates will receive fees from GSTC and GSTD according to the fee schedules agreed between the parties. GSTC also maintains collective investment funds for eligible pension and profit sharing clients. GSTC has appointed GSAM as investment adviser for the collective investment funds, subject to the supervision and control of GSTC. Certain personnel of GSAM and GSAM’s affiliates have been cross-designated as officers of GSTC.

Sponsor or Syndicator of Limited Partnerships

GSAM and its affiliates may establish unregistered privately-placed vehicles and/or distribute securities issued by such vehicles. GSAM and its affiliates may receive fees in connection therewith.

Insurance Company or Agency

Goldman Sachs’ affiliate, Global Atlantic Financial Group Limited (“Global Atlantic”), through its subsidiaries, including Commonwealth Annuity and Life Insurance Company and First Allmerica Financial Life Insurance Company, engages in the insurance business for the purpose of insuring and reinsuring life and annuity contracts including, but not limited to, variable life and variable annuity contracts. GSAM provides investment management services to the Global Atlantic subsidiaries and receives management fees in connection with such services.

Management Persons; Policies and Procedures

Certain of GSAM’s management persons may also hold positions with the affiliates listed above. In these positions, those management persons of GSAM may have certain responsibilities with respect to the business of these affiliates and the compensation of these management persons may be based, in part, upon the profitability of these affiliates. Consequently, in carrying out their roles at GSAM and these other entities, the management persons of GSAM may be subject to the same or similar potential conflicts of interest that exist between GSAM and these affiliates.

GSAM has established a variety of restrictions, policies, procedures, and disclosures designed to address potential conflicts that may arise between GSAM, its management persons and its affiliates. These policies and procedures include: information barriers designed to prevent the flow of information between GSAM, personnel of GSAM 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. No assurance can be made that any of GSAM’s current policies and procedures, or any policies and procedures that are established by GSAM in the future, will have their desired effect. 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 Indexes

GSAM and its affiliates may develop, co-develop, own and operate stock market and other indexes (each, an “Index”) based on investment and trading strategies developed by GSAM or its affiliates or co-developed by GSAM or its affiliates and a third party (“GSAM Strategies”). GSAM has entered into, and may in the future enter into, a revenue sharing arrangement with a third party co-developer of an Index pursuant to which GSAM receives a portion of the fees generated from licensing the right to use the Index or components thereof to third parties. Some of the ETFs for which GSAM or its affiliates act as investment adviser (the “GSAM ETFs”) seek to track the performance of the Indexes. GSAM may, from time to time, manage Advisory Accounts that invest in these GSAM ETFs. In addition, GSAM manages Advisory Accounts which track the same Indexes used by the GSAM ETFs or which are based on the same, or substantially similar, GSAM Strategies that are used in the operation of the Indexes and the GSAM ETFs. The operation of the Indexes, the GSAM ETFs and Advisory Accounts in this manner may give rise to potential conflicts of interest.

For example, Advisory Accounts that track the same Indexes used by the GSAM ETFs may engage in purchases and sales of securities prior to when the Index and the GSAM ETFs engage in similar transactions because such Advisory Accounts may be managed and rebalanced on an ongoing basis, whereas the GSAM ETFs’ portfolios are only rebalanced on a periodic basis corresponding with the rebalancing of the Index. These differences may result in the Advisory Accounts having more favorable performance relative to that of the Index and the GSAM ETFs or other Advisory Accounts that track the Index. Other potential risks and conflicts include the potential for unauthorized access to Index information, allowing Index changes that benefit GSAM or other Advisory Accounts and not the investors in the GSAM ETFs, and the manipulation of Index pricing to present the performance of GSAM ETFs, or tracking ability, in a preferential light.

GSAM has adopted policies and procedures that are designed to address potential conflicts that may arise in connection with GSAM’s operation of the Indexes, the GSAM ETFs and the Advisory Accounts. GSAM has

established certain information barriers and other policies to address the sharing of information between different businesses within GSAM, including with respect to personnel responsible for maintaining the Indexes 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, GSAM has adopted a code of ethics.

To the extent it is intended that an Advisory Account track an Index, the Advisory Account may not match, and may vary substantially from, the Index for any period of time. An Advisory Account that tracks an Index may purchase, hold and sell securities at times when a non-Index fund would not do so. GSAM does not guarantee that any tracking error targets will be achieved. Advisory Accounts tracking an Index may be negatively impacted by any errors in the Index, either as a result of calculation errors, inaccurate data sources or otherwise. GSAM does not guarantee the timeliness, accuracy and/or completeness of an Index and GSAM is not responsible for errors, omissions or interruptions in the Index (including when GSAM or an affiliate acts as the Index provider) or the calculation thereof (including when GSAM or an affiliate acts as the calculation agent).

GSAM may cause index constituent data reflecting a hypothetical indication of the weighting and holdings of the Indexes to be published on a daily basis. Given that such information, if published, is only a hypothetical indication of what the weightings and constituents would be if each Index were rebalanced on a daily basis, the hypothetical indications may differ substantially from the constituents at the next actual rebalance of the Index.

CONFLICTS RELATING TO RELATIONSHIPS WITH UNAFFILIATED ADVISERS

GSAM may allocate Advisory Account assets to, or recommend, one or more Unaffiliated Advisers, directly or indirectly, through, among other means, discretionary managed accounts or Underlying Funds. The interests and business relationships of Goldman Sachs (including GSAM) and its personnel may create potential conflicts in the selection or recommendation of Unaffiliated Advisers for, or the determination to increase allocations of assets to or

withdraw assets from Unaffiliated Advisers on behalf of, Advisory Accounts.

Conflicts with respect to such determinations may arise because Goldman Sachs derives benefits from certain decisions made in respect of Unaffiliated Advisers. It is expected that Goldman Sachs may receive various forms of compensation, fees, commissions, payments, rebates, remuneration, services or other benefits (including benefits relating to investment and business relationships of Goldman Sachs) from Unaffiliated Advisers to which Advisory Accounts allocate assets, including for providing a variety of products and services (such as prime brokerage and research services) to such Unaffiliated Advisers. GSAM will be incentivized to allocate assets to, and refrain from withdrawing assets from, Unaffiliated Advisers that are themselves (or whose principals or employees are) Advisory Account clients or in respect of which GSAM receives fees or other compensation. GSAM may also be incentivized to allocate assets to, and refrain from withdrawing assets from, Unaffiliated Advisers for whom Goldman Sachs acts as prime broker or to whom Goldman Sachs provides brokerage or other services and research because of such relationships, including because payments to Goldman Sachs in respect of such activities and services will generally increase as the size of the assets that the Unaffiliated Adviser manages increases. Goldman Sachs may also benefit as a result of ownership or other interests of Goldman Sachs or Advisory Accounts in Unaffiliated Advisers or their businesses.

Subject to applicable law, the amount of compensation, fees, commissions, payments, rebates, remuneration, services or other benefits to Goldman Sachs, or the value of Goldman Sachs' interests in the Unaffiliated Advisers or their businesses, varies by Unaffiliated Adviser and will generally be greater if GSAM selects such Unaffiliated Advisers than they would be if GSAM selects other Advisers that might also be appropriate for the Advisory Accounts. For example, investment by an Advisory Account in an Underlying Fund where Goldman Sachs, an Account or a related party has a fee and/or profit sharing arrangement or other interest in the equity or profits of such Underlying Fund or the Unaffiliated Adviser may result in additional

revenues, value or other benefits to Goldman Sachs and its personnel or related parties.

In addition, as a major participant in global financial markets providing a wide range of financial services, Goldman Sachs may provide various services or have business dealings, arrangements or agreements with affiliates and portfolio companies of Unaffiliated Advisers. GSAM will face potential conflicts in making determinations as to whether one or more Advisory Accounts should invest or withdraw funds from Unaffiliated Advisers (or Underlying Funds they manage or advise) with which GSAM or Goldman Sachs has such relationships, and whether GSAM should remove a particular Unaffiliated Adviser from GSAM's approved list of Unaffiliated Advisers. Goldman Sachs, Advisory Accounts or other Accounts may have equity, profits or other interests in Unaffiliated Advisers or may have entered into arrangements with such Unaffiliated Advisers in which such Unaffiliated Advisers would share with Goldman Sachs, an Advisory Account or other Account a material portion of its fees or allocations (including, without limitation, fees earned by such Unaffiliated Advisers as a result of the allocation of Advisory Account assets to such Unaffiliated Advisers). Payments to Goldman Sachs (either directly from such Unaffiliated Advisers (or Underlying Funds they manage or advise) or in the form of fees or allocations payable by Advisory Accounts or other Accounts) will generally increase as the amount of assets that such Unaffiliated Advisers manage increases. Therefore, investment by Advisory Accounts with such Unaffiliated Advisers (or Underlying Funds they manage or advise) where Goldman Sachs, Advisory Accounts or other Accounts have a fee and/or profit sharing arrangement or other interest in the equity or profits of such Unaffiliated Advisers may result in additional revenues to Goldman Sachs and its personnel. The relationship that Goldman Sachs, Advisory Accounts and other Accounts have with such Unaffiliated Advisers (or their portfolio companies or affiliates) may also result in GSAM being incentivized to increase Advisory Accounts' investments with such Unaffiliated Advisers or to retain their investments with such Unaffiliated Advisers (or Underlying Funds they manage or advise).

In addition, an Advisory Account, including Advisory Accounts such as Seeding Funds that engage in seeding transactions relating to the start-up of Unaffiliated Advisers, may obtain fees or investment terms with an Unaffiliated Adviser that benefit Goldman Sachs and other Accounts, which may result in the applicable Advisory Account receiving terms that are not as favorable to such Advisory Account as those it could have obtained for itself had benefits for Goldman Sachs and such other Accounts not been obtained. The Advisory Account and Goldman Sachs or such other Accounts may negotiate fees, investment terms or Profits Interests with an Unaffiliated Adviser on a collective basis and such fees, investment terms or Profits Interests may not be as favorable to the Advisory Account as those it could have obtained had it negotiated with the Unaffiliated Adviser by itself. Goldman Sachs or another Account may also negotiate better fees, investment terms, Profits Interests or other favorable arrangements with an Unaffiliated Adviser and an Advisory Account may not receive the benefit of such fees, terms, Profits Interests and arrangements.

Goldman Sachs (including, without limitation, GSAM) may receive notice of, or offers to participate in, investment opportunities, including with respect to Profits Interests, from Unaffiliated Advisers, their affiliates or other third parties. Such investment opportunities may be offered to Goldman Sachs for various reasons, which may include business relationships with Unaffiliated Advisers or their affiliates or other reasons, including that one or more Advisory Accounts have made investments with such Unaffiliated Advisers. Such opportunities will generally not be required to be allocated to such Advisory Accounts unless the opportunities are received pursuant to contractual requirements, such as preemptive rights or rights offerings, under the terms of the Advisory Accounts' investments with such Unaffiliated Advisers. Investment (or continued investment) by particular Advisory Accounts with such Unaffiliated Advisers may result in additional investment opportunities for Goldman Sachs or other Accounts. An Advisory Account will not be entitled to compensation in connection with investments that are not allocated to such Advisory Account (or not fully allocated to such Advisory Account) and are allocated to Goldman Sachs (including

GSAM) or other Accounts (including other Advisory Accounts).

In order to mitigate certain conflicts, for a certain period of time following the acquisition of a Profits Interest in an Unaffiliated Adviser by an Advisory Account, other Accounts may be restricted from investing in Underlying Funds managed by the Unaffiliated Adviser. Such restriction may adversely affect the Unaffiliated Adviser, including, without limitation, by limiting its assets under management, and, in turn, may have an adverse effect on the returns of the Advisory Account that holds the Profits Interest. Moreover, due to regulatory considerations (including ERISA), an Advisory Account's Profits Interest in an Unaffiliated Adviser has in the past excluded, and may in some cases in the future exclude, profits associated with investments by Goldman Sachs and/or other Accounts in the Underlying Funds of the Unaffiliated Advisers.

In addition, the fee structure of certain Advisory Accounts (pursuant to which GSAM may be required to compensate Unaffiliated Advisers out of the fee it receives from the Advisory Account) may incentivize GSAM to select Unaffiliated Advisers with lower compensation levels (including Unaffiliated Advisers that discount their fees based on aggregate account size or other relationships) in order to increase the net fee to GSAM, and not select other Advisers that might also be appropriate for the Advisory Accounts. Fee breakpoints in an Advisory Account may also be affected by Goldman Sachs' business relationships and the size of Accounts other than the Advisory Account, and may directly or indirectly benefit Goldman Sachs and other Accounts. Advisory Accounts will not be entitled to any compensation with respect to such benefits received by Goldman Sachs and other Accounts.

To the extent that AIMS provides Advisory Accounts with access to Diligence Reports, AIMS will face actual and perceived potential conflicts in preparing Diligence Reports in respect of Underlying Funds and Unaffiliated Advisers in which AIMS and its affiliates have direct or indirect interests or relationships. For example, AIMS and its affiliates may have multiple advisory, transactional and financial and other interests in securities, instruments, companies and other assets that may be managed by an Unaffiliated Adviser, or may act as counterparty to an

Underlying Fund or an Unaffiliated Adviser. Similarly, Goldman Sachs may provide a variety of products and services to Underlying Funds, Unaffiliated Advisers or their affiliates, and Goldman Sachs may receive various forms of compensation or other benefits from one or more Underlying Funds, Unaffiliated Advisers or their affiliates. As described below in —Equity and Economic Interests Relating to Unaffiliated Advisers and Underlying Funds, certain GSAM-managed funds may hold material equity, profits or other interests in Underlying Funds, Unaffiliated Advisers or their affiliates. In addition, personnel of certain Unaffiliated Advisers may be clients or former employees of AIMS or its affiliates or may provide AIMS or its affiliates with notice of, or offers to participate in, investment opportunities. Any negative information contained in Diligence Reports in respect of Underlying Funds or Unaffiliated Advisers in or with which AIMS and its affiliates have interests or relationships could adversely impact such interests and relationships, and any positive information contained in the Diligence Reports in respect of such Underlying Funds and Unaffiliated Advisers could benefit such interests and relationships. As a result, AIMS may be incentivized to delay or fail to provide certain adverse information concerning an Underlying Fund or Unaffiliated Adviser, or to promote certain Underlying Funds or Unaffiliated Advisers, in Diligence Reports.

Equity and Economic Interests Relating to Unaffiliated Advisers and Underlying Funds

Certain GSAM-managed funds have entered into, or are third-party beneficiaries of, agreements with certain Unaffiliated Advisers, their Underlying Funds or their affiliates pursuant to which the GSAM-managed funds hold material equity, profits or other interests in the Unaffiliated Advisers, their Underlying Funds or their affiliates. Such agreements may include arrangements pursuant to which a GSAM-managed fund earns a share of the revenue received by an Unaffiliated Adviser or its affiliate (either through a contractual arrangement or through purchasing an equity interest in such Unaffiliated Adviser, its Underlying Funds or its affiliates). Such agreements may also include arrangements pursuant to which an Unaffiliated Adviser and its Underlying Funds have agreed to reduce the management fees and incentive compensation payable or allocable by the GSAM-managed funds in connection with their investments

in the Unaffiliated Adviser's Underlying Funds. The amount of such reductions are typically determined based on the size of the investment in the Unaffiliated Adviser's Underlying Funds by the GSAM-managed funds and the aggregate management fees and incentive compensation earned by the Unaffiliated Adviser with respect to its Underlying Funds from other investors, including any management fees and incentive compensation paid by the Accounts. As such, the GSAM-managed funds benefit from the fees, allocations or other compensation earned by the Unaffiliated Advisers or their affiliates with respect to their Underlying Funds, including, to the extent an Advisory Account invests in any such Underlying Funds, any fees, allocations or other compensation paid by the Advisory Account to the Unaffiliated Advisers or their affiliates and/or their Underlying Funds, which may be significant. Conversely, certain AIMS Program Funds, including Seeding Funds, that are entitled to a share of an Unaffiliated Adviser's revenue may elect not to receive any portion of any fees, allocations or other compensation paid to such Unaffiliated Adviser by or in respect of other Accounts in order to avoid certain potential conflicts or due to certain regulatory considerations. Notwithstanding the foregoing, certain GSAM-managed funds that allocate assets to an Unaffiliated Adviser's Underlying Funds or accounts do not pay compensation to the Unaffiliated Advisers. Instead, the Unaffiliated Advisers are compensated by GSAM out of compensation GSAM receives from the GSAM-managed funds. In such circumstances, any reduction in the compensation payable to the Unaffiliated Advisers will inure to the benefit of GSAM, and not to the GSAM-managed funds or their investors. Certain GSAM-managed funds have entered into arrangements pursuant to which the GSAM-managed funds have certain limited consent rights (or other governance-related rights) in respect of an Unaffiliated Adviser's business, which may directly or indirectly adversely affect interests in the Unaffiliated Adviser or its Underlying Funds, including any interests therein held by Advisory Accounts.

Conflicts Relating to the Selection or Recommendation of Stable Value Contract Providers

The interests and business relationships of Goldman Sachs (including GSAM SV) and its personnel may create potential conflicts in the selection or recommendation of

Stable Value Contract providers, or the determination to increase allocations of assets to or withdraw assets from Stable Value Contract providers on behalf of, Advisory Accounts. GSAM SV makes determinations or recommendations regarding Stable Value Contracts providers consistent with its fiduciary duties and the investment processes described in Item 8, Methods of Analysis, Investment Strategies and Risk of Loss. Goldman Sachs may derive benefits from certain decisions made in respect of Stable Value Contract providers. See Appendix B—Information on Significant Strategy Risks—Risks that Apply Primarily to Fixed-Income Investments—Stable Value Risks.

CONFLICTS RELATING TO THE ALLOCATION OF ADVISORY ACCOUNT ASSETS TO AFFILIATED PRODUCTS AND EXTERNAL PRODUCTS

Goldman Sachs (including GSAM) will generally receive compensation in connection with the management of Affiliated Products (including discretionary managed accounts or investment funds including money market funds) to which Advisory Accounts may directly or indirectly allocate assets. Certain Advisory Accounts that invest in Affiliated Products pay advisory fees to GSAM that are not reduced by any fees payable by such Advisory Accounts to Goldman Sachs as manager of such Affiliated Products (i.e., there will be “double fees” involved in making any such investment, which would not arise in connection with the direct allocation of assets by the account holder to such Affiliated Products), other than in certain specified cases, including as may be required by applicable law. Other Advisory Accounts that invest in Affiliated Products pay advisory fees at the Advisory Account level but not at the Affiliated Product level, or vice versa (e.g., the Advisory Account may invest on a fee-free basis in the Affiliated Product or receive a rebate or credit at the Advisory Account level). Because Goldman Sachs will on an overall basis receive higher fees, compensation and other benefits if the assets of Advisory Accounts that pay “double fees” (i.e., Advisory Accounts that do not invest on a fee-free basis or that do not receive a rebate or credit) are allocated to Affiliated Products rather than solely to External Products, GSAM will be incentivized to recommend or allocate the assets of Advisory Accounts to Affiliated Products. Furthermore, GSAM will have an

interest in allocating or recommending the assets of Advisory Accounts to Affiliated Products that impose higher fees than those imposed by other Affiliated Products or that provide other benefits to Goldman Sachs. Any differential in compensation paid to personnel in connection with certain Affiliated Products rather than other Affiliated Products creates a financial incentive on the part of GSAM to select or recommend certain Affiliated Products over other Affiliated Products. Similarly, since GSAM and/or Goldman Sachs may on an overall basis receive higher fees, compensation and other benefits if Advisory Account assets are allocated to External Products indirectly through Advisory Accounts that are funds of funds rather than directly to External Products, GSAM is incentivized to select or recommend an Advisory Account that is a fund of funds for an Advisory Account. Correspondingly, GSAM may be disincentivized to consider or recommend the removal of an Advisory Account’s assets from, or the modification of an Advisory Account’s allocations to, an Affiliated Product at a time that it otherwise would have where doing so would decrease the fees, compensation and other benefits to Goldman Sachs, including where disposal of such Affiliated Product by the Advisory Account would likely adversely affect the Affiliated Product with respect to its liquidity position or otherwise. Notwithstanding the foregoing, special fee considerations with respect to allocations to Affiliated Products in addition to, and different than, those listed in this paragraph apply to GPS-managed Advisory Accounts. Please refer below to this Item 10, Other Financial Industry Activities and Affiliations—Conflicts that Apply Primarily to GPS.

Neither Goldman Sachs nor GSAM will be required to share any fees, allocations, compensation, remuneration or other benefits received in connection with an Advisory Account with the Advisory Account or the client or offset such fees, allocations, compensation, remuneration and other benefits against fees and expenses the client may otherwise owe Goldman Sachs or GSAM.

CONFLICTS THAT APPLY PRIMARILY TO GPS**Conflicts Relating to Affiliated Products and External Products**

Generally, the guidelines for GPS Advisory Accounts provide that either only Affiliated Products or only External Products will be selected or recommended for the Advisory Accounts or for particular asset classes or strategies within the Advisory Accounts. However, in certain cases, the guidelines for a GPS Advisory Account provide that both Affiliated Products and External Products may be selected or recommended for the Advisory Account or for particular asset classes or strategies within the Advisory Account. As described above in this Item 10, Other Financial Industry Activities and Affiliations—Conflicts Relating to Relationships with Unaffiliated Advisers—Conflicts Relating to the Allocation of Advisory Account Assets to Affiliated Products and External Products, conflicts of interest arise in situations in which GPS is permitted to allocate Advisory Account assets to both Affiliated Products and External Products, and the differing fee arrangements that apply to investments by GPS Advisory Accounts in Affiliated Products as compared to External Products create a preference for the selection or recommendation of Affiliated Products over External Products. Please also refer to the potential conflicts of interest described in Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Participation or Interest in Client Transactions—Financial Incentives in Selling and Managing Advisory Accounts.

In connection with an Advisory Account that, pursuant to its guidelines, may invest in External Products (either because the guidelines provide that the Advisory Account will invest in only External Products or because the guidelines provide that the Advisory Account will invest in both External Products and Affiliated Products), GPS will not review the entire universe of available External Products that may be appropriate for the Advisory Account. Generally, GPS will only review External Products managed by managers listed on a list of approved Unaffiliated Advisers (the “GSAM Approved Manager List”), and typically will only review a subset of such External Products as it determines in its sole discretion. As a result, there may be one or more External Products that would be a more appropriate addition to the

Advisory Account than the investment product selected by GPS, from the standpoint of the factors that GPS has taken into consideration or other factors. Such External Products may outperform the investment product selected for the Advisory Account.

In connection with an Advisory Account or an asset class within an Advisory Account that, pursuant to its guidelines invests only in Affiliated Products, GPS will not review or consider External Products. As a result, there may be one or more External Products that would be a more appropriate addition to the Advisory Account than the Affiliated Product selected by GPS, from the standpoint of the factors that GPS has taken into consideration or other factors. Such External Products may outperform the Affiliated Product selected for the Advisory Account.

GPS utilizes different due diligence processes to review External Products and Affiliated Products. External Products are reviewed by AIMS, while potential Affiliated Products are reviewed by GPS. Due diligence of External Products by AIMS is typically carried out over a number of weeks and may include on-site meetings, analytics related to historical performance, reference calls and risk report reviews. Due diligence by GPS is generally limited to an assessment of certain qualitative and, to a lesser extent, quantitative factors to determine that a potential Affiliated Product is suitable for the applicable Advisory Account. 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, GPS 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. See Item 8, Methods of Analysis, Investment Strategies and Risk of Loss—Methods of Analysis and Investment Strategies—GPS for additional considerations relating to, among other things, differences in the GPS selection process for External Products and Affiliated Products.

Furthermore, when GPS conducts due diligence of, or in connection with making purchase, sale, or other investment-related decisions with respect to, Affiliated Products, it may be restricted from obtaining information it might otherwise

request with respect to such Affiliated Products and their sponsors, managers, or advisers as a result of internal information barriers, or it may be restricted from transacting on information it does obtain or is in possession of, as further described in Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Participation or Interest in Client Transactions—Considerations Relating to Information Held by Goldman Sachs.

The lack of such information, or the inability to act upon such information, could result in losses to Advisory Accounts. If GPS personnel do not have access to certain information with respect to an investment product, they may determine not to consider such investment product for an Advisory Account, or, conversely, GPS personnel may select an investment product for the Advisory Account notwithstanding that certain material information is unavailable to such personnel, each of which could adversely affect the Advisory Account. For example, such investment product could significantly decline in value, resulting in substantial losses to the Advisory Account.

AIMS maintains the GSAM Approved Manager List and determines, based on its ongoing diligence review, whether an External Product should be retained on the GSAM Approved Manager List. GPS generally only selects or recommends External Products the managers of which are included on the GSAM Approved Manager List, and if AIMS removes the manager of an External Product from the GSAM Approved Manager List, GPS is expected to withdraw (or recommend the withdrawal of) such External Product from Advisory Accounts unless a client specifically requests to retain the External Product. Affiliated Products are not subject to GPS's ongoing due diligence, to due diligence by AIMS, or to the GSAM Approved Manager List. There is no similar list or removal process for Affiliated Products, although GPS may withdraw (or recommend the withdrawal of) Affiliated Products on a case-by-case basis based on factors it deems relevant at the time of any such consideration. The fact that Affiliated Products are not subject to the same diligence review and GSAM Approved Manager List and removal processes applicable to External Products could cause them not to be withdrawn from Advisory Accounts prior to periods in

which they underperform potential replacement investment products.

GPS receives management fees with respect to its investment advisory activities for Advisory Accounts it manages. In addition, GPS Advisory Accounts bear all fees and expenses relating to investments in External Products and all fund expenses relating to investments in Affiliated Products. However, GPS Advisory Accounts generally do not bear any additional fees with respect to investments in Affiliated Products (either because the Affiliated Products do not charge fees or because the fees paid to Affiliated Products are offset against the fees charged by GPS). Therefore, similarly situated Advisory Accounts that invest in Affiliated Products are generally expected to bear an overall lower level of fees than Advisory Accounts that invest in External Products. As a result, with respect to Advisory Accounts whose guidelines permit investments in both Affiliated Products and External Products, there is a significant financial incentive (i.e., lower overall fees for the client) for the Advisory Account to invest in Affiliated Products rather than External Products. Conversely, GPS may have an incentive to select or recommend External Products because Goldman Sachs does not receive additional fees from the Advisory Accounts in respect of investments in Affiliated Products even though it is providing additional services to the Advisory Accounts. However, in such circumstances there may be countervailing considerations outside the best interests of the client that may incentivize GPS to select or recommend Affiliated Products (e.g., increased assets under management for Affiliated Products), including Affiliated Products managed by GPS, over External Products. Generally, GPS does not share in the fees received by External Products or their managers.

External Products include hedge funds advised by Unaffiliated Advisers ("External Hedge Funds"). Generally, Advisory Accounts access External Hedge Funds through investments in GS Funds of Funds or through direct investments in third-party managed hedge funds. GPS does not utilize funds of funds that are not Affiliated Products to access External Hedge Funds unless specifically directed to do so by the client. As described in the prior paragraph, Advisory Accounts managed by GPS generally do not bear

fees with respect to Affiliated Products. Accordingly, GPS Advisory Accounts generally do not pay fees to GS Funds of Funds in order to access External Hedge Funds. Advisory Accounts are responsible for their pro rata share of the expenses of the GS Funds of Funds, which generally includes fees and expenses paid by the GS Funds of Funds to the External Hedge Funds.

Conflicts Relating to 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. For additional information, please refer to Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Participation or Interest in Client Transactions—Firm Policies and Regulatory Restrictions Affecting Advisory Accounts.

Conflicts Relating to the Use of Tactical Tilts

GSAM may utilize tactical investment ideas derived from short-term market views (“Tactical Tilts”) for Advisory Accounts. Unless specifically directed otherwise by a client (for example, in the case in which a GPS client or Advisory Account specifically require or contemplate the use of one of the client’s Unaffiliated Advisers to implement certain types of tactical tilts), with respect to GPS-managed Advisory Accounts, such Tactical Tilts are implemented through Affiliated Products or directly by GSAM Personnel, even in the case of Advisory Accounts the guidelines of which do not otherwise provide for investments in Affiliated Products. As described above in this Item 10, Other Financial Industry Activities and Affiliations—Conflicts that Apply Primarily to GPS—Conflicts Relating to Affiliated Products and External Products, other than with respect to GPS’s management fee, Advisory Accounts generally do not bear fees in respect of Affiliated Products. Accordingly, Advisory Accounts do not pay additional fees in connection with the implementation of Tactical Tilts. 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, other businesses within Goldman Sachs may implement a Tactical Tilt or unwind a position for client accounts or on their own behalf at a different time than GPS does on behalf of Advisory Accounts, or may implement a Tactical Tilt that is different from the Tactical Tilt implemented by GPS 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 the agreement governing the Advisory Account, GPS monitors 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.

Conflicts Relating to the Use of Target Ranges and Rebalancing

Certain Advisory Accounts, either generally or with respect to particular asset classes and/or product classes, may allocate to both Affiliated Products and External Products in accordance with target allocations or target ranges. For these Advisory Accounts, the conflicts and risks described above with respect to allocating assets to both Affiliated Products and External Products apply. In addition, to the extent a client designates target allocations or target ranges for Affiliated Products and External Products within an Advisory Account or a particular asset class or strategy within the Advisory Account, allocations of an Advisory Account’s assets may, from time to time, be out of balance with the Advisory Account’s target ranges for extended periods of time or at all times due to various factors, such as fluctuations in, and variations among, the performance of the investment products to which the assets are allocated and reliance on estimates in connection with the determination of percentage allocations. Any rebalancing by GPS of the Advisory Account’s assets may have an adverse effect on the performance of the Advisory Account’s assets. For example, the Advisory Account’s assets may be allocated away from an over-performing

investment product and allocated to an under-performing investment product, which could be harmful to the Advisory Account. In addition, the achievement of any intended rebalancing may be limited by several factors, including the use of estimates of the net asset values of the investment products, and, in the case of investments in investment products that are pooled investment vehicles, restrictions on additional investments in and redemptions from such investment products. Similarly, the use of target ranges in respect of product classes may result in an Advisory Account containing a significantly greater percentage of Affiliated Products than would otherwise be the case, including during periods in which Affiliated Products underperform External Products. In such circumstances, there may be one or more External Products that would be a more appropriate addition to an Advisory Account than the Affiliated Products then in the Advisory Account. Such External Products may outperform the Affiliated Products then in the Advisory Account.

Conflicts Relating to the Provision of Model Portfolios, Including Through Third-Party Investment Platforms

The GPS team may provide model portfolios to Advisers, broker-dealers or other financial intermediaries that may use such model portfolios to assist in developing their own investment recommendations and managing their own accounts or the accounts of their clients, or that may make such model portfolios available to their clients through investment platforms. Such model portfolios may be focused on one or more asset classes or strategies or may be limited to certain types of investment products (for example, model portfolios consisting solely of ETFs or mutual funds). Such model portfolios may differ from, and may experience different performance than, model portfolios offered by affiliates of GSAM or by other business units within GSAM.

If a model portfolio includes ETFs or mutual funds, in selecting such products for inclusion in a model portfolio, the GPS team generally expects to select Affiliated Products without considering External Products or canvassing the universe of External Products, even though there may (or may not) be one or more External Products that may be more appropriate for inclusion in such model portfolio, unless the GPS team determines, in its sole discretion, that

an Affiliated Product is not available in the relevant asset class / sub-asset class. In the event an Affiliated Product is not available in the relevant asset class / sub-asset class, the GPS team may consider certain External Products in its discretion, although the GPS team will not canvas the universe of External Products. The GPS team will not be obligated to, and will not, take into account the tax status, investment goals or other characteristics of any specific person using a model portfolio when compiling the model portfolios.

To the extent the GPS team includes an External Product in a model portfolio, it generally expects to evaluate such External Product only from an investment perspective, which will solely consist of a review of the External Product's benchmark index, tracking error relative to the benchmark index and liquidity profile (e.g., market capitalization and average daily trading volume). The GPS team generally does not conduct operational due diligence on External Products included in model portfolios.

GSAM may be entitled to compensation for making model portfolios available to Advisers, broker-dealers, other financial intermediaries or their clients. In addition, GSAM and/or its affiliates will benefit from the subscription by clients in Affiliated Products because Goldman Sachs (including GSAM) will generally receive compensation in connection with the management of Affiliated Funds included in a model portfolio. GSAM will be incentivized to include Affiliated Funds in model portfolios and disincentivized to remove Affiliated Funds from a model portfolio. Furthermore, inclusion of Affiliated Products in model portfolios raises additional potential conflicts and risks similar to those described above in this Item 10, Other Financial Industry Activities and Affiliations—Conflicts Relating to Relationships with Unaffiliated Advisers—Conflicts Relating to the Allocation of Advisory Account Assets to Affiliated Products and External Products.

Certain model portfolio recipients will not have had the chance to evaluate or act upon information communicated by GPS regarding model portfolios or any updates thereto prior to the time at which other model portfolio recipients have commenced trading based upon such information or updates. See Item 6, Performance-Based Fees and Side-By-

Side Management—Provision of Portfolio Information to Model Portfolio Advisers.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

CODE OF ETHICS AND PERSONAL TRADING

GSAM has adopted a Code of Ethics (the “Code”) under Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”) designed to provide that GSAM Personnel, and certain additional personnel of Goldman Sachs who support GSAM, comply with applicable federal securities laws and place the interests of clients first in conducting personal securities transactions. The Code imposes certain restrictions on securities transactions in the personal accounts of covered persons to help avoid conflicts of interest. Subject to the limitations of the Code, covered persons may buy and sell securities or other investments for their personal accounts, including investments in pooled investment vehicles that are sponsored, managed or advised by Goldman Sachs, and may also take positions that are the same as, different from, or made at different times than, positions taken (directly or indirectly) for Advisory Accounts. GSAM will provide a copy of the Code to clients or prospective clients upon request.

Additionally, all personnel of Goldman Sachs, including GSAM Personnel, are subject to firm-wide policies and procedures regarding confidential and proprietary information, information barriers, private investments, outside business activities and personal trading.

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, it 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, adviser, 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, including 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. 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 the 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). Additionally, as described below, GSAM faces conflicts of interest arising out of Goldman Sachs’ relationships and business dealings in connection with decisions to take or refrain from taking certain actions on behalf of Advisory Accounts when doing so would be adverse to Goldman Sachs’ relationships or other business dealings with such parties. See Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Participation or Interest in Client Transactions—Certain Effects of the Activities of Goldman Sachs and Advisory Accounts. In managing conflicts of interest that may arise as a result of the foregoing, GSAM generally will be subject to fiduciary requirements. 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 GSAM and Goldman Sachs may have in transactions effected by, with, or on behalf of Advisory Accounts. In addition, as described above in Item 7, Types of Clients, GSAM’s activities on behalf of certain other entities that are not investment advisory clients of GSAM may create conflicts of interest between such entities, on the one hand, and Advisory Accounts, on the other hand, that are the same as or similar to the conflicts that arise between Advisory Accounts, or between an Advisory Account on the one hand, and an Account on the other hand, as described in this Item 11, Code of Ethics, Participation or Interest in Client

Transactions and Personal Trading. The conflicts herein do not purport to be a complete list or explanation of the conflicts associated with the financial or other interests GSAM or Goldman Sachs may have now or in the future. Prior to making an investment in an Advisory Account that is a pooled investment vehicle, prospective investors are encouraged to read the offering materials relating to such Advisory Account.

Principal Trading and Cross/Agency Cross Transactions with Advisory Accounts

When permitted by applicable law and GSAM policy, GSAM, 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 (but is under no obligation or other duty to) cause Advisory Accounts to engage in principal transactions, cross transactions and agency cross transactions. Principal transactions occur if GSAM, on behalf of Advisory Accounts, 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. Cross transactions occur if GSAM causes an Advisory Account to buy securities or other instruments from, or sell securities or other instruments to, another Advisory Account of GSAM or an Affiliated Adviser. An agency cross transaction occurs if Goldman Sachs acts as broker for, and receives a commission from, an Advisory Account on one side of the transaction and a brokerage account on the other side of the transaction in connection with the purchase or sale of securities by the Advisory Account.

There may be potential conflicts of interest, regulatory issues or restrictions contained in GSAM's internal policies relating to these transactions which could limit GSAM's determination to engage in these transactions for Advisory Accounts. In certain circumstances such as when Goldman Sachs is the only or one of a few participants in a particular market or is one of the largest such participants, such limitations may eliminate or reduce the availability of certain investment opportunities to Advisory Accounts or impact the price or terms on which transactions relating to such investment opportunities may be effected.

GSAM may (but is under no obligation or other duty to) cause Advisory Accounts to engage in cross transactions involving interests in hedge funds, private equity funds, real estate funds and other private or non-private funds. For example, HFS may cause HFS Advisory Accounts to buy or sell interests in an Underlying Fund, including such interests that are illiquid or difficult-to-value, from or to another Advisory Account or other Account (including an Account advised by another area of Goldman Sachs for its clients). This will typically occur when one Advisory Account determines to sell an interest in an Underlying Fund at the same time that another Advisory Account wishes to purchase an interest in the same Underlying Fund. Transactions in respect of illiquid or difficult-to-value assets may be effected at a discount to the net asset value of the illiquid assets provided by the applicable Adviser. Another example of cross transactions involving Underlying Funds occurs when AIMS private equity and real estate Advisory Accounts rebalance their interests in Underlying Funds over the course of a stated period of time (such as the period of time during which investors may invest in AIMS closed-ended private equity and real estate funds).

Cross transactions may also occur in connection with the offering of Co-Investment Opportunities to an Advisory Account following the acquisition of an investment by another Advisory Account. In these cases, the Advisory Account that is offered the Co-Investment Opportunity may purchase a portion of the investment acquired by another Advisory Account. The price at which an Advisory Account acquires an investment in connection with a Co-Investment Opportunity may be based upon cost and may or may not include an interest component or may reflect adjustments to the value of the investment following acquisition by the selling Advisory Account. In addition, cross transactions may occur where GSAM causes an Advisory Account to acquire all or a portion of the interests in one or more portfolio companies from another Advisory Account (including situations where a new Advisory Account is organized by GSAM solely for this purpose) or merge an existing portfolio company of the Advisory Account with a portfolio company of another Advisory Account. Such transactions may lead to a conflict of interests because GSAM controls the Advisory Accounts and/or portfolio company on each side of such transaction.

In certain circumstances, Goldman Sachs may, to the extent permitted by applicable law, purchase or sell securities on behalf of an Advisory Account as a “riskless principal”. For instance, Goldman Sachs may purchase securities from a third party with the knowledge that an Advisory Account is interested in purchasing those securities and immediately sell the purchased securities to such Advisory Account. In addition, in certain instances, an Advisory Account may request Goldman Sachs to purchase a security as a principal and issue a participation or similar interest to the Advisory Account in order to comply with applicable local regulatory requirements.

Goldman Sachs will have a potentially conflicting division of loyalties and responsibilities to the parties in such transactions, including with respect to a decision to enter into such transactions as well as with respect to valuation, pricing and other terms. GSAM has developed policies and procedures in relation to such transactions and conflicts. However, there can be no assurance that such transactions will be effected, or 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 will be effected in accordance with fiduciary requirements and applicable law (which may include disclosure and consent). In the case of commingled funds or certain other Advisory Accounts, consent may be granted by a governing body or a committee of investors or independent persons acting for an Advisory Account, in which case other investors will not have the opportunity to provide or withhold consent to the proposed transaction.

Certain Effects of the Activities of Goldman Sachs and Advisory Accounts

As described above under this Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—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. Goldman Sachs (including GSAM), the clients it advises, and its personnel 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 or, if applicable, the Advisers to which they allocate assets. Goldman Sachs may receive greater fees or other compensation (including performance-based fees) from such Accounts than it does from the particular Advisory Accounts. In addition, Goldman Sachs (including GSAM), 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 companies, assets, securities and other instruments, as particular Advisory Accounts or, if applicable, particular Advisers. Decisions and actions of GSAM on behalf of a particular Advisory Account may differ from those by Goldman Sachs (including GSAM) on behalf of other Accounts, including Advisory Accounts. Advice given to, or investment or voting decisions made for, an Advisory Account may compete with, affect, differ from, conflict with, or involve timing different from, advice given to, or investment or voting decisions made for, other Accounts, including other Advisory Accounts. Additionally, as described below, GSAM faces conflicts of interest arising out of Goldman Sachs’ relationships and business dealings in connection with decisions to take or refrain from taking certain actions on behalf of Advisory Accounts when doing so would be adverse to Goldman Sachs’ relationships or other business dealings with such parties.

Transactions by, advice to and activities of Accounts (including with respect to investment decisions, voting and the enforcement of rights) may involve the same or related companies, securities or other assets or instruments as those in which particular Advisory Accounts (or, if applicable, Advisers) invest, and such Accounts may engage in a strategy while an Advisory Account (or, if applicable, an Adviser) is undertaking the same or a differing strategy, any of which could directly or indirectly disadvantage the

Advisory Account (including its ability to engage in a transaction or other activities) or the prices or terms at which the Advisory Account's transactions or other activities may be effected.

For example, Goldman Sachs may be engaged to provide advice to an Account that is considering entering into a transaction with a particular Advisory Account, and Goldman Sachs may advise the Account not to pursue the transaction with the particular Advisory Account, or otherwise in connection with a potential transaction provide advice to the Account that would be adverse to the particular Advisory Account. Additionally, an Advisory Account (or, if applicable, Adviser) may buy a security and an Account may establish a short position in that same security or in similar securities. This short position may result in the impairment of the price of the security that the Advisory Account (or, if applicable, Adviser) holds or may be designed to profit from a decline in the price of the security. An Advisory Account (or, if applicable, Adviser) could similarly be adversely impacted if it establishes a short position, following which an Account takes a long position in the same security or in similar securities. In addition, Goldman Sachs (including GSAM) may make filings in connection with a shareholder class action lawsuit or similar matter involving a particular security on behalf of an Account (including an Advisory Account), but not on behalf of a different Account (including a different Advisory Account) that holds or held the same security, or that is invested in or has extended credit to different parts of the capital structure of the same issuer. See this Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Participation or Interest in Client Accounts—Investments in Different Parts of an Issuer's Capital Structure, for a discussion of certain additional conflicts associated with Goldman Sachs (including GSAM) or Accounts (including Advisory Accounts), on the one hand, and a particular Advisory Account, on the other hand, investing in or extending credit to different parts of the capital structure of a single issuer. See Item 17, Voting Client Securities—Class Actions and Similar Matters for a description of GSAM's policies with respect to filings in connection with shareholder class actions and similar matters for separate account clients.

To the extent an Advisory Account engages in transactions in the same or similar types of securities or other investments as other Accounts (including through other Advisory Accounts), such Advisory Account and other Accounts (including other Advisory Accounts) 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 investments or other activities may be effected.

Moreover, a particular Advisory Account on the one hand, and Goldman Sachs or an Account (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 the Advisory Account.

Advisory Accounts may also have different rights in respect of an investment with the same issuer or Underlying Advisor, or invest in different classes of the same issuer (including an Underlying Fund) that have different rights, including, without limitation, with respect to liquidity. For example, one or more Advisory Accounts may be permitted to redeem from or otherwise liquidate their investments in an Underlying Fund at times that another Advisory Account cannot. The determination to exercise such rights by GSAM on behalf of certain Advisory Accounts may have an adverse effect on other Advisory Accounts.

GSAM may cause Advisory Accounts to invest, directly or indirectly, in securities, bank loans or other obligations of companies affiliated with Goldman Sachs, advised by Goldman Sachs (including GSAM) or in which Goldman Sachs or Accounts (including Advisory Accounts) have an equity, debt or other interest, or to engage in investment transactions that may result in Goldman Sachs or other Accounts (including through other Advisory Accounts) being relieved of obligations or otherwise divested of investments. For example, an Advisory Account may acquire securities or indebtedness of a company affiliated with Goldman Sachs directly or indirectly through syndicate or secondary market purchases, or may make a loan to, or purchase securities from, a company that uses the proceeds

to repay loans made by Goldman Sachs. These activities by an Advisory Account may enhance the profitability of Goldman Sachs or other Accounts (including Advisory Accounts) with respect to their investment in and activities relating to such companies. Advisory Accounts will not be entitled to compensation as a result of this enhanced profitability.

Goldman Sachs may make loans to, 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 or Advisory Accounts or other Accounts (directly or indirectly) invest, and such loans may be secured by securities of such companies, which may be the same as, *pari passu* with, or more senior or junior to, interests held (directly or indirectly) by Goldman Sachs, its 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 (directly or indirectly) 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). For a discussion of certain additional conflicts associated with Goldman Sachs or Accounts, on the one hand, and a particular Advisory Account, on the other hand, investing in or extending credit to different parts of the capital structure of a single issuer, see this Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Participation or Interest in Client Accounts—Investments in Different Parts of an Issuer's Capital Structure.

Subject to applicable law, Goldman Sachs (including GSAM) or Accounts (including Advisory Accounts and Accounts formed to facilitate investment by personnel of Goldman Sachs) may invest in or alongside particular Advisory Accounts that are pooled investment vehicles. These investments may be on terms more favorable than those of an investment by Advisory Accounts in such a pooled investment vehicle, may constitute a substantial percentage of the assets of the pooled investment vehicle, and may result in particular Advisory Accounts being allocated a smaller share of the investment than would be the case absent the side-by-side investment. Unless provided otherwise by agreement to the contrary, Goldman Sachs or Accounts may redeem or withdraw interests in these pooled investment vehicles at any time without notice to or regard to the effect on the portfolios of Advisory Accounts invested in the pooled investment vehicle, 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 a pooled investment vehicle 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 pooled investment vehicle and its investors, including Advisory Accounts.

The terms of an investment in an Account formed to facilitate investment by personnel of Goldman Sachs are typically different from, and may be more favorable than, those of an investment by a third-party investor in an Advisory Account. For example, investors in such an Account generally are not subject to management fees or performance-based compensation, may share in the performance-based compensation, may not have their commitments pledged under a subscription facility, and may receive capital calls, distributions and information regarding investments at different times than third-party investors. In addition, to the extent permitted by law, certain investors in such an Account may be provided leverage by Goldman Sachs. In the event of a substantial decline in the value of such Account's investments, the leverage, if any, provided to employees may have the effect of rendering the investments by employees effectively worthless, which could undermine the potential alignment of interest between employees and third-party investors. In certain

circumstances, subject to applicable law, including the Dodd-Frank Act, Goldman Sachs may offer to purchase, redeem or liquidate the interests held by one or more investors in such an Account (potentially on terms advantageous to such Account's investors) or to release one or more investors in such an Account from their obligations to fund capital commitments without offering third-party investors the same or a similar opportunity.

Goldman Sachs (including GSAM) may create, write, sell, issue, invest in or act as placement agent or distributor of derivative instruments related to Advisory Accounts such as pooled investment vehicles, or with respect to underlying securities or assets of an Advisory Account, or which may be otherwise based on or seek to replicate or hedge the performance of an Advisory Account. 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 Underlying Fund 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 Adviser based on various considerations, and Goldman Sachs will not be under any obligation or other duty to provide notice to Advisory Accounts in respect of any such adjustment in assessment.

Goldman Sachs (including, as applicable, GSAM) 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 and activities of Advisory Accounts. Accounts may be offered access to

advisory services through several different Goldman Sachs advisory businesses (including GS&Co. and GSAM). 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, within GSAM certain investment teams or portfolio managers may have differing or opposite investment views in respect of an issuer or a security, and the positions an investment team or portfolio manager 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 GSAM investment teams or portfolio managers. Moreover, research, analyses or viewpoints may be available to clients or potential clients at different times. Goldman Sachs will not have any obligation or other duty to make available to Advisory Accounts any research or analysis prior to its public dissemination. Goldman Sachs, on behalf of one or more Accounts (including Advisory Accounts), may implement an investment decision or strategy ahead of, or contemporaneously with, or behind similar investment decisions or strategies made for 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 for particular Advisory Accounts, on the one hand, and other Accounts (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 investment or trading results or incurring increased costs associated with implementing such investment decisions or strategies, or being otherwise disadvantaged.

GSAM may, in its discretion, recommend that Advisory Accounts and/or certain of their portfolio companies have ongoing business dealings, arrangements or agreements with persons who are (i) former employees of Goldman Sachs, (ii) affiliates or other portfolio companies of Goldman Sachs or other Advisory Accounts, (iii) Goldman Sachs' employees' family members and/or relatives and/or certain of their portfolio companies or (iv) persons otherwise associated with an Advisory Account investor, portfolio

company, or service provider. The Advisory Accounts and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. These recommendations, and recommendations relating to continuing any such dealings, arrangements or agreements, may pose conflicts of interest and may be based on differing incentives due to Goldman Sachs' relationships with such persons. In particular, when acting on behalf of, and making decisions for, Advisory Accounts, GSAM may take into account Goldman Sachs' interests in maintaining its relationships and business dealings with such persons. As a result, GSAM faces conflicts of interest arising out of Goldman Sachs' relationships and business dealings in connection with decisions to take or refrain from taking certain actions on behalf of Advisory Accounts when doing so would be adverse to Goldman Sachs' relationships or other business dealings with such parties.

Investments in Different Parts of an Issuer's Capital Structure

Goldman Sachs (including GSAM) or Accounts (including Advisory Accounts), on the one hand, and a particular 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 (including GSAM) or Accounts may take actions that adversely affect the particular Advisory Account. In addition, Goldman Sachs (including GSAM) may advise Accounts 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 Account invests. Goldman Sachs (including GSAM) 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 Accounts with respect to an issuer in which a particular Advisory Account has invested, and such actions (or refraining from action) may have an adverse effect on such Advisory Account.

For example, in the event that Goldman Sachs (including GSAM) 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 experiences

financial or operational challenges, Goldman Sachs (including GSAM), 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 (including GSAM) or an Account may receive a recovery of some or all of the amounts due to them. In addition, in connection with any lending arrangements involving the issuer in which Goldman Sachs (including GSAM) or an Account participates, Goldman Sachs (including GSAM) or the Account may seek to exercise their rights under the applicable loan agreement or other document, which may be detrimental to the particular Advisory Account. 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 including GSAM), GSAM may determine not to pursue actions and remedies that may be available to the Advisory Account or enforce particular terms that might be unfavorable to the Accounts holding the less senior position. In addition, in the event that Goldman Sachs (including GSAM) 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 (including GSAM) 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 (including GSAM) or Accounts hold credit-related assets or securities, and GSAM may determine on behalf of the Advisory Accounts not to vote in a manner adverse to Goldman Sachs (including GSAM) or the Accounts. Finally, Goldman Sachs may have relationships or other business dealings with an issuer, other holders of credit-related assets or securities of such issuer, or other transaction participants that cause Goldman Sachs to pursue an action or engage in a

transaction that may have an adverse effect on the positions held by the Advisory Account.

These potential issues are examples of conflicts that Goldman Sachs (including GSAM) will face in situations in which Advisory Accounts, and Goldman Sachs (including GSAM) or other Accounts, invest in or extend credit to different parts of the capital structure of a single issuer. Goldman Sachs (including GSAM) addresses these issues based on the circumstances of particular situations. For example, Goldman Sachs (including GSAM) may determine to rely on information barriers between different Goldman Sachs (including GSAM) business units or portfolio management teams. GSAM may have the right, in its sole discretion, to utilize, on a case-by-case basis, a committee of investors in an Advisory Account or other persons to provide advice or consent with respect to one or more transactions or actions. Goldman Sachs (including GSAM) may determine to rely on the actions of similarly situated holders of loans or securities rather than, or in connection with, 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 Accounts, Advisory Accounts could sustain losses during periods in which Goldman Sachs (including GSAM) 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 Accounts or, if applicable, Advisers utilizing, small capitalization, emerging market, distressed or less liquid strategies.

Potential Conflicts Relating to Follow-On Investments

From time to time, GSAM may 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. Please refer to Item 6, Performance-Based Fees and Side-By-Side Management, for a non-exclusive list of various factors considered in connection with allocation-related decisions for Advisory Accounts.

Advisory Accounts may also participate in leveraging, recapitalization, and similar transactions involving companies in which other Advisory Accounts have invested or will invest. Conflicts of interest in these and other transactions may arise between Advisory Accounts with existing investments in a company and Advisory Accounts making subsequent investments in the company, which may have opposing interests regarding pricing and other terms. The subsequent investments may dilute or otherwise adversely affect the interests of the previously-invested Advisory Accounts. See this Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Participation or Interest in Client Transactions—Investments in Different Parts of an Issuer's Capital Structure.

Considerations Relating to Information Held by Goldman Sachs

Goldman Sachs has established certain information barriers and other policies to address the sharing of information between different businesses within Goldman Sachs. As a result of information barriers, GSAM generally will not have access, or will have limited access, to certain information and personnel in other areas of Goldman Sachs relating to business transactions for clients (including transactions in investing, banking, prime brokerage and certain other areas), and generally will not manage the Advisory Accounts with the benefit of information held by these other areas. Goldman Sachs, due to its access to and knowledge of funds, markets and securities based on its prime brokerage and other businesses, may make decisions based on information or take (or refrain from taking) actions with respect to interests in investments of the kind held (directly or indirectly) by Advisory Accounts in a manner that may be adverse to Advisory Accounts, and will not

have any obligation or other duty to share information with GSAM.

In limited circumstances, however, including for purposes of managing business and reputational risk, and subject to policies and procedures, personnel on one side of an information barrier may have access to information and personnel on the other side of the information barrier through “wall crossings.” GSAM faces conflicts of interest in determining whether to engage in such wall crossings. Information obtained in connection with such wall crossings may limit or restrict the ability of GSAM to engage in or otherwise effect transactions on behalf of Advisory Accounts (including purchasing or selling securities that GSAM may otherwise have purchased or sold for an Advisory Account in the absence of a wall crossing). See Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Participation or Interest in Client Accounts—Certain Effects of the Activities of Goldman Sachs and Advisory Accounts and Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Participation or Interest in Client Accounts—Firm Policies, Regulatory Restrictions, and Certain Other Factors Affecting Advisory Accounts. In managing conflicts of interest that may arise as a result of the foregoing, GSAM generally will be subject to fiduciary requirements.

Information barriers also exist between certain businesses within GSAM and within each Registrant, and the conflicts described herein with respect to information barriers and otherwise with respect to Goldman Sachs and GSAM will also apply to the businesses within GSAM and within the Registrants. There may also be circumstances in which, as a result of information held by certain portfolio management teams in GSAM, GSAM limits an activity or transaction for Advisory Accounts, including Advisory Accounts managed by portfolio management teams other than the team holding such information.

In addition, regardless of the existence of information barriers, Goldman Sachs will not have any obligation or other duty to make available for the benefit of Advisory Accounts any information regarding Goldman Sachs’ trading activities, strategies or views, or the activities, strategies or views used for other Advisory Accounts or

other Accounts. Furthermore, to the extent that GSAM has access to fundamental analysis and proprietary technical models or other information developed by Goldman Sachs and its personnel, or other parts of GSAM, GSAM will not be under any obligation or other duty to effect transactions on behalf of Advisory Accounts in accordance with such analysis and models. In the event Goldman Sachs or GSAM elects not to share certain information with Advisory Accounts, such Advisory Accounts may make investment decisions that differ from those they would have made if Goldman Sachs or GSAM had provided such information, which may be disadvantageous to the Advisory Account.

Different areas of GSAM and Goldman Sachs may take views, and make decisions or recommendations, that are different than other areas of GSAM and Goldman Sachs. Different portfolio management teams within GSAM may make decisions based on information or take (or refrain from taking) actions with respect to Advisory Accounts they advise in a manner that may be different than or adverse to other Advisory Accounts. Such teams may not share information with other portfolio management teams within GSAM (or other areas of Goldman Sachs), including as a result of certain information barriers and other policies, and will not have any obligation or other duty 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 which may involve Underlying Funds or markets and securities in which HFS Advisory Accounts or other 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 GSAM. In addition, Goldman Sachs may act as a prime broker to one or more Underlying Funds, in which case Goldman Sachs will have information concerning the investments and transactions of such Underlying Funds that is not available to GSAM. As a result of these and other activities, parts of Goldman Sachs may be in possession of information in respect of markets, investments, Advisers and Underlying Funds, which, if known to GSAM, might cause GSAM 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 other duty to make any such information available to GSAM or personnel involved in decision-making for Advisory Accounts.

Goldman Sachs May Act in Multiple Commercial Capacities

Goldman Sachs may provide various services to companies in which Advisory Accounts have an interest, their personnel, or to Advisory Accounts or Underlying Funds (or personnel of the applicable Underlying Adviser), which may result in fees, compensation and remuneration, as well as other benefits, to Goldman Sachs. Such fees, compensation and remuneration may be substantial. For example, Goldman Sachs may be hired by GSAM on behalf of an Advisory Account or directly by an Advisory Account, or by an Underlying Fund or a company in which an Advisory Account has an interest, to provide investment advisory, custody, distribution, transfer agency, administrative, lending or other services (including legal, accounting and other back office services) to the Advisory Account, company or Underlying Fund. In addition, Goldman Sachs may act as broker, dealer, agent, counterparty, lender or advisor or in other commercial capacities for Advisory Accounts, Underlying Funds or companies 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. Goldman Sachs may also provide investment advice to personnel of an Unaffiliated Adviser that manages an Underlying Fund in which an Advisory Account invests. In addition, Goldman Sachs may simultaneously provide the same or different services to a portfolio company and certain personnel thereof.

In connection with providing such services, Goldman Sachs may take commercial steps in its own interest, or may advise the parties to which it is providing services, or take other actions, any of which may have an adverse effect on Advisory Accounts. For example, Goldman Sachs may require repayment of all or part of a loan from a company in which Advisory Accounts hold an interest, which could

cause the company to default or be required to liquidate its assets more rapidly, which could adversely affect the value of the company and the value of the Advisory Accounts invested therein. Goldman Sachs may also advise such a company to make changes to its capital structure the result of which would be a reduction in the value or priority of a security held (directly or indirectly) by 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 services to the Advisory Accounts, Underlying Funds (or personnel of the applicable Underlying Adviser) and companies (or their personnel) in which the Advisory Accounts 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. Advisory Accounts will not be entitled to compensation related to any such benefit to businesses of Goldman Sachs or GSAM.

Please see this Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Participation or Interest in Client Transactions—Certain Effects of the Activities of Goldman Sachs and Advisory Accounts.

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. Goldman Sachs (including GSAM) may also represent creditor or debtor companies in proceedings under Chapter 11 of the U.S. Bankruptcy Code (and equivalent non-U.S. bankruptcy laws) or prior to these filings. From time to time, Goldman Sachs (including GSAM) may serve on creditor or equity committees. These actions, for which Goldman Sachs (or GSAM, as applicable) may be

compensated, may limit or preclude the flexibility that the Advisory Account may otherwise have to buy or sell securities issued by those companies, as well as certain real estate or other assets. Please also refer to this Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Participation or Interest in Client Transactions—Considerations Relating to Information Held by Goldman Sachs above and this Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Participation or Interest in Client Transactions—Firm Policies and Regulatory Restrictions Affecting Advisory Accounts below.

Diverse Interests of Advisory Account Investors

The various types of investors in and beneficiaries of Advisory Accounts, including GSAM and its affiliates, may have conflicting investment, tax and other interests with respect to their interest in the Advisory Accounts. When considering a potential investment for an Advisory Account, GSAM will generally consider the investment objectives of the Advisory Account, not the investment objectives of any particular investor or beneficiary. GSAM 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 GSAM and its affiliates than to investors or beneficiaries unaffiliated with GSAM. In addition, Goldman Sachs may face certain tax risks based on positions taken by an Advisory Account, including as a withholding agent. Goldman Sachs reserves the right on behalf of itself and its affiliates to take actions adverse to the Advisory Account or other Accounts in these circumstances, including withholding amounts to cover actual or potential tax liabilities.

Side Letters or Similar Arrangements

GSAM may, subject to applicable law and GSAM policies, enter into confidential side letters or similar agreements or other arrangements with investors, without the approval or vote of any other investor, that amend, modify or supplement the economic, legal or other terms applicable to those investors. GSAM will consider many factors in deciding whether to grant investors in an Advisory Account customized terms via a confidential side letter or similar agreement or other arrangement, and investors receiving preferential terms may include: (a) investors that have made

or have proposed to make relatively large commitments to the Advisory Account, (b) investors that provide leverage to the Advisory Account, (c) investors that have a multi-strategy, multi-asset class or multi-product investment program with GSAM, (d) investors that are subject to specific legal, tax or regulatory status or other requirements or policies applicable to them and (e) investors meeting other criteria GSAM considers reasonable in its discretion. These agreements may involve, among other matters: (i) different economic arrangements based upon the size or timing of capital commitments; (ii) certain investors receiving customized information and reporting in addition to or more expeditiously than information and reporting received by investors generally; (iii) agreements to permit representatives of certain investors to serve on an investment advisory committee and to permit the investment advisory committee to hire external counsel and other advisors; (iv) rights to sell or transfer interests in the applicable Advisory Account (v) assistance reselling securities or other property distributed by such Advisory Account; (vi) provisions necessary to comply with particular tax, legal, regulatory, public policy or other considerations; (vii) excuse or exclusion rights applicable to particular investments or withdrawal rights from the investment vehicle (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, future investments, and reduce the overall size of the Advisory Account); (viii) the offering of or acknowledgement of interest in co-investment opportunities; (ix) waiver of certain confidentiality obligations and the right to disclose certain information to underlying investors, to the public or to regulators, (x) requirements in respect of distributions required to be returned by such investors in respect of the obligations of such Advisory Account, (xi) additional rights or terms provided to certain investors who provide leverage to an Advisory Account, modifications to the investor's subscription agreement, (xii) different arrangements with respect to the indemnification obligations of investors and (xiii) limits on the amounts required to be funded to cover shortfalls due to an excuse or a default of an investor.

Strategic Arrangements

GSAM may enter into strategic relationships with existing investors in Advisory Accounts or third parties that afford

such investors the opportunity to invest with GSAM across multiple Advisory Accounts and on favorable terms. Such strategic relationships, although intended to be complementary to certain Advisory Accounts, may require the Advisory Accounts to share investment opportunities or otherwise limit the amount of an investment opportunity the Advisory Accounts can otherwise take and adversely impact potential co-investment opportunities. Moreover, such relationships can be expected to present certain risks and conflicts of interest, and may include terms that are more favorable than the terms given to the other investors in Advisory Accounts, such as the opportunity to invest in Advisory Accounts or specific investments on a reduced fee or no-fee basis or an offer to participate in a Co-Investment Opportunity.

Valuation

GSAM, while generally not the primary valuation agent of Advisory Accounts, performs certain valuation services related to securities and assets held in Advisory Accounts. GSAM performs such valuation services in accordance with its valuation policies.

GSAM may value an identical asset differently than another division or unit within Goldman Sachs values the asset, including because such other division or unit has information or uses valuation techniques and models that it does not share with, or that are different than those of, GSAM. This is particularly the case in respect of difficult-to-value assets. GSAM may also value an identical asset differently in different Advisory Accounts, including because different Advisory Accounts are subject to different valuation guidelines pursuant to their respective governing agreements (e.g., in connection with certain regulatory restrictions applicable to different Advisory Accounts), different third-party vendors are hired to perform valuation functions for the Advisory Accounts or the Advisory Accounts are managed or advised by different portfolio management teams within GSAM that employ different valuation policies or procedures or otherwise. GSAM will face a conflict with respect to valuations generally because of their effect on GSAM's fees and other compensation. In addition, to the extent GSAM utilizes third-party vendors to perform certain valuation functions, these vendors may have

interests and incentives that differ from those of the Advisory Accounts.

With respect to Advisory Accounts that hold interests in Underlying Funds, GSAM ordinarily values such interests based upon valuations of underlying investments provided by the Advisers (i.e., GSAM is a "price taker"), and such Advisers will have interests and incentives that differ from those of Advisory Accounts, including relating to the calculation of the Advisers' fees.

Investment Opportunities Sourced by Goldman Sachs and GSAM

Goldman Sachs businesses outside of GSAM are under no obligation or other duty to provide investment opportunities to Advisory Accounts, and generally are not expected to do so. Further, opportunities sourced within particular portfolio management teams within GSAM may not be allocated to Advisory Accounts managed by such teams or by other teams. Opportunities not allocated (or not fully allocated) to Advisory Accounts may be undertaken by Goldman Sachs (including GSAM), including for Goldman Sachs Accounts, or made available to other Accounts or third parties. See Item 6, Performance-Based Fees and Side-By-Side Management—Side-By-Side Management of Advisory Accounts; Allocation of Opportunities.

Financial Incentives in Selling and Managing Advisory Accounts

Goldman Sachs and its personnel, including GSAM Personnel, receive benefits and earn fees and compensation for services provided to Advisory Accounts and in connection with its distribution of Affiliated Products. Any such fees and compensation may be paid directly or indirectly out of the fees payable to GSAM in connection with the management of Advisory Accounts, and, in the case of certain Goldman Sachs personnel, may include commissions or commission equivalents related to brokerage transactions effected by Goldman Sachs and its affiliates for Advisory Accounts.

GSAM and GSAM Personnel have a financial incentive to allocate Advisory Account assets to Affiliated Products rather than to accounts or Underlying Funds managed by third parties. GSAM and GSAM Personnel have a financial incentive to recommend or select advisory products or

investment strategies that will result in greater compensation and profit to GSAM and, indirectly, to GSAM Personnel. Moreover, if permitted by the terms and conditions of the applicable Advisory Account, a client may establish target ranges in respect of an Advisory Account's allocation to Affiliated Products in consultation with GSAM. GSAM is incentivized for clients to select target ranges that will result in greater allocations to Affiliated Products that charge higher fees than other Affiliated Products. Please also refer to Item 6, Performance-Based Fees and Side-By-Side Management, and Item 10, Other Financial Industry Activities and Affiliations—Conflicts Relating to Relationships with Unaffiliated Advisers.

In the case of non-discretionary Advisory Accounts, if the compensation that GSAM receives from a client in respect of such an Advisory Account is based on the amount of assets the client determines to allocate to investments recommended by GSAM, GSAM and GSAM Personnel will be incentivized to promote any such investments. Further, GSAM and GSAM Personnel may be incentivized to recommend a larger allocation to any such recommended investment than it otherwise would. In certain cases, GSAM may agree to perform diligence on, and advise a client whether or not to participate in, a potential investment opportunity for such client's Advisory Account that is not otherwise made available to other Advisory Accounts or in which other Advisory Accounts do not otherwise participate. In such cases, GSAM may be compensated only if the client actually invests in such potential investment, and the amount of such compensation may vary depending on the size of the client's investment. In such cases, GSAM and GSAM Personnel will be incentivized to recommend such potential investment, and to recommend a larger allocation to such potential investment, than would otherwise have been the case.

Firm Policies, Regulatory Restrictions, and Certain Other Factors Affecting Advisory Accounts

GSAM 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 GSAM or Goldman Sachs, Goldman Sachs' roles in connection with other clients and in the capital markets (including in connection with advice it may

give to such clients or commercial arrangements or transactions that may be undertaken by such clients or by Goldman Sachs), Goldman Sachs' internal policies and/or potential reputational risk in connection with Accounts (including Advisory Accounts). GSAM might not engage in transactions or other activities for, enforce certain rights in favor of, or recommend transactions or activities to, an Advisory Account due to Goldman Sachs' activities outside the Advisory Account and regulatory requirements, policies and reputational risk assessments.

In addition, GSAM may restrict, limit or reduce the amount of an Advisory Account's investment, or restrict the type of governance or voting rights it acquires or exercises, where Advisory Accounts (potentially together with Goldman Sachs and other Accounts) exceed a certain ownership interest, or possess certain degrees of voting or control or have other interests. For example, such limitations may exist if a position or transaction 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, or impose regulatory restrictions on, Goldman Sachs, including GSAM, or on other Advisory Accounts, or where exceeding a threshold is prohibited or may result in regulatory or other restrictions. In certain cases, restrictions and limitations will be applied to avoid approaching such threshold. Circumstances in which such restrictions or limitations may arise include, without limitation: (i) a prohibition against owning more than a certain percentage of an issuer's securities; (ii) a "poison pill" that could have a dilutive impact on the holdings of the Accounts should a threshold be exceeded; (iii) provisions that would cause Goldman Sachs to be considered an "interested stockholder" of an issuer; (iv) provisions that may cause Goldman Sachs to be considered an "affiliate" or "control person" of the issuer; and (v) the imposition by an issuer (through charter amendment, contract or otherwise) or governmental, regulatory or self-regulatory organization (through law, rule, regulation, interpretation or other guidance) of other restrictions or limitations.

When faced with the foregoing limitations, Goldman Sachs will generally avoid exceeding the threshold because exceeding the threshold could have an adverse impact on the ability of GSAM or Goldman Sachs to conduct business

activities. GSAM may also reduce a particular Advisory Account's interest in, or restrict certain Advisory Accounts from participating in, an investment opportunity that has limited availability or where Goldman Sachs has determined to cap its aggregate investment in consideration of certain regulatory or other requirements so that other Advisory Accounts that pursue similar investment strategies may be able to acquire an interest in the investment opportunity. GSAM may determine not to engage in certain transactions or activities which may be beneficial to Advisory Accounts because engaging in such transactions or activities in compliance with applicable law would result in significant cost to, or administrative burden on, GSAM or create the potential risk of trade or other errors.

In circumstances in which Advisory Accounts in which one or more registered investment funds is invested make side-by-side investments, Goldman Sachs, acting on behalf of the Advisory Accounts, may be limited in the terms of the transactions that it may negotiate under applicable law. This may have the effect of limiting the ability of certain Advisory Accounts from participating in certain transactions or result in terms to Advisory Accounts that are less favorable than would have otherwise been the case.

GSAM generally is not permitted to use material non-public information in effecting purchases and sales in transactions for Advisory Accounts that involve public securities. GSAM may limit an activity or transaction (such as a purchase or sale transaction or a subscription to or redemption from an Underlying Fund) which might otherwise be engaged in on behalf of a particular Advisory Account, including as a result of information held by Goldman Sachs (including GSAM or GSAM Personnel). For example, directors, officers and employees of Goldman Sachs may take seats on the boards of directors of, or have board of directors observer rights with respect to, companies in which Goldman Sachs invests on behalf of Advisory Accounts. To the extent a director, officer or employee of Goldman Sachs were to take a seat on the board of directors of, or have board of directors observer rights with respect to, a public company, GSAM (or certain of its investment teams) may be limited and/or restricted in its or their ability to trade in the securities of the company. In addition, any such director, officer or employee of Goldman Sachs that is

a member of the board of directors of a portfolio company may have duties to the portfolio company in his or her capacity as a director that conflict with GSAM's duties to Advisory Accounts, and may act in a manner that may disadvantage or otherwise harm Advisory Accounts and/or benefit the portfolio company and/or Goldman Sachs.

Different areas of Goldman Sachs may come into possession of material non-public information regarding an issuer of securities held by an Underlying Fund in which an Advisory Account invests. In the absence of information barriers between such different areas of Goldman Sachs, the Advisory Account may be prohibited, including by internal policies, from redeeming from such Underlying Fund during the period such material non-public information is held by such other part of Goldman Sachs, which period may be substantial. As a result, the Advisory Account may not be permitted to redeem from an Underlying Fund in whole or in part during periods when it otherwise would have been able to do so, which could adversely affect the Advisory Account. Other investors in the Underlying Fund that are not subject to such restrictions may be able to redeem from the Underlying Fund during such periods.

In addition, GSAM clients may partially or fully fund a new Advisory Account with in-kind securities in which GSAM may be restricted. In such circumstances, GSAM may sell any such securities at the next available trading window, subject to operational and technological limitations (unless such securities are subject to another express arrangement). As a result, such Advisory Accounts may be required to dispose of investments at an earlier date and/or at a less favorable price than would otherwise have been the case had GSAM not been so restricted. Advisory Accounts will be responsible for all tax liabilities that result from any such sale transactions.

GSAM operates a program reasonably designed to ensure compliance generally with economic and trade sanctions-related obligations applicable directly to its activities (although such obligations are not necessarily the same obligations that an Advisory Account may be subject to). Such economic and trade sanctions may prohibit, among other things, transactions with and the provision of services to, directly or indirectly, certain countries, territories, entities and individuals. These economic and trade

sanctions, and the application by GSAM of its compliance program in respect thereof, may restrict or limit an Advisory Account's investment activities.

GSAM may determine to limit or not engage at all in transactions and activities on behalf of Advisory Accounts for reputational or other reasons. Examples of when such determinations may be made include, but are not limited to, where Goldman Sachs is providing (or may provide) advice or services to an entity involved in such activity or transaction, where Goldman Sachs or an Account is or may be engaged in the same or a related activity or transaction to that being considered on behalf of the Advisory Account, where Goldman Sachs or another Account has an interest in an entity involved in such activity or transaction, where there are political, public relations, or other reputational considerations relating to counterparties or other participants in such activity or transaction or where such activity or transaction on behalf of or in respect of the Advisory Account could affect in tangible or intangible ways Goldman Sachs, GSAM, an Account or their activities. Please also refer to this Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Participation or Interest in Client Transactions—Goldman Sachs May Act in Multiple Commercial Capacities.

In order to engage in certain transactions on behalf of Advisory Accounts, GSAM will also 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. This includes, but is not limited to, where GSAM and/or the Advisory Accounts may be required to comply with the rules of certain exchanges, execution platforms, trading facilities, clearinghouses and other venues, or may be required to consent to the jurisdiction of any such venues. The rules, terms and/or conditions of any such venue may result in GSAM 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 set out by such venues.

From time to time, an Advisory Account, GSAM or its affiliates and/or their service providers or agents may be required, or may determine that it is advisable, to disclose certain information about an Advisory Account, including, but not limited to, investments held by the Advisory Account, and the names and percentage interest of beneficial owners thereof, to third parties, including Advisers, local governmental authorities, regulatory organizations, taxing authorities, markets, exchanges, clearing facilities, custodians, brokers and trading counterparties of, or service providers to, GSAM, Advisers or Underlying Funds or the Advisory Account. Unless agreed in the agreement governing the Advisory Account or otherwise directed by a client, GSAM will comply with requests to disclose such information as it so determines, including through electronic delivery platforms. If GSAM is not permitted to make certain required disclosures in respect of an Advisory Account, GSAM may determine to cause the sale of certain assets for the Advisory Account, and such sale may be at a time that is inopportune from a pricing or other standpoint. In addition, GSAM may provide third parties with aggregated data regarding the activities of, or certain performance or other metrics associated with, the Advisory Accounts it manages, and GSAM may receive compensation from such third parties for providing them such information.

Pursuant to the BHCA, with respect to Advisory Accounts that are commingled funds in connection with which an affiliate of GSAM acts as general partner, managing member or in certain other capacities, the periods during which certain investments may be held are limited. As a result, such Advisory Accounts may be required to dispose of investments at an earlier date than would otherwise have been the case had the BHCA not been applicable. In addition, under the Volcker Rule, the size of Goldman Sachs' and Goldman Sachs personnel's ownership interest in certain types of funds is limited, and certain personnel will be prohibited from retaining interests in such funds. As a result, Goldman Sachs and Goldman Sachs personnel have been, and continue to be, required to dispose of, all or a portion of their investments in such funds through redemptions, withdrawals, sales to third parties or affiliates, or otherwise, including at times that other investors in such funds may not have the opportunity to dispose of their fund

investments. Any such disposition of fund interests by Goldman Sachs and Goldman Sachs personnel could reduce the alignment of interest of Goldman Sachs with other investors in such funds and otherwise adversely affect such funds.

Goldman Sachs may become subject to additional restrictions on its business activities that could have an impact on the Advisory Accounts' activities. In addition, GSAM may restrict its investment decisions and activities on behalf of particular Advisory Accounts and not other Accounts (including other Advisory Accounts).

See also Item 8, Methods of Analysis, Investment Strategies and Risk of Loss, and Appendix B—Information on Significant Strategy Risks, for additional information about risks associated with certain conflicts faced by Goldman Sachs and GSAM.

Conflicts of Interest Associated with Unaffiliated Advisers

Unaffiliated Advisers have interests and relationships that may create conflicts of interest related to their management of the accounts and Underlying Funds to which Advisory Account assets are allocated. Such conflicts of interest are in many cases the same as or similar to those relating to GSAM in connection with its management of Advisory Accounts. However, the Unaffiliated Advisers are subject to different and additional conflicts of interest. With respect to Advisory Accounts that are invested directly in Underlying Funds managed by Unaffiliated Advisers, additional information about conflicts of interest that may arise in connection with the activities of Unaffiliated Advisers of those Underlying Funds is available in the prospectuses, offering memoranda and constituent documents of the Underlying Funds.

Item 12 – Brokerage Practices

BROKER-DEALER SELECTION

General

GSAM places orders for the execution of transactions for Advisory Accounts according to its best execution policies and procedures. Subject to any specific instructions that

GSAM accepts from clients, GSAM may take into account a range of factors in deciding how to execute client orders, including, but not limited to, price; costs; timing and speed of execution; responsiveness; creditworthiness and financial stability; likelihood of, and capabilities in, execution, clearance and settlement; size; liquidity in or with an execution venue; nature; in certain circumstances, a broker's or counterparty's willingness to commit capital and, where permitted by applicable law, the provision of research and "soft dollar" benefits as described below; and other appropriate factors. Best price, giving effect to commissions and commission equivalents (if any) and other transaction costs, is normally an important factor in deciding how to execute transactions, but, in consideration of the relevant factors and due to applicable legal and/or regulatory restrictions, transactions will not always be executed at the lowest available price or commission or commission equivalents (if any). In determining the relative importance of factors considered, GSAM takes into account the nature of client orders, the characteristics of the financial instruments to which the order relates and the characteristics of the available brokers or counterparties which can be used or to which client orders can be directed.

The reasonableness of commissions or commission equivalents for non-client-directed trade execution is evaluated by GSAM on an ongoing basis based on many factors, including the general level of compensation paid and, in certain cases, the nature and value of research and other services provided. GSAM may execute transactions through GS&Co. or other affiliates to the extent consistent with applicable law, with client instruction, and with its duty to seek best execution.

When placing orders with any broker or counterparty, including its affiliates, GSAM may, in accordance with applicable law, give permission for such broker to trade along with or ahead of Advisory Account orders (i.e., determine not to opt-in to the protections afforded under Financial Industry Regulatory Authority Rule 5320). When acting as agent or counterparty, GSAM's affiliate will generally charge the client a commission, mark-up, mark-down, or other commission equivalent.

Advisers that are hired by GSAM on behalf of AIMS clients or Manager of Manager Accounts, or Advisory Accounts, or

that manage the Underlying Funds in which AIMS Program Funds invest will have discretionary authority to execute transactions on behalf of clients consistent with best execution obligations.

To the extent that transactions are effected through broker-dealers, those broker-dealers, including Goldman Sachs, may have commercial interests in transactions that are adverse to Advisory Accounts, such as obtaining favorable commission rates, mark-ups and mark-downs, other commission equivalents and lending rates and arrangements. No accounting to Advisory Accounts will be required, and broker-dealers including Goldman Sachs will be entitled to retain all such fees and other amounts and no advisory fees or other compensation will be reduced thereby.

Wrap Fee Programs

Where GSAM is retained as investment adviser under Wrap Programs sponsored by broker-dealers or other financial institutions, including GSAM's affiliates, GSAM does not negotiate on the client's behalf brokerage commissions for the execution of transactions in the client's account that are executed by or through the Sponsor. These commissions are generally included in the "wrap" fee charged by the Sponsor, although certain execution costs are typically not included in this fee and may be charged to the client (including but not limited to dealer spreads, certain dealer mark-ups or mark-downs on principal trades, fees and other expenses related to transactions in depository receipts, including fees associated with foreign ordinary conversion, creation fees charged by third parties and foreign tax charges, auction fees, fees charged by exchanges on a per transaction basis, other charges mandated by law, and certain other execution costs).

Also, where GSAM is retained as investment adviser under a Wrap Program, GSAM may have discretion to select broker-dealers to execute trades for the Wrap Program Advisory Accounts it manages. However, GSAM generally places such trades through the Sponsor because the wrap fee paid by each Wrap Program client typically only covers execution costs on trades executed through the Sponsor or its affiliates. In some cases, GSAM may determine that best execution may be sought through a broker-dealer other than the Sponsor, including potentially a Goldman Sachs

affiliate. If GSAM selects a broker-dealer other than the Sponsor or its affiliates to effect a trade for a Wrap Program account, any execution costs charged by that other broker-dealer typically will be paid as an additional cost by the client's account. GSAM generally does not monitor, evaluate or influence the nature and quality of the best execution and other services clients obtain from the Sponsors, its affiliates or other broker-dealers that execute trades for Wrap Program clients. To the extent that the Sponsor is an affiliate of GSAM, Goldman Sachs will benefit from increased order flow. For more information, see the brochure for the relevant Sponsor of the Wrap Program, Item 4, Advisory Business and this Item 12, Brokerage Practices—Aggregation of Orders, below.

Counterparty Credit Requirements

An Advisory Account will be required to establish business relationships with its counterparties based on its own credit standing. Goldman Sachs, including GSAM, will not have any obligation or other duty to allow its credit to be used in connection with an Advisory Account's establishment of its business relationships, nor is it expected that an Advisory Account's counterparties will rely on the credit of Goldman Sachs in evaluating the Advisory Account's creditworthiness.

Broker-Dealer Selection Considerations Relating to the Allocation of Assets to Underlying Funds or Advisers

If GSAM allocates assets to an Adviser through a separately managed account or similar structure, the Adviser will generally have the authority to select prime brokers (including, subject to applicable law, affiliates of GSAM) through which to clear transactions, subject to a set of objective criteria established by GSAM. GSAM generally allows these Advisers to select executing brokers as long as the prime broker can accommodate and properly clear and report such transactions. Advisers generally are expected to seek best execution considering price, commissions and commission equivalents, other transaction costs, quality of brokerage services, financing arrangements, creditworthiness and financial stability, financial responsibility and strength and clearance and settlement capability. Subject to the Advisers' best execution obligations, and to the extent permitted by applicable law and their internal policies, Advisers may select entities

within Goldman Sachs to act as a broker or dealer with respect to the accounts of their clients.

RESEARCH AND OTHER SOFT DOLLAR BENEFITS

GSAM often selects U.S. and non-U.S. broker-dealers (including GSAM's affiliates) that furnish GSAM, Advisory Accounts, GSAM affiliates and personnel involved in decision-making for Advisory Accounts with proprietary or third-party brokerage and research services (collectively, "brokerage and research services") that provide, in GSAM's view, appropriate assistance to GSAM in the investment decision-making process. These brokerage and research services may be bundled with the trade execution, clearing, or settlement services provided by a particular broker-dealer and, subject to applicable law, GSAM may pay for such brokerage and research services with client commissions (or "soft dollars"). The types of brokerage and research services that GSAM acquired with client brokerage commissions within GSAM's last fiscal year, which may vary among Registrants including as a result of applicable law, included: research reports on companies, industries, and securities (including proprietary research from affiliated and unaffiliated broker-dealers, as well as independent research providers); economic, market and financial data; access to broker-dealer analysts, corporate executives and industry experts; attendance at trade industry seminars and broker organized conferences; and services related to effecting securities transactions and functions incident thereto (such as clearance and settlement).

When GSAM uses client commissions to obtain brokerage and research services, GSAM receives a benefit because GSAM does not have to produce or pay for the brokerage and research services itself. As a result, GSAM will have an incentive to select or recommend a broker-dealer based on GSAM's interest in receiving the brokerage and research services from that broker-dealer, rather than solely on its clients' interest in receiving the best price or commission. In addition, where GSAM uses client commissions to obtain proprietary research services from an affiliate, GSAM will have an incentive to allocate more "soft" or commission dollars to pay for those services. However, when selecting broker-dealers that provide brokerage and research services, including its affiliates, GSAM is obligated to determine in

good faith that the "commissions" (as broadly defined by the SEC to include a mark-up, mark-down, commission equivalent or other fee in certain circumstances) to be paid to broker-dealers are reasonable in relation to the value of the brokerage and research services they provide to GSAM. The reasonableness of these commissions will be viewed in terms of the particular transactions or GSAM's overall responsibilities to Advisory Accounts over which it exercises investment discretion, even though that broker-dealer itself, or another broker-dealer, might be willing to execute the transactions at a lower commission.

Accordingly, transactions will not always be executed at the most favorable available price or commission and GSAM may cause clients to pay commissions higher than those charged by other broker-dealers as a result of the soft dollar benefits received by GSAM.

GSAM's evaluation of the brokerage and research services provided by a broker-dealer may be a significant factor in selecting a broker-dealer to effect transactions. For this purpose, GSAM has established a voting process in which certain portfolio management teams participate pursuant to which personnel rate broker-dealers that supply them with brokerage and research services. Subject to GSAM's duty to seek best execution and applicable laws and regulations, GSAM allocates Advisory Account trading among broker-dealers in accordance with the outcome of the voting process.

Arrangements under which GSAM receives brokerage and research services may vary by product, strategy, account or applicable law in the jurisdictions in which GSAM conducts business.

Subject to applicable law, GSAM may participate in so-called "commission sharing arrangements" and "client commission arrangements" under which GSAM may execute transactions through a broker-dealer, including an affiliate, and request that the broker-dealer allocate a portion of the commissions or commission credits to another firm, including an affiliate, that provides research to GSAM. Participating in commission sharing and client commission arrangements may enable GSAM to consolidate payments for brokerage and research services through one or more channels using accumulated client commissions or credits from transactions executed through a particular broker-

dealer to obtain brokerage and research services provided by other firms. Such arrangements also help to ensure the continued receipt of brokerage and research services while facilitating GSAM's ability to seek best execution in the trading process. GSAM believes such arrangements are useful in its investment decision-making process by, among other things, ensuring access to a variety of high quality research, access to individual analysts and availability of resources that GSAM might not be provided access to absent such arrangements. Commission sharing and client commission arrangements may be subject to different legal requirements or restrictions in different jurisdictions. Generally, GSAM excludes from use under these arrangements those products and services that are not eligible under applicable regulatory interpretations, even where a portion would be eligible if accounted for separately.

Advisory Accounts may differ with regard to whether and to what extent they pay for research and brokerage services through commissions and, subject to applicable law, brokerage and research services may be used to service any or all Advisory Accounts throughout GSAM, including Advisory Accounts that do not pay commissions to the broker-dealer relating to the brokerage and research service arrangements. As a result, brokerage and research services (including soft dollar benefits) may disproportionately benefit some Advisory Accounts relative to other Advisory Accounts based on the relative amount of commissions paid by the Advisory Accounts and in particular those Advisory Accounts that do not pay for research and brokerage services or do so to a lesser extent, including in connection with the establishment of maximum budgets for research costs (and switching to execution-only pricing when maximums are met), as described below. For example, research that is paid for through one client's commissions may not be used in managing that client's account, but may be used in managing other Advisory Accounts within GSAM.

In connection with these practices, subject to applicable law and GSAM's policies and procedures, brokerage and research services obtained through commissions paid by a client or clients whose accounts are managed by a particular portfolio management team within GSAM may be shared

with, and used partially or exclusively by, other portfolio management personnel within GSAM, including portfolio management personnel of the same or a different Registrant, or portfolio management personnel of GSAM's affiliates. Except as required by applicable law, GSAM does not attempt to allocate soft dollar benefits proportionately among clients or to track the benefits of brokerage and research services to the commissions associated with a particular Account or group of Accounts.

In connection with receiving brokerage and research services from broker-dealers, GSAM may receive "mixed use" services where a portion of the service assists GSAM in its investment decision-making process and a portion may be used for other purposes. Where a service has a mixed use, GSAM will make a reasonable allocation of its cost according to its use and will use client commissions to pay only for the portion of the product or service that assists GSAM in its investment decision-making process. GSAM has an incentive to underestimate the extent of any "mixed use" or allocate the costs to uses that assist GSAM in its investment decision-making process because GSAM may pay for such costs with client commissions rather than GSAM's own resources.

Although, as described above, GSAM may pay for such brokerage and research services with client commissions, there may be instances or situations in which such practices are subject to restrictions under applicable law. The European Union's Markets in Financial Instruments Directive II ("MiFID II") restricts European Union domiciled investment advisers from receiving research and other materials that do not qualify as "acceptable minor non-monetary benefits" from broker-dealers unless the research or materials are paid for by the investment advisers from their own resources or from research payment accounts funded by and with the agreement of their clients.

GSAMI is subject to MiFID II and pays for the research and other materials (other than "acceptable minor non-monetary benefits") that GSAMI uses from GSAMI's own resources to the extent required by MiFID II.

GSAM is not directly subject to MiFID II but has agreed with GSAMI, with reference to Advisory Accounts delegated to GSAM by GSAMI, to implement certain controls and arrangements designed to secure, to GSAMI's

satisfaction in its oversight of GSAM's delegate functions, substantively equivalent outcomes (i.e., equivalent to those outcomes which MiFID II is designed to achieve and to which GSAMI is directly subject). This consists primarily of the introduction of a process for establishing maximum budgets for research costs (and switching to execution-only pricing when maximums are met), enhancements to the process for valuing research inputs, and excluding the provision of research as a significant factor (taken as a whole) in order routing and/or the selection of brokers. While GSAM will seek to estimate its research costs in good faith and in accordance with its policies and procedures, the actual costs of such research may be higher or lower than estimated, and GSAM may face conflicts of interest in estimating such costs.

In the context of Manager of Manager Accounts and the Underlying Funds in which AIMS Program Funds invest, the Advisers to the Underlying Funds and separately managed accounts may also engage in client commission sharing and similar arrangements and those arrangements may be broader and may raise conflicts other than those described above.

BROKERAGE FOR CLIENT REFERRALS

GSAM may select broker-dealers, including its affiliates, to provide prime brokerage services to Advisory Accounts. Conflicts may arise when GSAM selects prime brokers. Prime brokerage firms may introduce prospective clients to GSAM, which will create incentives for or benefits to GSAM to select these prime brokerage firms. GSAM selects such firms only when consistent with obtaining appropriate services for Advisory Account clients.

DIRECTED BROKERAGE

General

GSAM generally has the discretionary authority to determine and direct execution of portfolio transactions for discretionary investments made by GSAM on an Advisory Account's behalf without prior consultation with the Advisory Account on a transaction-by-transaction basis. Advisory Accounts may limit GSAM's discretionary authority in terms of the selection of broker-dealers or other terms of brokerage arrangements. From time to time,

Advisory Accounts may also retain GSAM on a non-discretionary basis, requiring that portfolio transactions, and their execution, be discussed in advance and executed at the Advisory Account's direction.

Advisory Accounts may, subject to agreement with GSAM and such limitations as may be imposed by GSAM, direct brokerage as part of their participation in a commission recapture program, or for other reasons. These arrangements may involve a client direction to GSAM to place transactions on behalf of an Advisory Account with a particular broker-dealer, including an affiliate of GSAM, or to use a specific execution venue or exchange. Advisory Account directions may be part of an arrangement between an Advisory Account and the relevant broker-dealer or as a result of Advisory Account preferences.

GSAM only accepts an Advisory Account's reasonable directed brokerage instructions (including for commission recapture arrangements) pursuant to appropriate written direction, including representations that may be requested from Advisory Accounts. In considering whether a request to direct brokerage for an Advisory Account can be accommodated, GSAM will consider any operational or other concerns regarding the designated broker-dealer. GSAM may, in its sole discretion, seek to accommodate an Advisory Account's direction by arranging "step outs" to the client's designated broker-dealers from an aggregate order on behalf of the directing Advisory Account and other Advisory Accounts.

GSAM may agree to seek to accommodate direction requests only with respect to a limited percentage (or "target") of certain Advisory Accounts' overall trades. There can be no guarantee that any target will be achieved, and some directing Advisory Accounts may have a greater proportion of their targets achieved than others. GSAM reserves the right to decline directed brokerage instructions where it believes such trading direction could interfere with its fiduciary duties, or for other reasons, determined in GSAM's sole discretion.

Certain Effects of Directed Brokerage on Directing Advisory Accounts

Where an Advisory Account directs the use of a particular broker-dealer or restricts the use of certain broker-dealers, it

is possible that GSAM may be unable to achieve most favorable execution of Advisory Account transactions, and the Advisory Account may be disadvantaged as a result of a less favorable execution price and/or higher commissions. GSAM does not typically evaluate or monitor the nature and/or quality of the services that directing Advisory Accounts receive through their directed arrangements. In addition, less favorable execution prices and/or higher commissions could result from the Advisory Account's inability to participate in aggregate orders or other reasons.

GSAM may effect transactions through an Advisory Account's directed broker-dealer at the commission rates agreed to by the Advisory Account with the directed broker-dealer or at the directed broker-dealer's standard rate if no specific rate has been negotiated. Such rates may be higher than the rate GSAM may have obtained if GSAM had full brokerage discretion.

Advisory Accounts that direct brokerage may have execution of their orders delayed, since, in an effort to achieve orderly execution of transactions, execution of orders for Advisory Accounts that have directed GSAM to use particular broker-dealers may, in certain circumstances, be made after GSAM completes the execution of non-directed orders. This delay may negatively affect the price paid or received in the purchase or sale of securities, respectively, by an Advisory Account electing to direct brokerage.

An Advisory Account might not be able to participate in certain investment opportunities because the Advisory Account's directed broker-dealer may not have access to certain securities, such as new issues. For certain securities, it may be to an Advisory Account's advantage to transact with the broker-dealer who is a market-maker in the security. In addition, not all broker-dealers have the systems or expertise to effectively process transactions that may be beneficial for an Advisory Account. Any of these factors could negatively impact an Advisory Account's performance.

Certain Effects of Directed Brokerage on Non-Directing Advisory Accounts

Directed brokerage may adversely affect the ability of GSAM to most efficiently manage client assets and execute

trading strategies of non-directing Advisory Accounts. Trades with directed brokers do not provide "soft" dollar benefits, such as research, to GSAM and its Advisory Accounts as described above in this Item 12, Brokerage Practices—Research and Other Soft Dollar Benefits, so that Advisory Accounts directing brokerage will not bear the proportionate cost of such research but may nonetheless benefit from the research. Moreover, directed brokerage may reduce the ability of GSAM to negotiate volume discounts on brokerage and otherwise achieve benefits from larger trades.

AGGREGATION OF ORDERS

GSAM seeks to execute orders for its clients fairly and equitably over time. GSAM follows policies and procedures pursuant to which it may (but is not required to) combine or aggregate purchase or sale orders for the same security or other instrument for multiple Accounts (including Accounts in which Goldman Sachs or its personnel has an interest) (sometimes referred to as "bunching"), so that the orders can be executed at the same time and block trade treatment of any such orders can be elected when available. GSAM aggregates orders when GSAM considers doing so to be operationally feasible and appropriate and in the interests of its clients and may elect block trade treatment, when available. In addition, under certain circumstances orders for Advisory Accounts may be aggregated with orders for accounts that contain Goldman Sachs assets. These circumstances may include, without limitation, when developing products that demonstrate client-experience track records; when managing accounts in a commercially reasonable manner for clients (which may be affiliates but are engaging GSAM to act as an independent commercial money manager); or when aggregating will have a de minimis effect on the performance of client accounts (e.g., where the size of the account relative to the size of the market makes aggregation not material). In addition, order aggregation may effectively occur within an Advisory Account, such as a pooled investment vehicle, in which Goldman Sachs and other Accounts have an interest. The particular procedures followed may differ depending on the particular strategy or type of investment.

When Advisory Account orders are aggregated, the orders will be placed with one or more broker-dealers or other counterparties for execution. When a bunched order or block trade is completely filled, or, if the order is only partially filled, at the end of the day, GSAM generally will allocate the securities or other instruments purchased or the proceeds of any sale pro rata among the participating Accounts, based on the Advisory Accounts' relative size. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or small allocations or to satisfy account cash flows and guidelines. Please see Item 6 – Performance-Based Fees and Side-By-Side Management, Side-by-Side Management of Advisory Accounts; Allocation of Opportunities for additional information about GSAM's investment allocation policies. If the order at a particular broker-dealer or other counterparty is filled at several different prices, through multiple trades, generally all participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. There may be instances in which not all Advisory Accounts are charged the same commission or commission equivalent rates in a bunched or aggregated order, including restrictions under applicable law on the use of client commissions to pay for research services.

Although it may do so in certain circumstances, GSAM does not always bunch or aggregate orders for different Advisory Accounts, elect block trade treatment or net buy and sell orders for the same Advisory Account, if portfolio management decisions relating to the orders are made by different portfolio management teams or if different portfolio management processes are used for different account types, if bunching, aggregating, electing block trade treatment or netting is not appropriate or practicable from GSAM's operational or other perspectives or if doing so would not be appropriate in light of applicable regulatory considerations. For example, time zone differences, trading instructions, cash flows, separate trading desks or portfolio management processes, among other factors, may result in separate, non-aggregated, non-netted executions, with orders in the same instrument being entered for different Advisory Accounts at different times or, in the case of netting, buy and sell trades for the same instrument being entered for the same Advisory Account. Where GSAM's

services are provided to an Advisory Account through a Wrap Program, GSAM generally will not aggregate orders for those Advisory Accounts with orders for other Advisory Accounts or elect block treatment for those Advisory Accounts. However, orders for different Wrap Programs may be aggregated, or block treatment may be elected, to the extent that the programs utilize the same executing broker-dealer or other counterparty.

GSAM may be able to negotiate a better price and lower commission rate on aggregated orders than on orders for Advisory Accounts that are not aggregated, and incur lower transaction costs on netted orders than orders that are not netted. GSAM is under no obligation or other duty to aggregate or net for particular orders. Where orders for an Advisory Account are not aggregated with other orders, including Wrap Program Advisory Accounts and directed brokerage accounts, or not netted against orders for the Advisory Account or other Advisory Accounts, the Advisory Account will not benefit from a better price and lower commission rate or lower transaction cost that might have been available had the orders been aggregated or netted. Aggregation and netting of orders may disproportionately benefit some Advisory Accounts relative to other Advisory Accounts due to the relative amount of market savings obtained by the Advisory Accounts. GSAM may aggregate orders of Advisory Accounts that are subject to MiFID II ("MiFID II Advisory Accounts") with orders of Advisory Accounts not subject to MiFID II, including those that generate soft dollar commissions and those that restrict the use of soft dollars. All Advisory Accounts included in an aggregated order with MiFID II Advisory Accounts pay (or receive) the same average price for the security and the same execution costs (measured by rate). However, MiFID II Advisory Accounts included in an aggregated order may pay commissions at "execution-only" rates below the total commission rates paid by Advisory Accounts included in the aggregated order that are not subject to MiFID II.

GSAM may sequence or rotate transactions using allocation policies to determine which type of account is to be traded in which order. Under this policy, each portfolio management team may determine the length of its trade rotation period and the sequencing schedule for different categories of clients within this period, provided that the

trading periods and these sequencing schedules are designed to be reasonable. Within a given trading period, the sequencing schedule establishes when and how frequently a given client category will trade first in the order of rotation. GSAM may deviate from the predetermined sequencing schedule under certain circumstances, including, for example, where it is not practical for Wrap Program Advisory Accounts to participate in certain types of trades, when there are unusually long delays in a given Wrap Program Sponsor's execution of a particular trade or when other unusual circumstances arise. In addition, a portfolio management team may provide instructions simultaneously regarding the placement of a trade in lieu of the predetermined sequencing schedule if the trade represents a relatively small proportion of the average daily trading volume of the particular security or other instrument.

ACCOUNT ERRORS AND ERROR RESOLUTION

GSAM has policies and procedures to help it assess and determine, consistent with applicable standards of care and client documentation, when reimbursement is due by it to a client because GSAM has committed an error. Pursuant to GSAM's policies, an error is generally compensable from GSAM to a client when it is a mistake (whether an action or inaction) in which GSAM has, in GSAM's reasonable view, deviated from the applicable standard of care in managing the client's assets, subject to materiality and other considerations set forth below.

Consistent with the applicable standard of care, GSAM's policies and its investment management agreements generally do not require perfect implementation of investment management decisions, trading, processing or other functions performed by GSAM or its affiliates. Therefore, not all mistakes will be considered compensable to the client. Imperfections, including without limitation, imperfection in the implementation of investment decisions, quantitative strategies or methods (as applicable), financial modeling, trade execution, cash movements, portfolio rebalancing, processing instructions or facilitation of securities settlement, imperfection in processing corporate actions, or imperfection in the generation of cash or holdings reports resulting in trade decisions are generally not considered by GSAM to be violations of the applicable standards of care regardless of whether implemented

through programs, models, tools or otherwise. As a result, imperfections, including, without limitation, incidents involving a mistaken amount or timing of an investment, or timing or direction of a trade (as applicable), may not constitute compensable errors.

For example, GSAM investment professionals are typically expected to exercise discretion to generally effect the portfolio management team's investment intent in the best interests of the client including, without limitation, with respect to the execution of trade requests or the implementation of quantitative strategies or methods (as applicable). Regardless of whether the portfolio management team specifies a fixed quantity of a particular security to be purchased or sold, or provides a date by which a trade is to be completed, instances in which an investment professional executes a trade that results in a portfolio position that is different from the exposure intended by the portfolio management team (whether specified on a trade ticket or not) will generally not be considered compensable errors unless the trade or transaction results in a portfolio position that violates investment guidelines of the client or is substantially inconsistent with the portfolio management team's investment intent. Similarly, imperfections in the implementation of investment strategies, including quantitative strategies (e.g. coding errors), that do not result in material departures from the intent of the portfolio management team will generally not be considered compensable errors. In addition, in managing accounts, GSAM may establish non-public, formal or informal internal targets, guidelines or other parameters that may be used to manage risk, manage sub-advisers or otherwise guide decision-making, and a failure to adhere to such internal parameters will not be considered an error. A failure on GSAM's part to recognize a client cash flow will generally not be considered a compensable error unless GSAM fails to recognize the cash flow within a reasonable period of time from the delivery date specified in the client's notification to GSAM. The purchase of a security for which the client is ineligible under the issuer's prospectus, offering documents or other issuer-related rules or documentation generally will not be considered a compensable error to the extent that the purchase does not also violate a client guideline, regardless of whether GSAM maintains or exits the position after becoming aware of the

ineligibility. Mistakes may also occur in connection with other activities that may be undertaken by GSAM and its affiliates, such as net asset value calculation, transfer agent activities (i.e., processing subscriptions and redemptions), fund accounting, trade recording and settlement and other matters that are non-advisory in nature and may not be compensable unless they deviate from the applicable standards of care. Incidents resulting from the mistakes of third parties are generally not compensable from GSAM to a client.

Incidents may result in gains as well as losses. In certain circumstances, GSAM may determine that the gains or losses associated with these incidents will be treated as being for a client's account (i.e., clients will bear the loss or benefit from the gain). In other circumstances, however, GSAM may determine that it is appropriate to reallocate or remove gains or losses from the client's account that are the result of an incident.

GSAM makes its determinations pursuant to its error policies on a case-by-case basis, in its discretion, based on factors it considers reasonable. Relevant facts and circumstances GSAM may consider include, among others, the nature of the service being provided at the time of the incident, whether intervening causes, including the action or inaction of third parties, caused or contributed to the incident, specific applicable contractual and legal restrictions and standards of care, whether a client's investment objective was contravened, the nature of a client's investment program, whether a contractual guideline was violated, the nature and materiality of the relevant circumstances, and the materiality of any resulting losses. The determination by GSAM to treat (or not to treat) an incident as compensable, and any calculation of compensation in respect thereof for any one fund or account sponsored, managed or advised by GSAM may differ from the determination and calculation made by GSAM in respect of one or more other funds or accounts.

When GSAM determines that compensation by GSAM is appropriate, the client will be compensated as determined in good faith by GSAM. GSAM will determine the amount to be reimbursed, if any, based on what it considers reasonable guidelines regarding these matters in light of all of the facts and circumstances related to the incident. In general,

compensation is expected to be limited to direct and actual losses, which may be calculated relative to comparable conforming investments, market factors and benchmarks and with reference to other factors GSAM considers relevant. Compensation generally will not include any amounts or measures that GSAM considers to be speculative or uncertain, including potential opportunity losses resulting from delayed investment or sale as a result of correcting an error or other forms of consequential or indirect losses. In calculating any reimbursement amount, GSAM generally will not consider tax implications for, or the tax status of, any affected client. GSAM expects that, subject to its discretion, losses will be netted with an account's gains arising from a single incident or a series of related incidents (including, for the avoidance of doubt, incidents stemming from the same root cause) and will not exceed amounts in relation to an appropriate replacement investment, benchmark or other relevant product returns. Losses may also be capped at the value of the actual loss, particularly when the outcome of a differing investment would in GSAM's view be speculative or uncertain or in light of reasonable equitable considerations. As a result, compensation is expected to be limited to the lesser of actual losses or losses in relation to comparable investments, benchmarks or other relevant factors. Furthermore, GSAM expects to follow a materiality policy with respect to client accounts. Therefore, in certain circumstances, mistakes that result in losses below a threshold will not be compensable.

GSAM may also consider whether it is possible to adequately address a mistake through cancellation, correction, reallocation of losses and gains or other means.

In general it is GSAM's policy to notify clients of incidents corrected post-settlement that violate a client guideline and certain errors that result in a loss to the client and are otherwise compensable. Generally, GSAM will not notify clients of non-compensable incidents. In addition, separate account clients will not be notified of incidents that result in losses of less than \$1,000. Investors in a pooled investment vehicle will generally not be notified of the occurrence of an incident or the resolution thereof. Additional information about resolution of and compensation for incidents is available upon request and may be set forth in the prospectuses or other relevant offering documents of

GSAM-managed pooled investment vehicles. GSAM may at any time, in its sole discretion and without notice to investors, amend or supplement its policies with respect to account errors and error resolution.

Item 13 – Review of Accounts

GENERAL DESCRIPTION

Senior members of GSAM's portfolio management teams periodically review Advisory Accounts. They conduct the review either individually or in a group, depending upon account needs and market conditions.

Reviews of Advisory Accounts include a review of the Advisory Account's performance, investment objectives, security positions and other investment opportunities, as well as portfolio guidelines and liquidity requirements, if applicable. Additional reviews may be undertaken at the discretion of GSAM.

Compliance with investment guidelines for Advisory Accounts is generally judged at time of purchase of securities or other investments. However, from time to time, there may exist certain circumstances when compliance with applicable investment guidelines will be tested as of the next occurring post-trade compliance check conducted in a relevant jurisdiction of the Advisory Account (e.g., transactions executed in multiple time zones).

FACTORS TRIGGERING A REVIEW

In addition to periodic reviews, GSAM may perform reviews of separately managed accounts as it deems appropriate or as otherwise required. Additional reviews may be undertaken for reasons including changes in market conditions, changes in security positions or changes in a client's investment objective or policies.

CLIENT REPORTS

GSAM provides advisory clients who have separately managed accounts with written reports on a quarterly basis or as otherwise agreed to with the client, which may be available through client-dedicated web access. These reports generally include, among other things, a summary of all activity in the client account, including all purchases and

sales of securities and any debits and credits to the account, a summary of holdings including a portfolio valuation, and the change in value of the account during the reporting period.

Investors in GSAM-managed private pooled investment vehicles may receive certain periodic reports, which may include written individualized capital information, annual reports, monthly net asset value statements, and annual audited financial statements and cash flow statements.

Item 14 – Client Referrals and Other Compensation

COMPENSATION FOR CLIENT REFERRALS

General

From time to time, the Registrants may make cash payments for client referrals to affiliated and unaffiliated persons in accordance with applicable laws, including Rule 206(4)-3 under the Advisers Act, when applicable.

Intermediaries and Other Third Parties

Goldman Sachs or the Advisory Accounts may make payments to authorized dealers and other financial intermediaries and to salespersons (collectively, "Intermediaries") to promote the Advisory Accounts or other products. These payments may be made out of Goldman Sachs' assets or amounts payable to Goldman Sachs. These payments may create an incentive for an Intermediary to highlight, feature or recommend Advisory Accounts. Subject to applicable law and regulations, such payments may compensate Intermediaries for, among other things: marketing the Advisory Accounts and other products (which may consist of payments resulting in or relating to the inclusion of Advisory Accounts and other products on preferred or recommended fund lists or in certain sales programs sponsored by the Intermediaries); access to the Intermediaries' registered representatives or salespersons, including at conferences and other meetings; assistance in training and education of personnel of Goldman Sachs; fees for directing investors to the Advisory Accounts and other products; "finders fees" or "referral fees" or other fees for providing assistance in promoting the Advisory Accounts and other products (which may include

promotions in communications with the Intermediaries' customers, registered representatives and salespersons); various non-cash and cash incentive arrangements to promote certain products, as well as sponsor various educational programs, sales contests and/or promotions; travel expenses, meals, lodging and entertainment of Intermediaries and their salespersons and guests in connection with educational, sales and promotional programs; subaccounting, administrative and/or shareholder processing or other investor services that are in addition to the fees paid for these services by the Advisory Accounts or products; and other services intended to assist in the distribution and marketing of the Advisory Accounts and other products.

These payments may differ by Intermediary and are negotiated based on a range of factors, including but not limited to, ability to attract and retain assets, target markets, customer relationships, quality of service and industry reputation.

Goldman Sachs and its personnel, including employees of GSAM, may have relationships with, and purchase, or distribute or sell, services or products from or to, distributors, consultants, and others who recommend Advisory Accounts, or who engage in transactions with or for Advisory Accounts. Consultants and such other parties may receive compensation from Goldman Sachs or Advisory Accounts in connection with such relationships. In accordance with internal policies and procedures, Goldman Sachs may also pay a fee for membership in industry-wide or state and municipal organizations or otherwise may help sponsor conferences and educational forums for investment industry participants including, but not limited to, trustees, fiduciaries, consultants, administrators, state and municipal personnel and other clients. Goldman Sachs' membership in such organizations allows Goldman Sachs to participate in these conferences and educational forums and helps Goldman Sachs interact with conference participants and to develop an understanding of the points of view and challenges of the conference participants. GSAM may pay fees to third parties (e.g., service providers to potential clients, such as record-keepers or administrators) in exchange for the right to include information regarding Advisory Accounts and

other products on portals or databases to which such potential clients will have access for purposes of considering potential investment alternatives. Personnel, including employees of GSAM, may have board, advisory, brokerage or other relationships with issuers, distributors, consultants and others that may have (or may have interests in) Advisory Accounts or that may recommend Advisory Accounts or portfolio transactions for Advisory Accounts. As a result of these relationships and arrangements, consultants, distributors and other parties may have conflicts associated with their promotion of Advisory Accounts or other dealings with Advisory Accounts that create incentives for them to promote Advisory Accounts or portfolio transactions. Goldman Sachs, including GSAM, 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. In accordance with internal policies and procedures, personnel may also make political contributions to clients. The individuals and entities with which Goldman Sachs and its personnel have these relationships may have (or have an interest in) or recommend Advisory Accounts.

Item 15 – Custody

GSAM generally does not hold client assets. Client funds and securities are held by a qualified custodian appointed by clients pursuant to a separate custody agreement, or are held by the clients themselves. However, under the Advisers Act, GSAM may be “deemed” to have custody of client assets under certain circumstances, including where clients maintain assets at a bank, broker-dealer, futures commission merchant or other qualified custodian affiliated with GSAM, where GSAM debits its fees directly from the Advisory Account, where the terms of an agreement between a client and a qualified custodian permit GSAM to instruct the custodian to disburse, or transfer, funds or securities, or in certain cases where GSAM purchases privately offered securities on behalf of the Advisory Account.

GSAM does not endorse or guarantee the service (custody or other services) of any custodian or administrative servicer. The client is responsible for performing appropriate due diligence in selecting and entering into a

separate agreement with such custodian or administrative servicer. Unless otherwise agreed with the client and except with respect to an Advisory Account that is a pooled investment vehicle and with respect to which GSAM is deemed to have custody of its funds and securities because GSAM (or an affiliate) serves as its general partner, managing member or similar capacity, GSAM is not responsible for the selection or ongoing monitoring of client custodians or administrative servicers. GSAM will not be responsible for any services of the custodian or administrative servicer or for the performance or nonperformance of any services provided pursuant to the custodian or services agreement.

Clients will receive account statements directly from their custodian or trustee and should carefully review those statements. In addition, clients are urged to compare the account statements that they receive from their qualified custodian with any that they receive from GSAM.

Item 16 – Investment Discretion

GSAM accepts discretionary authority to manage securities accounts on behalf of clients. Clients for which GSAM has investment discretion are required to sign an investment advisory agreement that authorizes the applicable GSAM entity to supervise and direct the investment and reinvestment of assets in the Advisory Account, with discretion on the client's behalf and at the client's risk. GSAM's discretionary authority is limited by the terms of its investment advisory agreements and the investment guidelines agreed between GSAM and each client. The investment guidelines or other account documents generally include any limitations a client may place on GSAM's discretionary authority, including any reasonable restrictions on the securities and other financial instruments in which GSAM is authorized to invest.

With respect to GSAM SV, the terms of Stable Value Contracts impose investment restrictions on GSAM SV's management of separate accounts or commingled fund accounts and on Unaffiliated Advisers that are generally more restrictive than those imposed by clients or that would otherwise apply. These restrictions may limit the scope or types of investments that GSAM SV might otherwise

include within an Advisory Account, and may incentivize GSAM SV to manage Advisory Accounts under more conservative or restrictive investment guidelines so that such Advisory Accounts remain eligible for access to such Stable Value Contracts.

For additional information about risks related to GSAM's discretionary authority, please see Item 6, Performance-Based Fees and Side-By-Side Management and Appendix B—Information on Significant Strategy Risks.

Item 17 – Voting Client Securities

PROXY VOTING POLICIES – AUTHORITY TO VOTE

General

For Advisory Accounts for which GSAM has voting discretion, GSAM has adopted policies and procedures (the "Proxy Voting Policy") for the voting of proxies. Under the Proxy Voting Policy, GSAM's guiding principles in performing proxy voting are to make decisions that favor proposals that in GSAM's view maximize a company's shareholder value and are not influenced by conflicts of interest. To implement these guiding principles for investments in publicly-traded equities, GSAM has developed customized proxy voting guidelines (the "Guidelines") that it generally applies when voting on behalf of Advisory Accounts. The 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. The Proxy Voting Policy, including the Guidelines, is reviewed periodically to ensure it continues to be consistent with GSAM's guiding principles.

GSAM has retained a third-party proxy voting service (the "Proxy Service") to assist in the implementation of certain proxy voting-related functions, including, without limitation, operational, recordkeeping and reporting services. The Proxy Service also prepares a written analysis and recommendation (a "Recommendation") for each proxy vote that reflects the Proxy Service's application of the Guidelines to particular proxy issues. For the avoidance of

doubt, when providing the proxy voting services to GSAM described above, the Proxy Service will use the Guidelines adopted by GSAM and will not use its own guidelines. While it is GSAM's policy generally to follow the Guidelines and Recommendations from the Proxy Service, GSAM's portfolio management teams may on certain proxy votes seek approval to diverge from the Guidelines or a Recommendation by following a process that seeks to ensure that override decisions are not influenced by any conflict of interest. As a result of the override process, different portfolio management teams may vote differently for particular votes for the same company.

From time to time, GSAM's ability to vote proxies may be affected by regulatory requirements and compliance, legal or logistical considerations. As a result, GSAM, from time to time, may determine that it is not practicable or desirable to vote proxies.

GSAM may have voting discretion with respect to Advisory Accounts that own securities issued by Goldman Sachs, its affiliates or pooled investment vehicles managed by GSAM or its affiliates. In circumstances in which GSAM has discretion to vote proxies with respect to such securities, GSAM may determine to vote the proxies in accordance with the Proxy Voting Policy, abstain from voting, or vote the proxies pursuant to a "mirror voting" arrangement under which shares are voted in the same manner and proportion as shares over which GSAM does not have voting discretion. Determinations by GSAM as to whether and how to vote proxies with respect to securities issued by Goldman Sachs, its affiliates or pooled investment vehicles managed by GSAM or its affiliates may create a conflict between the interests of Goldman Sachs and GSAM, on the one hand, and Advisory Accounts, on the other hand.

GSAM has implemented processes designed to prevent conflicts of interest from influencing proxy voting decisions that GSAM makes on behalf of advisory clients, including the Advisory Accounts, and to help ensure that such decisions are made in accordance with GSAM's fiduciary obligations to its clients. These processes include information barriers as well as the use of GSAM's Guidelines, Recommendations from the Proxy Service, and the override approval process previously discussed. Notwithstanding such proxy voting processes, proxy voting

decisions made by GSAM in respect of securities held by a particular Advisory Account may benefit the interests of Goldman Sachs and/or Accounts other than the Advisory Account, provided that GSAM believes such voting decisions to be in accordance with its fiduciary obligations.

When GSAM engages Advisers to manage the assets of Advisory Accounts pursuant to a discretionary investment advisory agreement, such Advisers generally will be responsible for taking all action with respect to the underlying securities held in the applicable Advisory Account. In addition, when GSAM invests the assets of Advisory Accounts, including AIMS Program Funds, in Underlying Funds that are hedge funds, GSAM generally has no ability to take any action with respect to the securities held in the Underlying Funds. However, GSAM may be responsible for voting with respect to the interests in such Underlying Funds. GSAM has adopted separate policies and procedures for the voting of such proxies, and a copy of such policies and procedures will be provided to Advisory Account clients upon request.

Client Directed Votes

GSAM clients who have delegated voting responsibility to GSAM with respect to their Advisory Account may from time to time contact their client representative if they would like to direct GSAM to vote in a particular solicitation. GSAM will use its commercially reasonable efforts to vote according to the client's request in these circumstances, but cannot provide assurances that such voting requests will be implemented.

Clients can obtain information regarding how securities were voted by a particular Advisory Account by calling their Goldman Sachs representative. GSAM's Proxy Voting Policy is available upon request.

PROXY VOTING POLICIES – NO AUTHORITY

GSAM is not delegated proxy voting authority on behalf of all of its Advisory Accounts. With respect to those Advisory Accounts for which GSAM does not conduct proxy voting, clients should work with their custodians to ensure they receive their proxies and other solicitations for securities held in their Advisory Account. Such clients may contact their GSAM client service representative if they

have a question on particular proxy voting matters or solicitations.

CLASS ACTIONS AND SIMILAR MATTERS

With respect to shareholder class action litigation and similar matters, GSAM's separate 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. GSAM generally will not make any filings in connection with any shareholder class action lawsuits and similar matters (including against Goldman Sachs or its affiliates) involving securities held or that were held in separate accounts for clients, and will not be required to notify custodians or clients of shareholder class action lawsuits and similar matters. GSAM will not be responsible for any failure to make such filings or, if it determines to make such filings in its sole discretion, to make such filings in a timely manner.

Item 18 – Financial Information

This item is not applicable.

Glossary

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

“1933 Act” means the U.S. Securities Act of 1933, as amended.

“Accounts” means Goldman Sachs’ own accounts, accounts in which personnel of Goldman Sachs have an interest, accounts of Goldman Sachs’ clients and pooled investment vehicles that Goldman Sachs sponsors, manages or advises. For the avoidance of doubt, the term **“Accounts”** includes Advisory Accounts.

“Advisers” means Affiliated Advisers and Unaffiliated Advisers.

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

“Advisory Accounts” means separately managed accounts (or separate accounts) and pooled investment vehicles such as mutual funds, collective trusts and private investment funds that are sponsored, managed or advised by GSAM.

“Affiliated Advisers” means investment advisers that are affiliated with Goldman Sachs.

“Affiliated Products” means investment products, including separately managed accounts and pooled vehicles, managed, sponsored or advised by GSAM or Goldman Sachs.

“AIMS” means Alternative Investments and Manager Selection.

“AIMS Program Funds” means investment vehicles managed by AIMS that invest substantially all of their assets in Underlying Funds managed by Unaffiliated Advisers.

“Alternative Investments” means intermediate investment vehicles (for example, feeder funds) formed or managed by GSAM or an affiliate.

“Aptitude” means Aptitude Investment Management LP.

“Ayco” means The Ayco Company, L.P.

“BHCA” means the Bank Holding Company Act of 1956, as amended.

“Brochure” means Registrants’ Form ADV, Part 2A.

“CBOs” means collateralized bond obligations.

“CFIUS” means the Committee on Foreign Investment in the United States.

“CFTC” means the Commodity Futures Trading Commission.

“CLOs” means collateralized loan obligations.

“CoCos” means contingent convertible securities.

“Code” means the Registrants’ Code of Ethics.

“Co-Investment Opportunity” means the opportunity to invest alongside funds or other Advisory Accounts with respect to one or more investments.

“CPO” means commodity pool operator.

“CTA” means commodity trading advisor.

“Dodd-Frank Act” means the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended.

“ECN” means electronic communication networks, alternative trading systems and other similar execution or trading systems or venues.

“EEA” means the European Economic Area.

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

“ESG” means environmental, social and governance-oriented investing.

“ETF” means exchange-traded fund.

“ETN” means exchange-traded notes, which are senior, unsecured, unsubordinated debt securities issued by a sponsoring financial institution.

“Exon-Florio Amendment” means The Exon-Florio Amendment to the U.S. Defense Production Act of 1950.

“External Hedge Funds” means hedge funds advised by Unaffiliated Advisers.

“External Products” means investment products, including separately managed accounts and pooled vehicles, managed, sponsored or advised by Unaffiliated Advisers.

“**Fannie Mae**” means the Federal National Mortgage Association.

“**FCA**” means the United Kingdom Financial Conduct Authority.

“**Federal Reserve**” means the Board of Governors of the Federal Reserve System.

“**FHFA**” means the Federal Housing Finance Administration.

“**forward commitment**” means a contract to purchase or sell securities for a fixed price at a future date beyond customary settlement time.

“**Freddie Mac**” means the Federal Home Loan Mortgage Corporation.

“**GDPR**” means General Data Protection Regulation.

“**GIC**” means guaranteed investment contracts.

“**Goldman Sachs**” means, collectively, GSAM Holdings LLC, GS Group, GSAM, GS&Co. and their respective affiliates, directors, partners, trustees, managers, members, officers and employees.

“**GPS**” means Global Portfolio Solutions.

“**GPS Program Funds**” means pooled investment vehicles formed and managed by the GPS team, including vehicles formed primarily for investment by other Advisory Accounts of GPS, and pooled investment vehicles formed and managed by others, including affiliates.

“**GS Fund of Funds**” means an Affiliated Product that pursues its investment objectives by allocating assets, directly or indirectly, to External Products.

“**GS Group**” means The Goldman Sachs Group, Inc.

“**GS&Co.**” means Goldman Sachs & Co. LLC.

“**GSAM**” means the Goldman Sachs Asset Management business of Goldman Sachs, which today is comprised of GSAMLP, GSAMI, GSIS, HFS, GSAM SV, GSAMC, GSAMHK, GSAMS, Aptitude, Rocaton, SPIAS, and various locally regulated affiliates around the world.

“**GSAMC**” means Goldman Sachs Asset Management Co. Ltd.

“**GSAMHK**” means Goldman Sachs Asset Management (Hong Kong) Limited.

“**GSAMI**” means Goldman Sachs Asset Management International.

“**GSAMIH**” means Goldman Sachs Asset Management International Holdings LLC.

“**GSAMLP**” means Goldman Sachs Asset Management, L.P.

“**GSAMS**” means Goldman Sachs Asset Management (Singapore) Pte. Ltd.

“**GSAM Approved Manager List**” means a list of approved Unaffiliated Advisers maintained by GSAM.

“**GSAM ETFs**” means the exchange-traded funds for which GSAM or its affiliates act as investment adviser.

“**GSAM Personnel**” means the personnel of the various entities comprising GSAM.

“**GSAM Strategies**” means investment and trading strategies developed by GSAM or its affiliates or co-developed by GSAM or its affiliates and a third party.

“**GSAM SV**” means GSAM Stable Value, LLC (formerly known as Dwight Asset Management Company LLC).

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

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

“**GSS**” means Goldman Sachs Securities Services.

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

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

“**Guidelines**” means customized proxy voting guidelines that GSAM has developed.

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

“**HFS Proxy Voting Policy**” means the policies and procedures adopted by HFS for the voting of proxies on behalf of HFS Advisory Account clients for which HFS has voting discretion.

“**IBOR**” means an interbank offered rate.

“**Index**” means stock market and other indexes developed, owned and operated by GSAM and its affiliates.

“Intermediaries” means, collectively, authorized dealers and other financial intermediaries and salespersons.

“IPO/New Issue” means an initial public offering or new issue.

“IPS” means Inflation Protected Securities.

“LIBOR” means the London Inter-bank Offered Rate.

“Manager of Manager Accounts” means pooled investment vehicles and separately managed accounts managed by GSAM and/or its affiliates and sub-advised by Unaffiliated Advisers selected by AIMS.

“MiFID II” means the Second Markets in Financial Instruments Directive.

“MLPs” means master limited partnerships.

“Model Portfolio Accounts” means accounts managed by Model Portfolio Advisers, including PWM, based on model portfolios provided by GSAM.

“Model Portfolio Advisers” means affiliated and unaffiliated investment advisers to which GSAM provides model portfolios.

“Non-Discretionary Co-investors” means certain non-discretionary Advisory Accounts or other potential investors, including funds organized for the purpose of investing in the specific transaction.

“OTC” means over-the-counter markets.

“Participating Affiliates” means GSAM’s non-U.S. affiliated advisers that may provide advice or research to GSAM for use with GSAM’s U.S. clients.

“Participations” means participation interests.

“PIPEs” means private investments in public equities.

“Profits Interests” means rights to share in Advisers’ management fees and/or performance-based compensation and/or other special rights that Seeding Funds may receive in exchange for allocating assets to “start-up” Advisers.

“Proxy Service” means a third-party proxy voting service, currently Institutional Shareholder Services, a unit of RiskMetrics Group.

“Proxy Voting Policy” means GSAM’s policies and procedures for the voting of proxies on behalf of Advisory Accounts for which GSAM has voting discretion.

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

“QDIA” means the Qualified Default Investment Alternative.

“QIS” means Quantitative Investment Strategies.

“Recommendation” means a written analysis and recommendation of a proxy vote that reflects the Proxy Service’s application of the Guidelines to the particular proxy issues.

“REIT” means real estate investment trust.

“Registrants” means GSAMLP, HFS, GSIS, GSAM SV, GSAMI, GSAMC, GSAMHK, GSAMS, Aptitude, Rocaton and SPIAS.

“Rocaton” means Rocaton Investment Advisors, LLC.

“SEC” means the Securities and Exchange Commission.

“Seeding Funds” means AIMS Program Funds that allocate assets primarily to “start-up” Advisers that have limited or no independent track records, as well as certain other Advisers that are seeking seed or similar investments, in each case generally in exchange for Profits Interests.

“Selling Institution” means a selling institution.

“SPIAS” means Standard & Poor’s Investment Advisory Services LLC.

“Sponsors” means broker-dealers, including affiliates of GSAM that sponsor Wrap Programs.

“Stable Value Contracts” means, for retirement plans and other Advisory Accounts that have a “stable value” or similar investment objective, providers of wrap, separate account or other benefit responsive agreements.

“STIF” means Short-Term Investment Fund.

“Tactical Tilts” means tactical investment ideas generally derived from short-term market views.

“TCJA” means H.R. 1, also known as the Tax Cuts and Jobs Act.

“Third-Party Management Companies” means alternative investments advisers and their affiliates in which Advisory Accounts may acquire minority stakes.

“TIPS” means Treasury Inflation-Protected Securities.

“Unaffiliated Advisers” means investment advisers that are unaffiliated with Goldman Sachs. For purposes of this Brochure, “Unaffiliated Advisers” include (i) investment advisers that are not controlled by Goldman Sachs, but in which certain Advisory Accounts hold equity, profits or other interests and (ii) investment advisers with which Goldman Sachs has business relationships.

“Underlying Funds” means investment funds (including pooled investment vehicles and private funds) in which one or more Advisory Accounts invest.

“Volcker Rule” means the Volcker rule contained within the Dodd-Frank Act, as amended.

“when-issued securities” means securities that have been authorized, but not yet issued.

“Wrap Programs” means programs sponsored by certain broker-dealers through which GSAM provides investment advisory services and where a client pays a single, all-inclusive (or “wrap”) asset based fee charged by the Sponsor for asset management, trade execution, custody, performance monitoring and reporting through the Sponsor.

Appendix A – Fee Schedules

GSAMLPS STANDARD FEE SCHEDULE – INSTITUTIONAL SEPARATELY MANAGED ACCOUNTS

These fees are subject to change and negotiation. See Item 5, Fees and Compensation—Compensation for Advisory Services—Separately Managed Accounts. For a description of the fees charged by Unaffiliated Advisers in respect of Underlying Funds, please see Item 5, Fees and Compensation—Other Fees and Expenses—Underlying Fund and Unaffiliated Adviser Fees and Expenses and Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Participation or Interest in Client Transactions—Side Letters or Similar Arrangements.

Fixed Income ¹	
Liquidity Solutions	
Short Duration	
Ultra Short Duration	
First \$100 million	0.15%
Next \$150 million	0.125%
Next \$250 million	0.10%
Next \$500 million	0.08%
Balance above \$1 billion	0.07%
Minimum annual fee	\$150,000
Assumed Target Tracking Error	0.0% - 0.75%
Global Short Duration	
Global Ultra Short Duration	
First \$100 million	0.20%
Next \$150 million	0.175%
Next \$250 million	0.15%
Next \$500 million	0.125%
Balance above \$1 billion	0.10%
Minimum annual fee	\$200,000
Assumed Target Tracking Error	0.0% - 0.75%
Core Fixed Income	
US Core Intermediate Duration	
First \$100 million	0.275%
Next \$400 million	0.20%
Balance above \$500 million	0.12%
Minimum annual fee	\$200,000
Assumed Target Tracking Error	0.5% - 1.0%
Global Core Intermediate Duration	
Euro Core Intermediate Duration	
UK Core Intermediate Duration	
First \$100 million	0.275%
Next \$400 million	0.20%
Balance above \$500 million	0.15%
Minimum annual fee	\$200,000
Assumed Target Tracking Error	0.5% - 1.0%
Core Fixed Income (continued)	
US Core Plus Intermediate Duration	
First \$100 million	0.325%
Next \$400 million	0.25%
Balance above \$500 million	0.15%
Minimum annual fee	\$200,000
Assumed Target Tracking Error	1.25% - 2.0%
Global Core Plus Intermediate Duration	
Canadian Core Plus Intermediate Duration	
Euro Core Plus Intermediate Duration	
UK Core Plus Intermediate Duration	
First \$100 million	0.325%
Next \$400 million	0.25%
Balance above \$500 million	0.20%
Minimum annual fee	\$200,000
Assumed Target Tracking Error	1.0% - 3.0%
Insurance Asset Management	
Insurance General Account Fixed Income*	
First \$200 million	0.20%
Next \$200 million	0.15%
Next \$600 million	0.12%
Next \$1 billion	0.10%
Balance above \$2 billion	0.08%
Minimum annual fee	\$300,000
Assumed Target Tracking Error	1.0% - 2.0%

* Intended for general account fixed income assets of insurance companies that are invested in investment grade securities, with GSAMLPS standard reporting, servicing, and portfolio management requirements, including standard published benchmarks. Portfolios including specialty or non-investment grade investments (e.g., high yield fixed income, emerging market debt or bank loans) would be priced incrementally higher based upon the size of the allocation to these sectors. For a mandate with multiple managed portfolios there is a per portfolio charge of \$10,000 for custodians with automated interfaces and \$20,000 for custodians with manual interfaces in addition to the fees quoted above. This fee covers the additional administrative, operational and reporting costs associated with multiple portfolios. A supplemental fee quote for insurance investment accounting services or insurance strategy can also be provided upon request and will be customized based upon the specific requirements of each client.

¹ All fees assume a single portfolio with standard reporting, servicing and portfolio management requirements, including standard benchmarks.

Stable Value**Stable Value Strategy***

First \$100 million	0.15%
Next \$200 million	0.125%
Next \$200 million	0.10%
Next \$500 million	0.075%
Balance above \$1 billion	0.05%
Minimum annual fee	\$150,000

* The standard fee schedule for the Stable Value Strategy is based upon an asset allocation assumption where 50% of the fixed income assets are invested in GSAM Stable Value advised commingled investment funds and 50% are invested in fixed income products managed by external third-party investment managers. Fees for Stable Value strategies may be higher or lower than the standard fee schedule listed above depending upon the actual allocation of fixed income assets to GSAM versus external third-party investment managers.

* Intended for standard Stable Value Strategy services and exclusive of Stable Value Contract, advisory, third-party manager and other fees and expenses that may be incurred by an Advisory Account directly or indirectly, including those of the trustee and custodian or other agents of the plan sponsor.

Long Duration/Long Credit/LDI**US Long Duration Core****Canadian Long Duration Core****Euro Long Duration Core****UK Long Duration Core**

First \$100 million	0.275%
Next \$400 million	0.20%
Balance above \$500 million	0.12%
Minimum annual fee	\$200,000
Assumed Target Tracking Error	0.5% - 1.0%

US Long Duration Core Plus**Canadian Long Duration Core Plus****Euro Long Duration Core Plus****UK Long Duration Core Plus**

First \$100 million	0.325%
Next \$400 million	0.25%
Balance above \$500 million	0.20%
Minimum annual fee	\$200,000
Assumed Target Tracking Error	1.25% - 2.0%

US Long Credit**Canadian Long Credit****Euro Long Credit****UK Long Credit**

First \$100 million	0.275%
Next \$400 million	0.20%
Balance above \$500 million	0.12%
Minimum annual fee	\$200,000
Assumed Target Tracking Error	0.5% - 1.0%

Long Duration/Long Credit/LDI (continued)**US Long Credit Plus****Canadian Long Credit Plus****Euro Long Credit Plus****UK Long Credit Plus**

First \$100 million	0.325%
Next \$400 million	0.25%
Balance above \$500 million	0.20%
Minimum annual fee	\$200,000
Assumed Target Tracking Error	1.25% - 2.0%

US Liability Driven Investment (LDI) Fixed Income***Canadian Liability Driven Investment (LDI) Fixed Income*****Euro Liability Driven Investment (LDI) Fixed Income*****UK Liability Driven Investment (LDI) Fixed Income***

First \$500 million	0.15%
Next \$500 million	0.125%
Balance above \$1 billion	0.10%
Minimum annual fee	\$200,000

*Fees based on Notional Value of Account

Corporate Credit**US Investment Grade Credit Buy & Hold****Euro Investment Grade Credit Buy & Hold****UK Investment Grade Credit Buy & Hold****Global Investment Grade Credit Buy & Hold**

First \$100 million	0.25%
Next \$100 million	0.20%
Next \$300 million	0.175%
Balance above \$500 million	0.15%
Minimum annual fee	\$250,000

US Investment Grade Corporates**Euro Investment Grade Corporates****UK Investment Grade Corporates****Global Investment Grade Corporates**

First \$100 million	0.275%
Next \$100 million	0.225%
Next \$300 million	0.20%
Balance above \$500 million	0.175%
Minimum annual fee	\$275,000
Assumed Target Tracking Error	0.5% - 1.0%

US Investment Grade Corporates Plus**Euro Investment Grade Corporates Plus****UK Investment Grade Corporates Plus****Global Investment Grade Corporates Plus**

First \$100 million	0.325%
Next \$100 million	0.275%
Next \$300 million	0.25%
Balance above \$500 million	0.225%
Minimum annual fee	\$325,000
Assumed Target Tracking Error	1.25% - 2.0%

High Yield / Bank Loans**High Yield Fixed Income****Euro High Yield Fixed Income****Bank Loans**

First \$100 million	0.50%
Next \$100 million	0.40%
Balance above \$200 million	0.30%
Minimum annual fee	\$300,000

Mortgages / Securitized**MBS Agency**

First \$100 million	0.175%
Next \$400 million	0.15%
Balance above \$500 million	0.125%
Minimum annual fee	\$175,000
Assumed Target Tracking Error	0.5% - 1.0%

MBS Broad**Commercial MBS and Asset Backed Securities (CMBS / ABS)****Collateralized Loan Obligation (CLO)**

First \$100 million	0.225%
Next \$400 million	0.175%
Balance above \$500 million	0.15%
Minimum annual fee	\$200,000
Assumed Target Tracking Error	0.5% - 1.0%

Non-Agency Mortgages (Legacy and CRT)

First \$100 million	0.325%
Next \$400 million	0.275%
Balance above \$500 million	0.25%
Minimum annual fee	\$325,000

Government**US TIPS**

First \$100 million	0.15%
Next \$400 million	0.125%
Balance above \$500 million	0.10%
Minimum annual fee	\$150,000
Assumed Target Tracking Error	0.5% - 0.75%

UK TIPS

First \$100 million	0.20%
Next \$400 million	0.175%
Balance above \$500 million	0.15%
Minimum annual fee	\$200,000
Assumed Target Tracking Error	0.5% - 0.75%

Global TIPS

First \$100 million	0.25%
Next \$400 million	0.225%
Balance above \$500 million	0.20%
Minimum annual fee	\$250,000
Assumed Target Tracking Error	0.5% - 0.75%

Government (continued)**Global Governments**

First \$100 million	0.275%
Next \$400 million	0.20%
Balance above \$500 million	0.15%
Minimum annual fee	\$250,000
Assumed Target Tracking Error	0.5% - 1.0%

Global Sovereign*

First \$100 million	0.275%
Next \$400 million	0.225%
Balance above \$500 million	0.175%
Minimum annual fee	\$250,000
Assumed Target Tracking Error	1.0% - 3.0%

*Invests primarily in investment grade developed and emerging local government bonds. Portfolios are GDP weighted with a fundamental fiscal adjustment.

Global Governments Plus

First \$100 million	0.325%
Next \$400 million	0.25%
Balance above \$500 million	0.20%
Minimum annual fee	\$250,000
Assumed Target Tracking Error	1.0% - 3.0%

Municipals**Municipal Money Market****Municipal Short Duration Bond**

First \$100 million	0.20%
Next \$150 million	0.175%
Balance above \$250 million	0.15%
Minimum annual fee	\$200,000

Municipal Intermediate Duration Bond**Municipal Bond**

First \$100 million	0.25%
Next \$200 million	0.20%
Balance above \$300 million	0.15%
Minimum annual fee	\$200,000

Emerging Markets**Emerging Markets Short Duration**

First \$100 million	0.45%
Next \$100 million	0.40%
Next \$200 million	0.375%
Balance above \$400 million	0.35%
Minimum annual fee	\$300,000
Assumed Target Tracking Error	2.0% - 3.0%

Emerging Markets (continued)**Emerging Markets Fixed Income (External)****Emerging Markets Fixed Income (Local Currency)**

First \$100 million	0.50%
Next \$100 million	0.45%
Next \$200 million	0.425%
Balance above \$400 million	0.40%
Minimum annual fee	\$300,000
Assumed Target Tracking Error	2.5% - 3.5%

Emerging Markets Corporate

First \$100 million	0.60%
Next \$100 million	0.55%
Next \$200 million	0.525%
Balance above \$400 million	0.50%
Minimum annual fee	\$300,000
Assumed Target Tracking Error	2.0% - 3.0%

Unconstrained/Opportunistic Fixed Income**Unconstrained**

First \$100 million	0.325%
Next \$400 million	0.25%
Balance above \$500 million	0.20%
Minimum annual fee	\$300,000
Assumed Target Tracking Error	2.0% - 4.0%

Unconstrained Plus

First \$100 million	0.55%
Next \$100 million	0.45%
Balance above \$200 million	0.40%
Minimum annual fee	\$300,000
Assumed Target Tracking Error	4.0% - 7.0%

Opportunistic Credit

First \$100 million	0.65%
Next \$100 million	0.50%
Balance above \$200 million	0.45%
Minimum annual fee	\$300,000

Commodities**Commodities Enhanced Index Strategy***

First \$100 million	0.50%
Next \$100 million	0.45%
Balance above \$200 million	0.40%
Minimum annual fee	\$200,000
Assumed Target Tracking Error	1.5% - 3.0%

*Assumes management against a commodity benchmark with swap implementation and cash actively managed in a Treasury/agency portfolio.

Strategic Commodities

First \$100 million	0.75%
Balance above \$100 million	0.70%
Minimum annual fee	\$375,000
Assumed Target Tracking Error	6.0% - 8.0%

Fundamental Equity

U.S. Large Cap

Strategic Growth

First \$25 million	0.65%
Next \$25 million	0.50%
Next \$50 million	0.40%
Next \$100 million	0.35%
Balance above \$200 million	0.30%
Minimum annual fee	\$125,000

Concentrated Growth

First \$25 million	0.70%
Next \$25 million	0.60%
Next \$50 million	0.50%
Next \$100 million	0.45%
Balance above \$200 million	0.40%
Minimum annual fee	\$125,000

Focused Growth 20

First \$25 million	0.70%
Next \$25 million	0.60%
Next \$50 million	0.55%
Next \$100 million	0.50%
Balance above \$200 million	0.40%
Minimum annual fee	\$125,000

Strategic Value

First \$25 million	0.65%
Next \$25 million	0.50%
Next \$50 million	0.40%
Next \$100 million	0.35%
Balance above \$200 million	0.30%
Minimum annual fee	\$125,000

Focused Value

First \$25 million	0.70%
Next \$25 million	0.60%
Next \$50 million	0.55%
Next \$100 million	0.50%
Balance above \$200 million	0.40%
Minimum annual fee	\$125,000

Premier Equity

First \$25 million	0.65%
Next \$25 million	0.50%
Next \$50 million	0.40%
Next \$100 million	0.35%
Balance above \$200 million	0.25%
Minimum annual fee	\$125,000

U.S. Large Cap (continued)

U.S. Equity

First \$25 million	0.65%
Next \$25 million	0.50%
Next \$50 million	0.45%
Next \$100 million	0.40%
Balance above \$200 million	0.30%
Minimum annual fee	\$125,000

U.S. Non-Large Cap

Small/Mid Cap

First \$25 million	0.90%
Next \$25 million	0.80%
Next \$50 million	0.75%
Balance above \$100 million	0.70%
Minimum annual fee	\$150,000

Mid Cap Growth

First \$25 million	0.75%
Next \$25 million	0.60%
Next \$50 million	0.55%
Balance above \$100 million	0.50%
Minimum annual fee	\$150,000

Small/Mid Cap Growth

First \$25 million	0.90%
Next \$25 million	0.80%
Next \$50 million	0.75%
Balance above \$100 million	0.70%
Minimum annual fee	\$150,000

Small Cap Growth

First \$25 million	0.95%
Next \$25 million	0.85%
Next \$50 million	0.80%
Balance above \$100 million	0.70%
Minimum annual fee	\$150,000

Flexible Cap

First \$25 million	0.60%
Next \$25 million	0.50%
Next \$50 million	0.40%
Next \$100 million	0.35%
Balance above \$200 million	0.30%
Minimum annual fee	\$150,000

Mid Cap Value

First \$25 million	0.75%
Next \$25 million	0.60%
Next \$50 million	0.55%
Balance above \$100 million	0.50%
Minimum annual fee	\$150,000

U.S. Non-Large Cap (continued)**Small/Mid Cap Value**

First \$25 million	0.90%
Next \$25 million	0.80%
Next \$50 million	0.75%
Balance above \$100 million	0.70%
Minimum annual fee	\$150,000

Small Cap Value

First \$25 million	1.00%
Next \$25 million	0.85%
Next \$50 million	0.80%
Balance above \$100 million	0.70%
Minimum annual fee	\$150,000

Global**Global Equity Partners**

First \$50 million	0.80%
Next \$50 million	0.65%
Next \$100 million	0.60%
Balance above \$200 million	0.50%
Minimum annual fee	\$200,000

Japan**Japan Equity Partners**

First \$50 million	0.80%
Next \$50 million	0.65%
Next \$100 million	0.60%
Balance above \$200 million	0.50%
Minimum annual fee	\$200,000

Japan Strategic Equity

First \$50 million	0.70%
Next \$50 million	0.55%
Next \$100 million	0.50%
Balance above \$200 million	0.45%
Minimum annual fee	\$200,000

Japan Small Cap Equity

First \$50 million	0.80%
Next \$50 million	0.70%
Next \$100 million	0.60%
Balance above \$200 million	0.50%
Minimum annual fee	\$200,000

Emerging Markets**Global Emerging Markets Equity**

First \$50 million	0.95%
Next \$50 million	0.85%
Balance above \$100 million	0.75%
Minimum annual fee	\$250,000

Emerging Markets (continued)**Emerging Markets Equity Leaders (Mid/Large)**

First \$50 million	0.85%
Next \$50 million	0.75%
Balance above \$100 million	0.70%
Minimum annual fee	\$250,000

Asia Ex-Japan Equity

First \$50 million	0.85%
Next \$50 million	0.75%
Balance above \$100 million	0.65%
Minimum annual fee	\$250,000

India Equity Leaders (Mid/Large)

First \$50 million	0.90%
Next \$50 million	0.75%
Balance above \$100 million	0.70%
Minimum annual fee	\$250,000

India Equity

First \$50 million	0.95%
Next \$50 million	0.85%
Balance above \$100 million	0.75%
Minimum annual fee	\$250,000

China (Domestic) Equity**China Opportunity (A/H/ADR)**

First \$50 million	0.90%
Next \$50 million	0.85%
Next \$100 million	0.80%
Balance above \$200 million	0.70%
Minimum annual fee	\$250,000

Environmental Social Governance**U.S. Equity ESG**

First \$25 million	0.65%
Next \$25 million	0.55%
Next \$50 million	0.50%
Balance above \$100 million	0.40%
Minimum annual fee	\$200,000

International Equity ESG

First \$50 million	0.80%
Next \$50 million	0.65%
Next \$100 million	0.60%
Balance above \$200 million	0.50%
Minimum annual fee	\$200,000

Global Equity Partners ESG

First \$50 million	0.80%
Next \$50 million	0.65%
Next \$100 million	0.60%
Balance above \$200 million	0.50%
Minimum annual fee	\$200,000

Environmental Social Governance (continued)**Global Emerging Markets Equity ESG**

First \$50 million	0.90%
Next \$50 million	0.80%
Balance above \$100 million	0.70%
Minimum annual fee	\$200,000

Fundamental Equity & Fixed Income Blend**US Income Builder**

First \$100 million	0.50%
Next \$100 million	0.40%
Balance above \$200 million	0.35%
Minimum annual fee	\$350,000

Global Income Builder

First \$100 million	0.60%
Next \$100 million	0.50%
Balance above \$200 million	0.40%
Minimum annual fee	\$350,000

U.S. Real Estate Balanced

First \$100 million	0.70%
Next \$100 million	0.60%
Balance above \$200 million	0.50%
Minimum annual fee	\$350,000

Emerging Markets Balanced

First \$100 million	0.80%
Next \$100 million	0.70%
Balance above \$200 million	0.60%
Minimum annual fee	\$350,000

Equity Income**U.S. Equity Income**

First \$25 million	0.65%
Next \$25 million	0.55%
Balance above \$50 million	0.45%
Minimum annual fee	\$150,000

Global Equity Income**International Equity Income**

First \$50 million	0.70%
Next \$50 million	0.55%
Next \$100 million	0.50%
Balance above \$200 million	0.40%
Minimum annual fee	\$200,000

Thematic**U.S. Technology Opportunities**

First \$25 million	0.80%
Next \$25 million	0.70%
Next \$50 million	0.60%
Balance above \$100 million	0.50%
Minimum annual fee	\$150,000

Thematic (continued)**Global Millennials Equity**

First \$50 million	0.80%
Next \$50 million	0.70%
Next \$100 million	0.60%
Balance above \$200 million	0.50%
Minimum annual fee	\$200,000

Energy Infrastructure (including MLPs)**U.S. Energy Infrastructure**

First \$25 million	0.80%
Next \$25 million	0.75%
Next \$50 million	0.70%
Next \$100 million	0.65%
Balance above \$200 million	0.60%
Minimum annual fee	\$200,000

Liquid Real Assets**U.S. Real Estate Securities**

First \$50 million	0.70%
Next \$50 million	0.60%
Balance above \$100 million	0.50%
Minimum annual fee	\$200,000

Global Real Estate Securities

First \$50 million	0.75%
Next \$50 million	0.65%
Balance above \$100 million	0.55%
Minimum annual fee	\$200,000

International Real Estate Securities

First \$50 million	0.75%
Next \$50 million	0.65%
Balance above \$100 million	0.55%
Minimum annual fee	\$200,000

Global Infrastructure

First \$50 million	0.80%
Next \$50 million	0.75%
Balance above \$100 million	0.65%
Minimum annual fee	\$200,000

Quantitative Investment Strategies

U.S. Equity²

US Total Market Equity Insights

First \$50 million	0.50%
Next \$50 million	0.40%
Next \$100 million	0.35%
Balance above \$200 million	0.30%
Minimum annual fee	\$300,000

Large Cap – Enhanced

First \$50 million	0.30%
Next \$50 million	0.25%
Next \$100 million	0.20%
Balance above \$200 million	0.18%
Minimum annual fee	\$300,000

Large Cap/Large Cap Growth/Large Cap Value Insights

First \$50 million	0.45%
Next \$50 million	0.35%
Next \$100 million	0.30%
Balance above \$200 million	0.25%
Minimum annual fee	\$300,000

Mid Cap/Mid Cap Growth/Mid Cap Value Insights

First \$50 million	0.60%
Next \$50 million	0.50%
Next \$100 million	0.45%
Balance above \$200 million	0.35%
Minimum annual fee	\$300,000

Small-Mid Cap/Small-Mid Cap Growth/Small-Mid Cap Value Insights

First \$50 million	0.65%
Next \$50 million	0.55%
Next \$100 million	0.50%
Balance above \$200 million	0.40%
Minimum annual fee	\$300,000

Small Cap/Small Cap Growth/Small Cap Value Insights

First \$50 million	0.70%
Next \$50 million	0.60%
Next \$100 million	0.55%
Balance above \$200 million	0.45%
Minimum annual fee	\$300,000

Global/Non-U.S. Equity³

International Equity Insights

First \$50 million	0.60%
Next \$150 million	0.55%
Balance above \$200 million	0.45%
Minimum annual fee	\$300,000

International Equity with Country Tilts Insights

First \$50 million	0.65%
Next \$150 million	0.60%
Balance above \$200 million	0.50%
Minimum annual fee	\$300,000

Global Equity Insights

First \$50 million	0.65%
Next \$150 million	0.55%
Balance above \$200 million	0.45%
Minimum annual fee	\$300,000

Global Equity with Country Tilts Insights

First \$50 million	0.70%
Next \$150 million	0.60%
Balance above \$200 million	0.50%
Minimum annual fee	\$300,000

ACWI ex-US with Country Tilts Insights

First \$50 million	0.75%
Next \$150 million	0.70%
Balance above \$200 million	0.60%
Minimum annual fee	\$500,000

Europe Equity Insights

Japan Equity Insights

First \$50 million	0.50%
Next \$150 million	0.45%
Balance above \$200 million	0.40%
Minimum annual fee	\$300,000

Japan Small Cap Equity Insights

First \$50 million	0.65%
Next \$150 million	0.60%
Balance above \$200 million	0.55%
Minimum annual fee	\$300,000

² The Quantitative Investment Strategies – U.S. Equity Accounts:
a) Enhanced products can target tracking errors between 1-2%; the fee schedules above assume a target tracking error of 1.5%;
b) Insights products can target tracking errors between 2-4%; the fee schedules above assume a target tracking error of 2.5%.

³ The Quantitative Investment Strategies - Global/Non-U.S. Equity Accounts: All fees assume a single portfolio with standard reporting, servicing, and portfolio management requirements, including standard benchmarks and non-daily cash flows. With daily cash flows, the minimum annual fee per account is \$500,000, except if noted higher.

Global/Non-U.S. Equity (continued)⁴**International Small Cap Equity Insights****Global Small Cap Equity Insights**

First \$50 million	0.80%
Next \$150 million	0.75%
Balance above \$200 million	0.70%
Minimum annual fee	\$300,000

Asia ex Japan Equity Insights

First \$50 million	0.90%
Next \$150 million	0.85%
Balance above \$200 million	0.75%
Minimum annual fee	\$500,000

Emerging Markets Equity Insights

First \$50 million	0.90%
Next \$150 million	0.85%
Balance above \$200 million	0.75%
Minimum annual fee	\$500,000

Global Intrinsic Value Index®⁵**Developed Market – Single Country:****GS GIVI US Equity****GS GIVI Japan Equity**

First \$100 million	0.25%
Next \$150 million	0.15%
Balance above \$250 million	0.09%
Minimum annual fee	\$300,000

Developed Market – Multi-Region:**GS GIVI Global Developed Equity****GS GIVI Global Developed ex-US Equity****GS GIVI Europe Equity**

First \$100 million	0.30%
Next \$150 million	0.20%
Balance above \$250 million	0.10%
Minimum annual fee	\$300,000

Developed Market + Growth and Emerging Market Strategies:**GS GIVI Global Equity (All Country)****GS GIVI Global Growth Market Tilt Equity**

First \$100 million	0.35%
Next \$150 million	0.25%
Balance above \$250 million	0.15%
Minimum annual fee	\$500,000

Global Intrinsic Value Index® (continued)⁵**Growth and Emerging Markets Only:****GS GIVI Emerging Markets Equity**

First \$100 million	0.45%
Next \$150 million	0.35%
Balance above \$250 million	0.25%
Minimum annual fee	\$500,000

Multi-Region Enhanced Dividend:**GS Enhanced Dividend GIVI Global Developed Equity**

First \$100 million	0.33%
Next \$150 million	0.23%
Balance above \$250 million	0.12%
Minimum annual fee	\$300,000

China:**China A-Shares Select Equity Strategy**

First \$100 million	0.65%
Next \$150 million	0.55%
Balance above \$250 million	0.50%
Minimum annual fee	\$500,000

ActiveBeta®⁶**US Large Cap**

First \$100 million	0.22%
Next \$150 million	0.17%
Next \$250 million	0.11%
Balance above \$500 million	0.09%
Minimum annual fee	\$300,000

US Small Cap / US SMID Cap / US All Cap

First \$100 million	0.26%
Next \$150 million	0.21%
Next \$250 million	0.15%
Balance above \$500 million	0.13%
Minimum annual fee	\$300,000

Developed Markets (Global / Non-US)

First \$100 million	0.27%
Next \$150 million	0.22%
Next \$250 million	0.12%
Balance above \$500 million	0.10%
Minimum annual fee	\$300,000

⁴ The Quantitative Investment Strategies - Global/Non-U.S. Equity Accounts: All fees assume a single portfolio with standard reporting, servicing, and portfolio management requirements, including standard benchmarks and non-daily cash flows. With daily cash flows, the minimum annual fee per account is \$500,000, except if noted higher.

⁵ These strategies are intended to track the performance of the S&P GIVI. "Standard & Poor's®", "S&P®", "S&P GIVI®", and "GIVI®" are trademarks of Standard & Poor's Financial Services LLC ("Standard & Poor's") and have been licensed for use by Goldman Sachs. Goldman Sachs' products described herein (the "Product(s)") are not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's does not make any representation regarding the advisability of investing in the Products.

⁶ Fee schedules for licensing-only arrangements and ESG Overlays are available upon request.

ActiveBeta® (continued)⁷**Developed Markets & Emerging Markets (Global / Non-US)**

First \$100 million	0.32%
Next \$150 million	0.27%
Next \$250 million	0.17%
Balance above \$500 million	0.14%
Minimum annual fee	\$500,000

Emerging Markets

First \$100 million	0.42%
Next \$150 million	0.37%
Next \$250 million	0.27%
Balance above \$500 million	0.22%
Minimum annual fee	\$500,000

Liquid Alternatives⁸**Alternative Risk Premia**

First \$100 million	0.95%
Balance above \$100 million	0.90%
Minimum annual fee	\$750,000

Hedge Fund Beta

First \$100 million	0.85%
Balance above \$100 million	0.80%
Minimum annual fee	\$750,000

Trend**Volatility**

First \$100 million	0.75%
Balance above \$100 million	0.70%
Minimum annual fee	\$750,000

Tax Advantaged Core Strategies (TACS)**Index Oriented - TACS***

All assets	0.35%
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*Intended for third-party distributors and/or financial institutions offering through the Goldman Sachs Tax Advantaged Core Strategies (TACS) to clients through their distribution platform, and may not reflect the total fees paid by clients.

⁷ Fee schedules for licensing-only arrangements and ESG Overlays are available upon request.

⁸ Fee schedules for Liquid Alternatives assume a standard portfolio with volatility of 7-9%.

GSAMLP STANDARD FEE SCHEDULE – PWM SEPARATELY MANAGED ACCOUNTS

GSAMLP's affiliate, GS&Co., provides investment advisory services through its Private Wealth Management ("PWM") unit. Private Wealth Advisors will from time to time recommend or, where GS&Co. has discretionary authority to appoint managers, select GSAMLP to manage all or a portion of a client's assets.

Private Wealth Advisors will provide on-going client services with respect to assets of PWM clients managed by GSAMLP and will receive a portion of the fee charged by GSAMLP.

Absent special circumstances, the advisory fees associated with the first asset tiers (\$0-10mm) set forth in the below schedules represent the maximum advisory fees that may currently be charged for Advisory Accounts within the indicated asset classes, irrespective of current asset balances. Please note that certain clients may be subject to minimum annual fees. Additionally, certain employees of the firm or an affiliate may receive advisory services at lower rates or on a fee free basis and may be able to invest at lower minimums than clients currently invest.

Index Oriented – Tax Advantaged Core Strategies

\$0-10 million	1.650%
\$10-25 million	1.050%
\$25-50 million	0.950%
\$50-100 million	0.850%
\$100-250 million	0.800%
\$250-500 million	0.750%
More than \$500 million	0.700%

Active Core Equity, MLP⁹

\$0-10 million	1.750%
\$10-25 million	1.150%
\$25-50 million	1.050%
\$50-100 million	0.950%
\$100-250 million	0.900%
\$250-500 million	0.850%
More than \$500 million	0.800%

Active Satellite, Real Estate

\$0-10 million	1.900%
\$10-25 million	1.300%
\$25-50 million	1.200%
\$50-100 million	1.100%
\$100-250 million	1.050%
\$250-500 million	1.000%
More than \$500 million	0.950%

All/SMid

\$0-10 million	2.175%
\$10-25 million	1.600%
\$25-50 million	1.500%
\$50-100 million	1.400%
\$100-250 million	1.350%
\$250-500 million	1.300%
More than \$500 million	1.250%

Energy and Infrastructure

\$0-10 million	2.050%
\$10-25 million	1.500%
\$25-50 million	1.400%
\$50-100 million	1.300%
\$100-250 million	1.250%
\$250-500 million	1.200%
More than \$500 million	1.150%

Dynamic Equity

\$0-10 million	2.400%
\$10-25 million	1.650%
\$25-50 million	1.550%
\$50-100 million	1.450%
\$100-250 million	1.400%
\$250-500 million	1.350%
More than \$500 million	1.300%

Fixed Income

\$0-10 million	0.750%
\$10-25 million	0.550%
\$25-50 million	0.500%
\$50-100 million	0.450%
\$100-250 million	0.400%
\$250-500 million	0.350%
More than \$500 million	0.300%

Short Duration Fixed Income

\$0-10 million	0.500%
\$10-25 million	0.450%
\$25-50 million	0.450%
\$50-100 million	0.400%
\$100-250 million	0.350%
\$250-500 million	0.300%
More than \$500 million	0.300%

Corporate High Yield Fixed Income

\$0-10 million	0.950%
\$10-25 million	0.950%
\$25-50 million	0.950%
\$50-100 million	0.950%
\$100-250 million	0.950%
\$250-500 million	0.950%
More than \$500 million	0.950%

⁹ Some GSAM MLP strategy accounts are priced according to the Active Core fee schedule as a result of grandfathered pricing or

exceptional circumstances. Generally, these accounts would be priced according to the Energy and Infrastructure fee schedule.

Global Portfolio Solutions Fees

GSAMLP does not maintain a standard fee schedule for GPS Advisory Accounts. Actual fees are individually negotiated and may vary depending on a number of factors, including the size of the portfolios, the portfolio's asset allocation, additional services or differing levels of servicing or as otherwise agreed with the client.

Model Portfolio Adviser Service Fees

GSAMLP does not maintain a standard fee schedule for services to Model Portfolio Advisers. Actual fees are individually negotiated and vary due to the particular circumstances of the Model Portfolio Adviser, additional or differing levels of servicing or as otherwise agreed with the specific Model Portfolio Adviser.

Appendix B – Information on Significant Strategy Risks

INTRODUCTION

General

The following provides information on risks associated with certain types of securities and investment techniques that may be used by Advisory Accounts as discussed in Item 8, Methods of Analysis, Investment Strategies and Risk of Loss. It also discusses general risks associated with investing through an Advisory Account. Although risks have been grouped into categories based on type of security or technique, it is possible risks within a particular category will apply to securities and techniques in other categories. The types of risks to which an Advisory Account is subject, and the degree to which any particular risks impact an Advisory Account, may change over time depending on various factors, including the investment strategies, investment techniques and asset classes utilized by the Advisory Account, the timing of the Advisory Account's investments, prevailing market and economic conditions, and the occurrence of adverse social, political, regulatory or other developments. Additional information is available upon request. Investors in GSAM's pooled investment vehicles (including, for the avoidance of doubt, HFS-managed AIMS Program Funds) should review the prospectuses, offering memoranda and constituent documents for additional information relating to the risk associated with investments in those pooled investment vehicles. See also Item 10, Other Financial Industry Activities and Affiliates and Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading for additional information about risks associated with certain conflicts faced by Goldman Sachs and GSAM.

GENERAL RISKS

- **Adverse Effect of Global Economic Conditions—** Advisory Accounts may be adversely affected by deterioration and uncertainty of financial markets and economic conditions throughout the world, the severity and duration of which cannot be forecast. These market conditions can result in volatility and illiquidity in the

equity, debt and global credit markets generally, which can magnify the risks described herein and which may require investments to be disposed of at a loss. The deterioration of global market conditions and/or uncertainty regarding economic markets generally could result in declines in the market values of existing or potential investments, the inability to secure financing to acquire or hold investments, the inability to realize investments, fewer investment opportunities, failure to meet investment objectives, investment losses for Advisory Accounts, or increased illiquidity of investments. Such volatility and illiquidity may require investments to be disposed of at a loss. Though certain economic conditions could have a favorable impact on the investment prospects of Advisory Accounts, global rates of growth or economic conditions that are weak pose risks of systematic defaults by issuers or portfolio companies, market volatility, inflationary or exchange-rate pressures, geopolitical disturbances, or negative market performance of equity securities could adversely affect Advisory Account returns.

Recent populist and anti-globalization movements, particularly in the United States, may result in material changes in economic trade and immigration policies, all of which could lead to significant disruption of global markets and could have materially adverse consequences on the Advisory Accounts' investments. Restrictions on or rising costs of global free trade may require portfolio companies to relocate some of their activities, such as manufacturing, which could entail significant costs and could have an adverse effect on investments in certain Advisory Accounts.

In addition, governments from time to time intervene, directly and by regulation, in certain markets. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction. Any market disruptions described above may also result in further changes to regulatory requirements or other government intervention. Such regulations may be implemented on an "emergency" basis, which may suddenly prevent GSAM from implementing certain

investment strategies or from managing the risk of an Advisory Account's outstanding positions. GSAM may or may not take action on behalf of an Advisory Account in anticipation of government action or intervention, which may adversely affect the Advisory Account's returns.

- **Advisory Account Consent Requirements**—Goldman Sachs acts as an underwriter, placement agent, originator, and/or arranger in various markets and for various asset classes and instruments. Advisory Accounts may have the opportunity to invest in transactions in which Goldman Sachs acts in one or more of these roles, in connection with which Goldman Sachs may be a principal opposite Advisory Accounts or with respect to which Goldman Sachs may receive a fee or other compensation. The consummation of any such transaction or the payment of any such fee may require the consent of the client or other independent party pursuant to applicable law and the guidelines or governing documents applicable to such Advisory Accounts. In such cases, the Advisory Account would only have the ability to make the investments if GSAM receives the required consent. GSAM may determine not to seek such consent due to timing, logistical or other considerations, in which event the Advisory Account will not have the opportunity to make the investments.
- **Allocation of Advisory Account Assets to Underlying Funds and Advisers**—In cases in which Advisory Account assets are allocated to Underlying Funds and Advisers, the risks associated with certain types of securities and investment strategies described in this Appendix B—Information on Significant Strategy Risks—General Risks apply. Additional information about risks associated with the activities of Underlying Funds and Advisers is available in Appendix B—Information on Significant Strategy Risks—Risks That Apply Primarily to Investments in Underlying Funds and with Respect to Advisers, as well as the prospectuses, offering memoranda and constituent documents of the Underlying Funds.
- **An Advisory Account's Investment Flexibility May Be Constrained by Confidentiality Concerns**—In the course of its investment processes, an Advisory Account may be required to enter into confidentiality agreements with current or potential portfolio companies that would prohibit such Advisory Account (or its investors) from publicly disclosing sensitive information relating to these portfolio companies. These arrangements could result in liabilities for such Advisory Account, in particular if an investor in such Advisory Account that is required or compelled to publicly release information regarding its investments, such as pursuant to the U.S. Freedom of Information Act, as amended, or other similar state or local disclosure laws or regulations applicable to such investor, publicly discloses this information in response to an information request or otherwise. Such Advisory Account may choose, but is not required, to decline these investment opportunities in order to avoid the risk of exposure to such liability. As a result, such Advisory Account's investment flexibility may be constrained by these concerns, which may affect GSAM's ability to broaden its investment portfolio, which in turn may adversely impact the aggregate returns realized by such Advisory Account as a result of the unfavorable performance of a small number of investments.
- **Bankruptcy**—An Advisory Account may lose its entire investment or may be required to accept cash or other assets with a value less than its original investment if a company that is expected to be stable deteriorates and becomes involved in a bankruptcy or other reorganization or liquidation proceeding. Such proceedings are often lengthy and difficult to predict and could result in the loss of a company's market position and key personnel. The bankruptcy courts have extensive power and, under some circumstances, may alter contractual obligations of a bankrupt company. Stockholders, creditors and other interested parties are all entitled to participate in bankruptcy proceedings and will attempt to influence the outcome for their own benefit. In addition, certain claims, such as for taxes, may have priority by law over the claims

of other interested parties, including the Advisory Accounts. An Advisory Account may seek representation on a creditors' committee. As a member of a creditors' committee, an Advisory Account may owe certain obligations generally to all similarly situated creditors that the committee represents and may be subject to various trading or confidentiality restrictions. In addition, many events in a bankruptcy are the product of contested matters and adversary proceedings that are beyond the control of Advisory Accounts. In addition, investments by Advisory Accounts in properties operating in workout modes or under Chapter 11 of the U.S. Bankruptcy Code (or similar laws in other jurisdictions) are, in certain circumstances, subject to certain additional liabilities that may exceed the value of an Advisory Account's original investment. For example, under certain circumstances, lenders who have inappropriately exercised control of the management and policies of a debtor may have their claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to an Advisory Account and distributions by an Advisory Account to its investors may be reclaimed if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

- **Board Participation and/or Creditors Committee**—In connection with certain investments, Goldman Sachs (including GSAM) or its personnel may have representation on boards of directors and/or official and unofficial creditors' committees of Advisory Accounts' portfolio companies. While this representation may enable GSAM to enhance the value of Advisory Account investments, it may also prevent an Advisory Account from disposing of its investments in a timely and profitable manner. If representation on a board and/or a creditors committee causes an Advisory Account and/or Goldman Sachs (including GSAM) to be deemed an affiliate or related party of the portfolio company, the securities of the portfolio company held by an Advisory Account may become restricted

securities, which are not freely tradable. Board representation and/or participation on a creditors committee may also subject an Advisory Account to additional liability to which it would not otherwise be subject as an ordinary course, third party investor. As described in Item 5, Fees and Compensation—Compensation for Advisory Services—Fees for Services to Portfolio Companies, consultants who serve as representatives of Goldman Sachs (including GSAM) on portfolio company boards may receive cash fees and/or stock of the portfolio company as compensation for board service. The consultants who receive such stock generally will be able to determine the timing of the stock's disposition, which creates in certain circumstances a conflict of interest between such consultants, on the one hand, and the Advisory Accounts, on the other hand.

Additionally, although the interests of an Advisory Account as a shareholder in a portfolio company will generally align with the interests of shareholders more broadly, it is possible that, where GSAM obtains representation on the board of a portfolio company, GSAM's fiduciary duties to the portfolio company and its shareholders as result of the foregoing may conflict with the interests of the Advisory Account. For example, it may be inconsistent with a director's fiduciary duties to share information he/she receives regarding the relevant portfolio company with other Advisory Accounts even though that information would be beneficial to those Advisory Accounts, and as described in Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Firm Policies, Regulatory Restrictions, and Certain Other Factors Affecting Advisory Accounts, there may be certain rights or activities that GSAM will not exercise or undertake on behalf of Advisory Accounts.

- **Cash Management Risks**—To the extent GSAM has the authority to manage cash for an Advisory Account for various reasons, including for temporary or defensive positions or to meet the liquidity needs of such Advisory Account, GSAM may, at certain times and subject to the investment guidelines for such Advisory

Account, invest some of its assets temporarily in money market funds or other similar types of investments. During any period in which its assets are not substantially invested in accordance with its principal investment strategies, an Advisory Account may be prevented from achieving its investment objective, which may adversely affect that Advisory Account's performance. Advisory Accounts with a stable value objective typically retain a certain portion of their assets in a "liquidity buffer," consisting of a cash commingled vehicle chosen by the client, which is available to manage daily plan liquidity needs and the frequency of Stable Value Contract withdrawals and deposits. The level at which cash is maintained is a function of a number of factors, including client investment guidelines, a plan's liability and risk profile, anticipated liquidity needs, anticipated plan or plan sponsor events and Stable Value Contract terms. Advisory Accounts will also have cash exposure indirectly through Advisers or Underlying Funds. Depending on relative levels of interest rates, an Advisory Account's cash position may reduce the return that would otherwise be achieved by the Advisory Account than if the Advisory Account had a greater percentage of assets invested in longer duration investments.

- **Changes to Investment Program; Additional Investment Strategies**—GSAM may, from time to time in its sole discretion, subject to the terms of the Advisory Account documentation, utilize additional investment strategies and sub-strategies and/or remove, substitute or modify its investment strategies and sub-strategies or any of the types of investments it is then utilizing for the Advisory Account. Any such addition or change may result in the Advisory Account investing in markets, securities and instruments other than those contemplated by the Advisory Account documentation. Any such decision will be made by GSAM, in its sole discretion, subject to the terms of the Advisory Account documentation, based on one or more factors it may deem relevant from time to time, which among others may include liquidity constraints and the availability of investment

opportunities that it deems attractive. Any such decision may result in all or a significant portion of the Advisory Account's assets being allocated to a single investment strategy or type of investment. There can be no assurance that GSAM's decisions in this regard will be successful or will not otherwise have an adverse effect on the Advisory Account.

- **Concentration and Geographic Risk**—Concentration of an Advisory Account's investments in securities of issuers located in a particular country or geographic region will subject the Advisory Account, to a greater extent than if investments were less concentrated, to the risks of volatile economic cycles and/or conditions and developments that may be particular to that country or region, such as: adverse securities markets; adverse exchange rates; adverse social, political, regulatory, economic, business, environmental or other developments; or natural disasters. For example, if an Advisory Account holds a large position in a particular investment that declines in value and the investment cannot be liquidated without adverse market reaction, the Advisory Account may be subject to significant losses. Also, concentration of the investments of an Advisory Account in issuers located in a particular country or region will subject an Advisory Account, to a greater extent than if investments were less concentrated, to the risks of adverse securities markets, exchange rates and social, political, regulatory or economic events which may occur in that country or region. Finally, to the extent an Advisory Account invests all or a large percentage of its assets in a single issuer or a relatively small number of issuers, or concentrates its assets directly or indirectly in investments in the same economic sector, asset class, or in one particular asset or security, it may be subject to greater risks than a more diversified account. That is, a change in the value of any single investment held by the Advisory Account may affect the overall value of the account more than it would affect an account that holds more investments. In particular, the Advisory Account may be more susceptible to adverse developments affecting any single issuer in the Advisory Account and

may be susceptible to greater losses because of these developments.

- **Conflicts of Interest**—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. Goldman Sachs advises clients in all markets and transactions and purchases, sells, holds and recommends a broad array of investments. 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 a particular Advisory Account in ways that may disadvantage or restrict the Advisory Account and/or benefit Goldman Sachs or other Accounts (including Advisory Accounts). A description of certain of such potential conflicts of interest is set forth under Item 10, Other Financial Industry Activities and Affiliations and Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Similarly, Advisers generally will advise clients in addition to, and will engage in activities other than activities related to the management of, the funds and accounts to which GSAM allocates Advisory Account assets. As a result, Advisers will have other interests and relationships which may create a variety of conflicts similar to or different from the conflicts of interest described herein in relation to the funds and accounts they manage.

- **Conversion of Equity Investments**—After its purchase, a non-equity investment directly or indirectly held by an Advisory Account (such as a convertible debt instrument) may convert to an equity security. In addition, an Advisory Account may directly or indirectly acquire equity securities in connection with a restructuring event related to one or more of its non-

equity investments. The inclusion of equity securities in the portfolios of certain of such Advisory Accounts may not be contemplated or permitted under the governing documentation relating to such Advisory Accounts. However, the holding of equity securities in the circumstances described above will not be deemed to constitute a violation of the governing documentation relating to the Advisory Account. Equity securities acquired as described above may be subject to restrictions on transfer (including contractual lock-ups and affiliate sale restrictions under applicable securities laws) and there may not be a market for such securities. The Advisory Account or an Underlying Fund in which the Advisory Account invests may be unable to liquidate the equity investment at an advantageous time from a pricing standpoint. Furthermore, an Underlying Fund may continue to hold an investment if its manager believes it is in the best interest of the Underlying Fund. Continued holding of such investments may adversely affect the Advisory Account's portfolio.

- **Corporate Event Risks**—Substantial transaction failure risks are involved 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. Thus, there can be no assurance that any expected transaction will take place. Certain transactions are dependent on one or more factors to become effective, such as market conditions which may lead to unexpected positive or negative changes in a company profile, shareholder disapproval, regulatory and various other third party constraints, changes in earnings or business lines or shareholder activism as well as many other factors. Certain investments may need to be held for a considerable period of time before they will show any return. No assurance can be given that the transactions entered into will result in profitable investments for an Advisory Account or that an Advisory Account will not incur substantial losses.
- **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 deals in connection with the investment of its assets, whether engaged in exchange-traded or off-exchange transactions. For example, although certain standardized swap transactions are subject to mandatory central clearing and exchange trading, which is expected to decrease counterparty risk and increase liquidity compared to bilaterally negotiated swaps, central clearing and exchange trading does not eliminate counterparty risk or illiquidity risk entirely. Depending on the size of the Advisory Account and other factors, the margin required under the rules of a clearinghouse and by a clearing member may be in excess of the collateral required to be posted by the Advisory Account to support its obligations under a similar bilateral, uncleared swap. However, certain applicable regulators have adopted rules imposing certain margin requirements, including minimums, on uncleared swaps which may result in an Advisory Account and its counterparties posting higher amounts for uncleared swaps. In addition, many of the protections afforded to cleared transactions, such as the security afforded by transacting through a clearing house, might not be available in connection with OTC transactions. Therefore, in those instances in which an Advisory Account enters into OTC transactions, the Advisory Account will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Advisory Account will sustain losses. However, recent regulatory developments require margin on certain uncleared OTC transactions which may reduce, but not eliminate, this risk.

Furthermore, an Advisory Account may, from time to time, enter into arrangements with certain brokers or other counterparties that require the segregation of collateral. As a result, an Advisory Account could experience losses in a number of situations including relating to (i) possible decline in the value of any collateral during the period in which such Advisory Account seeks to enforce its rights with respect to such collateral; (ii) the need to remargin or repost collateral in respect of transferred, assigned or replaced positions;

(iii) reduced levels of income and lack of access to income during such period; (iv) expenses of enforcing its rights; and (v) legal uncertainty concerning the enforceability of certain rights under swap agreements and possible lack of priority against collateral posted under the swap agreements. For operational, cost or other reasons, when setting up arrangements relating to the execution/clearing of trades, an Advisory Account may choose to select a segregation model which may not be the most protective option available in the case of a default by a broker or counterparty.

- **Currency Risks**—An Advisory Account may hold investments denominated in currencies other than the currency in which the Advisory Account is denominated. Currency exchange rates can be extremely volatile, particularly during times of political or economic unrest or as a result of actions taken by central banks, which may be intended to directly affect prevailing exchange rates, and a variance in the degree of volatility of the market or in the direction of the market from GSAM's expectations may produce significant losses to an Advisory Account. Currency rates in non-U.S. countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates and the imposition of currency controls or other political, economic and tax developments in the U.S. or abroad. To the extent an Advisory Account seeks exposure to non-U.S. currencies through non-U.S. currency contracts and related transactions, the Advisory Account becomes particularly susceptible to foreign currency value fluctuations, which may be sudden and significant, and investment decisions tied to currency markets. In addition, these investments are subject to the risks associated with derivatives and hedging the impact on Advisory Accounts of fluctuations in the value of currencies may be magnified.

GSAM may or may not attempt to hedge all or any portion of the currency exposure of an Advisory Account. However, even if GSAM does attempt to hedge the currency exposure of an Advisory Account, it is not possible to hedge fully or perfectly against

currency fluctuations affecting the value of securities denominated in any particular currency because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations. An increase in the value of the U.S. dollar compared to the other currencies in which Advisory Accounts make their investments will reduce the effect of increases and magnify the effect of decreases in the prices of securities in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on the Advisory Accounts' non-U.S. dollar securities. To the extent unhedged, the value of an Advisory Account's assets will fluctuate with currency exchange rates as well as the price changes of its investments in the various local markets and currencies. Exchange rates can change dramatically over short periods of time, particularly during times of political or economic unrest or as a result of actions taken by central banks, which may be intended directly to affect prevailing exchange rates. Such fluctuations could have an adverse effect on an Advisory Account.

- **Cybersecurity**—The operations of Goldman Sachs, GSAM and the Advisory Accounts each rely on the secure processing, storage and transmission of confidential and other information in Goldman Sachs' computer systems and networks. Goldman Sachs is regularly the target of attempted cyber attacks, including denial-of-service attacks, and must continuously monitor and develop its systems to protect its technology infrastructure and data from misappropriation or corruption. In addition, 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 its computer systems, software and networks as circumstances warrant, they may be vulnerable to theft, unauthorized access or monitoring, misuse, loss, destruction or corruption of financial

assets and confidential and highly restricted data, computer viruses or other malicious code and other events that could have a security impact and render Goldman Sachs or GSAM unable to transact business on behalf of Advisory Accounts. If one or more of such events occur, this potentially could jeopardize the confidential and other information of GSAM and the Advisory Accounts, to the extent such information is processed and stored in, and transmitted through, Goldman Sachs' computer systems and networks. Such events could also cause interruptions or malfunctions in the operations of GSAM and the Advisory Accounts as well as the operations of their portfolio companies, beneficial owners, clients and counterparties and the operations of third parties such as service providers, Unaffiliated Advisers or Third-Party Management Companies, which could impact their ability to transact with GSAM or the Advisory Accounts. Such events could result in significant losses to Advisory Accounts or portfolio companies and reputational harm to GSAM and Advisory Accounts. The increased use of mobile and cloud technologies can heighten these and other operational risks. Goldman Sachs is expected to expend additional resources on an ongoing basis to modify its protective measures and to investigate and remediate vulnerabilities or other exposures. The cost of such ongoing cybersecurity prevention efforts, including maintaining insurance coverage, deploying additional personnel and protection technologies, training employees and engaging third party experts and consultants, may be significant. Nevertheless, GSAM and the Advisory Accounts may be subject to litigation and financial losses that are either not insured against or not fully covered through any insurance. In the event of a cyber attack, the cost of engaging in remediation efforts, addressing reputation harm, and the loss of competitive advantage may be significant.

Goldman Sachs, GSAM and the Advisory Accounts routinely transmit and receive personal, confidential and proprietary information by email and other electronic means. Goldman Sachs has discussed and worked with, and, where applicable, contracted with,

portfolio companies, clients, vendors, service providers, counterparties and other third parties, including Unaffiliated Advisers and Third-Party Management Companies, to develop secure transmission capabilities and protect against cyber attacks, but Goldman Sachs does not have, and may be unable to put in place, secure capabilities with all of its clients, vendors, service providers, counterparties and other third parties and Goldman Sachs may not be able to ensure that these third parties have appropriate controls in place to protect the confidentiality of the information. An interception, misuse or mishandling of personal, confidential or proprietary information being sent to or received from a client, vendor, service provider, counterparty or other third party could result in legal liability (including for violation of privacy and other laws), regulatory action (including regulatory fines or penalties), compliance, legal and remediation costs, and reputational harm to GSAM or the Advisory Accounts. Unaffiliated Advisers and Third-Party Management Companies face similar cybersecurity risks with respect to their business and operations, which could result in losses to GSAM or Advisory Accounts.

- **Data Sources Risks**—GSAM subscribes to external data sources used to enforce investment restrictions, to assist in making investment decisions or for investment research. If information that GSAM receives from a third-party data source is incorrect, an Advisory Account may be negatively impacted, and may not achieve its desired results. Although GSAM believes these third-party data sources to be generally reliable, GSAM typically receives these services on an “as is” basis and cannot guarantee that the data received from these sources will be accurate. GSAM is not responsible for errors by these sources.
- **Dependence on Key Personnel**—Advisory Accounts may rely on certain key personnel of GSAM. Accordingly, the success and failure of Advisory Accounts will depend to a significant extent on the viability and performance of such key personnel. Certain key personnel, including members of GSAM’s investment team, may leave Goldman Sachs or rotate to

another group within Goldman Sachs. Additionally, as a result of regulation or for other reasons, the amount of compensation that may be payable to Goldman Sachs executives or other employees may be reduced, or employees who rely on work visas or other permits may have such visas or permits revoked or not renewed. The departure of any personnel for any reason, including relating to work visas, compensation or other factors, or the inability of such personnel to fulfill certain duties, may adversely affect the ability of GSAM to effectively implement the investment programs of the Advisory Accounts. Similar risks may apply in respect of personnel of the Advisers and Third-Party Management Companies.

- **Dilution from Subsequent Closings**—Where applicable, investors subscribing for interests at subsequent closings of Advisory Accounts that are pooled investment vehicles generally will participate in existing investments, diluting the interest of existing investors therein. Although such investors generally will contribute their pro rata share of previously made capital calls (plus potentially an additional amount thereon), there can be no assurance that this payment will reflect the fair value of the Advisory Account’s existing investments at the time such additional investors subscribe for interests. In addition, investors subscribing for interests at subsequent closings may pay different fees than investors admitted at the initial closing of an Advisory Account.
- **Electronic Trading**—GSAM may trade on electronic trading and order routing systems, which differ from traditional open outcry trading and manual order routing methods. Transactions using an electronic system are subject to the rules and regulations of the exchanges offering the system or listing the instrument. Characteristics of electronic trading and order routing systems vary widely among the different electronic systems with respect to order matching procedures, opening and closing procedures and prices, trade error policies and trading limitations or requirements. There are also differences regarding qualifications for access and grounds for termination and limitations on the types

of orders that may be entered into the system. Each of these matters may present different risk factors with respect to trading on or using a particular system. Each system may also present risks related to system access, varying response times and security. In the case of internet-based systems, there may be additional risks related to service providers and the receipt and monitoring of electronic mail. Trading through an electronic trading or order routing system is also subject to risks associated with system or component failure. In the event of system or component failure, it is possible that for a certain time period, it might not be possible to enter new orders, execute existing orders or modify or cancel orders that were previously entered. System or component failure may also result in loss of orders or order priority. Some investments offered on an electronic trading system may be traded electronically and through open outcry during the same trading hours. Exchanges offering an electronic trading or order routing system and listing the instrument may have adopted rules to limit their liability, the liability of brokers and software and communication system vendors and the amount that may be collected for system failures and delays. The limitation of liability provisions vary among the exchanges.

- **Emerging Markets and Growth Markets Risks**—In addition to the risks described in “Non-U.S. Securities Risks” below (which risks may be heightened in emerging markets), investing in the securities of certain emerging markets involves certain considerations not usually associated with investing in developed markets, including, without limitation, political and economic considerations, the potential difficulty of repatriating funds or enforcing contractual or other legal rights, general social, political and economic instability, adverse diplomatic developments, the lack of robust regulation in such markets, the uncertainty around the efficacy and enforcement of such regulation, inflation, and the small size of such securities markets and the low volume of trading (which may result in potential lack of liquidity and in price volatility). In particular, emerging markets are often marked by high

concentration of market capitalization and trading volume in a small number of issuers representing a limited number of industries, as well as a high concentration of ownership of such securities by a limited number of investors. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other. In addition, financial intermediaries in countries with emerging markets may be inexperienced, and counterparties may be subject to weaker safekeeping frameworks.

Other applicable risks include a lack of modern technology, a lack of a sufficient capital base to expand business operations, the possibility of temporary or permanent termination of trading, the rapid development of political and economic structures, significant custody and settlement risk and problems with share registration. Trading platforms in these markets may be new, and the relevant regulations may be untested and subject to change. There is no assurance that the systems and controls of such trading platforms will be adequate or that such platforms would continue in existence. Further, the economies, industries, securities and currency markets in emerging markets or growth markets may be adversely affected by protectionist trade policies, a slow U.S. economy, regional and global conflicts and terrorism and war, including actions that are contrary to the interests of the U.S. An Advisory Account’s purchase and sale of securities in certain emerging countries may be constrained by limitations relating to daily changes in the prices of listed securities, periodic trading or settlement volume, and/or limitations on aggregate holdings of non-U.S. investors. An Advisory Account may not be able to sell securities in circumstances where price, trading, or settlement volume limitations have been reached.

Moreover, certain countries with emerging markets have in the past failed to recognize private property rights and have at times nationalized or expropriated the assets of, or ignored internationally accepted standards

of due process against, private companies, and such countries may take these and other retaliatory actions against a specific private company, including an Advisory Account or GSAM. There may not be legal recourse against these actions, which could arise in connection with the commercial activities of Goldman Sachs or its affiliates or otherwise, and an Advisory Account could be subject to substantial losses. As a result, the risks described above, including the risks of nationalization or expropriation of assets, may be heightened. GSAM may or may not take action as a result of, or seek to avoid, such retaliatory actions and resulting losses.

- **Environmental and Social Impact Considerations—**When making investment decisions or recommendations regarding the selection, management and disposition of investments on behalf of Advisory Accounts, except to the extent otherwise set forth in the applicable Advisory Account documentation, GSAM may in its discretion take into account ESG considerations and political, media, and reputational considerations relating thereto. Taking such considerations into account may result in GSAM not making or not recommending the making of investments when it would otherwise have done so, or disposing or recommending the disposition of investments, when it would otherwise not have done so, in each case which could adversely affect the performance of Advisory Accounts. On the other hand, GSAM may determine not to take such considerations into account, or to take such considerations into account but make the same decision or recommendation that it would have made regardless of such considerations, and such considerations may prove to have an adverse effect on the performance of the applicable investments. GSAM may take ESG and related considerations into account for some Advisory Accounts and not others, and, to the extent taking such considerations into account, may make different investment decisions or recommendations for different Advisory Accounts.
- **Environmental Risks and Natural Disasters—**Investments in or relating to real estate assets may be

subject to numerous statutes, rules and regulations relating to environmental protection. Certain statutes, rules and regulations might require that investments address prior environmental contamination, including soil and groundwater contamination, which results from the spillage of fuel, hazardous materials or other pollutants. Under various environmental statutes, rules and regulations, a current or previous owner or operator of real property may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability, whether or not the owner or operator knew of or was responsible for the presence of hazardous materials. An Advisory Account may be exposed to substantial risk of loss from environmental claims arising in respect of real estate acquired with environmental problems, and the loss may exceed the value of such investment. In addition, certain investments may be located in earthquake zones or be subject to risks associated with other natural disasters, such as fire, hurricanes, tornadoes, windstorms, volcanic eruptions, tsunamis or floods. Insurance coverage of such risks may be limited, may be subject to large deductibles or may be, or in the future become, completely unavailable, and GSAM will determine in its discretion whether to seek insurance coverage of (or to seek alternative ways to manage or mitigate) such risks.

- **Expedited Transactions—**GSAM may be required to undertake investment analyses and decisions on an expedited basis to take advantage of investment opportunities. In such cases, the information that GSAM is able to obtain at the time of making an investment decision may be limited and GSAM may not have access to detailed information regarding the investment opportunity to an extent that may not otherwise be the case had GSAM been afforded more time to evaluate the investment opportunity. Therefore, no assurance can be given that GSAM will have knowledge of all circumstances that may adversely affect an investment.

- **Failure to Make Capital Contributions**—If an investor in an Advisory Account that is a pooled investment vehicle fails to contribute funds to such Advisory Account as required under the terms of the applicable offering materials or is excused from participating in an investment made by such Advisory Account, then the other investors in such Advisory Account may be required to contribute additional capital to make up for such shortfall, and their exposure to such investment may be non-pro rata to their capital commitment to the Advisory Account and more concentrated. As a result, the Advisory Account may make fewer investments and be less diversified than if all investors had contributed capital. Additionally, under the Dodd-Frank Act, GSAM is generally not permitted to provide liquidity to certain Advisory Accounts to make up for such shortfall, and if such Advisory Account is not able to obtain alternative sources of liquidity, the Advisory Account may default on its funding obligations and may be obligated to pay associated termination or other fees. Moreover, such alternative sources of liquidity, if obtained, may not be on terms advantageous to such Advisory Account. In addition, upon default by an investor in an Advisory Account, GSAM may undertake various actions in its sole discretion that may be materially adverse to the investor.
- **Frequent Trading and Portfolio Turnover Rate Risks**—The turnover rate within the Advisory Account may be significant. Frequent trades typically result in higher transactions costs, including potentially substantial brokerage commissions, fees and other transaction costs. In addition, frequent trading is likely to result in a greater amount of gains being treated as short-term capital gains which, for individuals, are subject to tax at ordinary income tax rates rather than the preferential rates applicable to long-term capital gains. As a result, high turnover and frequent trading in an Advisory Account could have an adverse effect on the performance of the Advisory Account.
- **Government Investment Restrictions**—Government regulations and restrictions in some countries, such as the CFIUS (as defined below) approval process in the

United States, may limit the amount and type of securities that may be purchased by GSAM on behalf of Advisory Accounts, or the sale of such securities once purchased. Such restrictions may also affect the market price, liquidity and rights of securities that may be purchased by GSAM on behalf of Advisory Accounts, and may increase such Advisory Accounts' expenses. In addition, the repatriation of investment income, capital or the proceeds of securities sales is often subject to restrictions such as the need for certain governmental consents. Such restrictions may make it difficult for Advisory Accounts to invest in such countries, and Advisory Accounts could be adversely affected by delays in, or a refusal to grant, any required governmental approval for such repatriation. Even where there is no outright restriction on repatriation, the mechanics of repatriation or, in certain countries, the inadequacy of the U.S. dollar currency available to non-governmental entities, may affect certain aspects of the operations of Advisory Accounts, including requiring Advisory Accounts to establish special custodial or other arrangements before investing in certain emerging countries. In countries that have an inadequate supply of U.S. dollar currency, issuers that have an obligation to pay an Advisory Account in U.S. dollars may experience difficulty and delay in exchanging local currency to U.S. dollar currency and thus hinder such Advisory Account's repatriation of investment income and capital. Moreover, such difficulty may be exacerbated in instances where governmental entities in such countries are given priority in obtaining such scarce currency. Furthermore, an Advisory Account's ability to invest in the securities markets of several countries is restricted or controlled to varying degrees by laws restricting non-U.S. investments, and these restrictions may, in certain circumstances, prohibit such Advisory Account from making direct investments, and may also affect the market price, liquidity and rights of securities that may be purchased by GSAM on behalf of Advisory Accounts, and may increase such Advisory Accounts' expenses.

In addition, the SEC, the CFTC, other regulators, self-regulatory organizations and exchanges are authorized to regulate trading or other activity with respect to, and to intervene (directly and by regulation) in certain markets, and may restrict or prohibit market practices. For example, certain jurisdictions have imposed restrictions and reporting requirements on short selling. The duration of such restrictions and type of securities affected may vary from country to country and may significantly affect the value of Advisory Accounts' holdings and GSAM's ability to pursue its investment strategies. The effect of any regulatory change on GSAM and the Advisory Accounts could be substantial and adverse.

Furthermore, economic sanction laws in the United States and other jurisdictions may significantly restrict or completely prohibit GSAM and Advisory Accounts from investing or continuing to hold an investment in, or transacting with or in, certain countries, individuals, and companies including, among other things, transactions with, and the provision of services to certain foreign countries, territories, entities and individuals. GSAM may be adversely affected because of its unwillingness to participate in transactions that may violate such laws or regulations. See —Legal, Tax and Regulatory Risks below.

- **Index/Tracking Error Risks**—To the extent it is intended that an Advisory Account track an index, the Advisory Account may not match, and may vary substantially from, the index for any period of time, including as a result of an Advisory Account's inability to invest in certain securities as a result of legal and compliance restrictions, regulatory limits or other restrictions applicable to the Advisory Account and/or GSAM, reputational considerations or other reasons. As an index may consist of relatively few securities or issuers, tracking error may be heightened at times when an Advisory Account is limited by restrictions on investments that the Advisory Account may make. An Advisory Account that tracks an index may purchase, hold and sell securities at times when a non-index fund would not do so. GSAM does not guarantee that any

tracking error targets will be achieved. Advisory Accounts tracking an index may be negatively impacted by any errors in the index, either as a result of calculation errors, inaccurate data sources or otherwise. GSAM does not guarantee the timeliness, accuracy and/or completeness of an index and GSAM is not responsible for errors, omissions or interruptions in the index (including when GSAM or an affiliate acts as the index provider) or the calculation thereof (including when GSAM or an affiliate acts as the calculation agent).

- **Indirect Investment in Non-U.S. Securities**—Some countries, especially emerging markets countries, do not permit non-U.S. persons to participate directly in their securities markets or otherwise present difficulties for efficient non-U.S. investment. An Advisory Account may use participation notes to establish a position in such markets as a substitute for direct investment. Participation notes are issued by banks or broker-dealers and are designed to track the return of a particular underlying equity or debt security, currency or market. When the participation note matures, the issuer of the participation note will pay to, or receive from, an Advisory Account the difference between the nominal value of the underlying instrument at the time of purchase and that instrument's value at maturity. Investments in participation notes involve the same risks as are associated with a direct investment in the underlying security, currency or market that they seek to replicate as well as counterparty risk when traded over-the-counter. Non-U.S. securities may also trade in the form of depositary receipts. Depositary receipts may not reflect the return an Advisory Account would realize if the Advisory Account actually owned the relevant securities underlying the depositary receipts. To the extent an Advisory Account acquires depositary receipts through banks which do not have a contractual relationship with the non-U.S. issuer of the security underlying the depositary receipts to issue and service such unsponsored depositary receipts, there may be an increased possibility that the Advisory Account would not become aware of and be able to respond to

corporate actions such as stock splits or rights offerings involving the non-U.S. issuer in a timely manner. In addition, certain fees and other expenses may apply to transactions in depository receipts, including fees associated with foreign ordinary conversion, creation fees charged by third parties and foreign tax charges.

- **Interest Rate Risks**—Interest rates may fluctuate significantly at any time and from time to time. As a result of such fluctuations, the value of securities or instruments held by an Advisory Account (which may include inflation protected securities (“IPS”)) may increase or decrease in value. For example, when interest rates increase, fixed-income securities or instruments held by an Advisory Account will generally decline in value. Long-term fixed-income securities or instruments will normally have more price volatility because of this risk than short-term fixed-income securities or instruments. A wide variety of market factors can cause interest rates to rise, including central bank monetary policy, rising inflation and changes in general economic conditions. The risks associated with changing interest rates may have unpredictable effects on the markets and Advisory Accounts’ investments. Fluctuations in interest rates may also affect the liquidity of any fixed-income securities and instruments held by an Advisory Account.
- **Investment Style Risks**—Different investment styles (e.g., “growth,” “value” or “quantitative”) tend to shift in and out of favor depending upon market and economic conditions as well as investor sentiment. Advisory Accounts may outperform or underperform other accounts that invest in similar asset classes but employ different investment styles. GSAM may modify or adjust its investment strategies from time to time.
- **Investments in Undervalued Assets**—Advisory Accounts may invest in assets that GSAM believes to be undervalued (“undervalued assets”). The identification of investment opportunities in undervalued assets is a difficult task, and there is no assurance that GSAM will successfully recognize or

acquire such opportunities. While investments in undervalued assets offer the opportunity for above-average capital appreciation, they also involve a high degree of financial risk and can result in substantial losses.

Advisory Accounts may be required to hold undervalued assets for a substantial period of time with the expectation that the assets will appreciate in value, although there can be no assurance that such value appreciation will occur. During the period pending any such sale, funds committed to such assets will not be available for investment in other opportunities. An Advisory Account may be forced to sell undervalued assets earlier than it would otherwise do so due to, among other things, requested withdrawals or redemptions from the Advisory Account and the need to liquidate positions in order to satisfy the Advisory Account’s financial obligations. Accordingly, Advisory Accounts may sell undervalued assets before any anticipated appreciation has occurred and may sell such assets at a substantial loss.

- **Legal, Tax and Regulatory Risks**—GSAM and certain of its Advisory Accounts are subject to legal, tax and regulatory oversight, including by the SEC, CFTC, FCA, IRS, Federal Reserve, and similar regulators world-wide. Legislative, tax and regulatory changes and proposed changes, including MiFID II, the Dodd-Frank Act (including the “Volcker Rule”), the amendment of the Advisers Act and changes to the way derivatives and commodities are regulated continue to impact GSAM and Advisory Accounts. Additional legal, tax and regulatory changes and proposed changes could occur during the term of an Advisory Account that may require material adjustments to the business and operations of, or otherwise adversely affect the Advisory Account and its investment results, or some or all of the investors in an Advisory Account.

Goldman Sachs is regulated as a bank holding company under the BHCA and related regulations, which together generally restrict bank holding companies from engaging in business activities other than the business

of banking and certain closely related activities, unless an exemption applies. Goldman Sachs has elected to become a financial holding company under the BHCA and, as such, may engage in a broader range of financial and related activities than it would otherwise be able to, as long as Goldman Sachs continues to meet certain eligibility requirements. However, the activities of Goldman Sachs and its affiliates remain subject to certain restrictions imposed by the BHCA and other applicable banking laws, rules, regulations and guidelines and their interpretation and administration by the appropriate regulatory agencies, as further described below. For example, because Goldman Sachs is deemed to “control” GSAM-managed pooled investment vehicles, under the BHCA, there may be restrictions on transactions and relationships between GSAM-managed pooled investment vehicles and Goldman Sachs, as well as restrictions on the investments and transactions by, and the operations of, GSAM-managed pooled investment vehicles. In addition, GSAM and Advisory Accounts generally are not permitted under applicable law to have active roles in the day-to-day management of portfolio companies.

GSAM expects that each Advisory Account will conduct its activities in a manner that is consistent with the BHCA, including any applicable exemptions. However, the bank regulatory requirements applicable to Goldman Sachs (including GSAM) and Advisory Accounts may have an adverse effect on an Advisory Account or its investments. For example, as referenced above, an Advisory Account may be subject to certain BHCA regulations that restrict its ability to invest in certain investments, restrict its ability to be involved in the management of certain investments or limit the length of time an Advisory Account may hold an investment, without prior regulatory approval or qualification for certain exemptions under the BHCA. The Advisory Accounts may be subject to certain restrictions when considering investments in regulated industries, such as banking, insurance, energy or communications, because of the impact of these investments on Goldman Sachs. For example, there

may be limits on the aggregate amount of investment by affiliated investors that may not be exceeded in certain regulated industries without the grant of a license or other regulatory or corporate consent or, if exceeded, may cause the Advisory Account, GSAM, and/or its clients to suffer disadvantages or business restrictions. As a result, the terms of the Advisory Account or investment may restrict or limit transactions or exercise of rights for the Advisory Account, or limit the amount of voting securities purchased, or restrict the type of governance rights it or GSAM acquires or exercises in connection with its investments in regulated industries. In addition, these restrictions and limitations may require that an Advisory Account be dissolved or dispose of investments (or that Goldman Sachs’ investment in or alongside an Advisory Account be disposed of) earlier than previously contemplated. Furthermore, GSAM may restructure an Advisory Account in order to comply with the BHCA or other legal requirements applicable to, or reduce or eliminate the impact or applicability of any bank regulatory or other restrictions on, GSAM, any of its affiliates, an Advisory Account, or other Accounts. Additionally, if Goldman Sachs no longer meets the eligibility requirements to be a financial holding company, an Advisory Account may be limited in its ability to make certain investments and could be required to terminate certain activities and/or sell certain investments if Goldman Sachs remained ineligible for a prolonged period.

In addition, in September 2016, the Federal Reserve and other Federal banking agencies issued a report and recommendations for legislative and regulatory changes regarding the investment activities of bank holding companies and their affiliates, as mandated by Section 620 of the Dodd-Frank Act. In the report, the Federal Reserve recommended that the U.S. Congress repeal the authority for financial holding companies, like Goldman Sachs, and their affiliates to engage in merchant banking activities. At this stage, Goldman Sachs believes that the likelihood of Congress passing legislation to repeal merchant banking authority is low.

If, however, Congress were to take action to repeal merchant banking authority in the future, the Advisory Accounts could be required to reduce their commitments to investments, restructure or take other actions to conform their activities and investments to any such new laws or regulatory requirements. There can be no assurance that the bank regulatory requirements applicable to Goldman Sachs (including GSAM) will not have an adverse effect on the Advisory Accounts and such requirements may cause GSAM to modify, terminate or dissolve any Advisory Account earlier than previously contemplated.

Furthermore, Section 619 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) and its implementing regulations, known as the “Volcker Rule,” restrict banking entities, such as Goldman Sachs, absent an applicable exclusion or exemption, from acquiring or retaining as principal any equity, partnership or other ownership interests in, or sponsoring, a private equity or credit fund, hedge fund or other fund that relies solely on Section 3(c)(1) or 3(c)(7) of the Investment Company Act (a “Covered Fund”).

Under the asset management exemption to the Volcker Rule, Goldman Sachs (including GSAM) may sponsor and advise a Covered Fund but is prohibited from owning more than 3% of the outstanding ownership interests of Advisory Accounts that are Covered Funds (subject to certain exceptions). In addition, among other things, the Volcker Rule generally prohibits banking entities, including Goldman Sachs, from (i) engaging in certain transactions or activities that would (a) subject to certain mitigants, involve or result in a material conflict of interest between the banking entity and its clients, customers or counterparties, (b) result, directly or indirectly, in a material exposure by the banking entity to high-risk assets or high-risk trading strategies, or (c) pose a threat to the safety and soundness of Goldman Sachs or the financial stability of the United States; (ii) guaranteeing, assuming or insuring the obligations or performance of any Advisory Account that is a Covered Fund; (iii) making

a loan or extension of credit to, or purchasing assets from, a Covered Fund that Goldman Sachs (or GSAM, as applicable) sponsors or advises; or (iv) entering into certain other transactions that cause Goldman Sachs to have credit exposure to such a Covered Fund. Certain other transactions between Goldman Sachs and an Advisory Account that is a Covered Fund must be on terms and under circumstances, including credit standards, that are substantially the same, or at least as favorable to the Advisory Account, as those prevailing at the time for comparable transactions with or involving other nonaffiliated companies, which, among other things, may limit the ability of Goldman Sachs, including GSAM, to furnish services to an Advisory Account that is a Covered Fund.

In July 2018, the Federal Reserve, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the CFTC and the SEC issued a notice of proposed rulemaking intended to amend the application of the Volcker Rule based on the size and scope of a banking entity’s trading activities and to clarify and amend certain definitions, requirements and exemptions. The ultimate impact of any amendments to the Volcker Rule will depend on, among other things, further rulemaking and implementation guidance from the relevant U.S. federal regulatory agencies and the development of market practices and standards.

Goldman Sachs’ policies and procedures are designed to identify and limit exposure to material conflicts of interest and high-risk assets and trading strategies in Goldman Sachs’ trading and investment activities in its capacity as principal and with respect to Goldman Sachs’ proprietary Accounts. If the regulatory agencies implementing the Volcker Rule develop guidance regarding best practices for addressing these matters, as they indicated that they intend to do, Goldman Sachs’ policies and procedures may be modified or adapted to take any such guidance into account. Any requirements or restrictions imposed by Goldman Sachs’ policies and procedures or by the Volcker Rule agencies could adversely affect Advisory Accounts, including because the requirements or restrictions could result in, among

other things, Advisory Accounts foregoing certain investments or investment strategies or taking or refraining from other actions, any of which could disadvantage Advisory Accounts. These requirements or restrictions could adversely affect Advisory Accounts that are, or are invested in, pooled investment vehicles, including because the requirements or restrictions could prevent a pooled investment vehicle from obtaining seed capital, loans or other commercial benefits from Goldman Sachs.

Additionally, economic sanction laws in the United States and other jurisdictions may significantly restrict or completely prohibit GSAM and Advisory Accounts from investing or continuing to hold an investment in, or transacting with or in certain countries, individuals, and companies, including, among other things, transactions with, and the provision of services to certain foreign countries, territories, entities and individuals. The U.S. Foreign Corrupt Practices Act (the “FCPA”) and other anti-corruption laws and regulations, as well as anti-boycott regulations, may also apply to, and restrict the activities of GSAM and Advisory Accounts (and their respective portfolio companies). GSAM seeks to comply with economic and trade sanctions laws and regulations, the FCPA, and other anti-corruption, anti-bribery and anti-boycott laws and regulations to which it is subject and has implemented policies and procedures designed to ensure compliance with such laws and regulations. As a result, GSAM may be adversely affected because of its unwillingness to participate in transactions that may violate such laws or regulations. In the event that GSAM determines that an investor is subject to any trade, economic or other sanctions imposed by the United Nations or any other applicable governmental or regulatory authority, GSAM may take such actions as it determines appropriate to comply with applicable law, including, without limitation, (i) blocking or freezing Advisory Accounts or interests therein, (ii) where permitted by the applicable sanctions law, requiring an investor in a pooled investment vehicle to redeem or withdraw from the vehicle, and delaying the payment of

any redemption or withdrawal proceeds, without interest, until such time as such payment is permitted under applicable law, (iii) excluding an investor in a pooled investment vehicle from allocations of net capital appreciation and net capital depreciation and distributions made to other investors, (iv) ceasing any further dealings with such investor’s interest in the Advisory Account, until such sanctions are lifted or a license is obtained under applicable law to continue dealings, and (v) excluding an investor in a pooled investment vehicle from voting on any matter upon which investors are entitled to vote, and excluding the net asset value of such investor’s interest in the pooled investment vehicle for purposes of determining the investors entitled to vote on or required to take any action in respect of the pooled investment vehicle.

U.S. and international regulators devote substantial resources to their enforcement of laws relating to anti-bribery, economic sanctions, tax evasion, and other financial crimes and have sought to increase the reach of such laws, and policies and procedures relating to such laws may not be effective in all circumstances to prevent violations. Any determination that Goldman Sachs (including GSAM) or Advisory Accounts or any of their respective portfolio companies have violated any such laws or regulations could subject Goldman Sachs (including GSAM) to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and general loss of investor confidence, any one of which could adversely impact the business prospects or financial position of Goldman Sachs (including GSAM), in addition to the Advisory Accounts’ ability to achieve their investment objectives or conduct their operations.

Certain investments made by Advisory Accounts could be subject to heightened regulatory scrutiny as they could be considered foreign direct investment. Foreign direct investment that implicates U.S. national security may be subject to review by the Committee on Foreign Investment in the United States (“CFIUS”) under The Exon-Florio Amendment to the U.S. Defense

Production Act of 1950 (“Exon-Florio Amendment”). The Exon-Florio Amendment, as amended by the Foreign Investment and National Security Act of 2007 and the Foreign Investment Risk Review Modernization Act of 2018, authorizes the CFIUS and the President of the United States to determine whether a particular transaction resulting in foreign control of a U.S. business poses a risk to national security. In the CFIUS context, “foreign control” can occur through minority investments where a foreign person acquires a board seat or any other ability to influence a U.S. business. In addition, CFIUS may have jurisdiction over certain non-control foreign investment transactions in certain U.S. businesses if a foreign investor obtains access to material nonpublic technical information of the U.S. business, a board seat or observer right, or other substantive decision-making rights. CFIUS also implemented a pilot program effective November 2018, under which a CFIUS filing is mandatory for all foreign direct investments (both control transactions and the non-control transactions described above) in a U.S. business that designs, fabricates, develops, tests, produces, or manufactures specified critical technologies that are used in or designed specifically for one of 27 pilot program industries. The pilot program will remain in effect until March 2020 or until CFIUS promulgates final regulations implementing FIRRMA. Both FIRRMA and the pilot program contain exemptions for indirect investments by foreign limited partners through a U.S. investment fund if certain criteria are met ensuring that the foreign person does not obtain decision-making rights or access to material nonpublic technical information with respect to the U.S. business. CFIUS has broad authority to demand mitigation to address any perceived national security concern or, in relatively rare circumstances, the President of the United States may block a deal in its entirety or if a transaction is reviewed after a deal is complete, the President has the power to demand divestment of a U.S. business. In particular, if any transaction may raise risks with regard to CFIUS, GSAM may take, or abstain from taking, certain actions as it deems required or advisable with respect to the

transaction, including submitting certain filings to CFIUS for its approval and agreeing to certain mitigation measures. Such actions may make it difficult for the Advisory Accounts to act expeditiously or successfully on investment opportunities. Such actions also may impact an Advisory Account’s ability to make certain investments, may cause an Advisory Account to be excluded from certain investments, may adversely impact the governance rights of an Advisory Account and/or may require an investment to be restructured or otherwise modified.

Each client is encouraged to be aware that (i) tax laws and regulations are changing on an ongoing basis and (ii) that these laws and regulations may be changed with retroactive effect. In this regard, clients should consider that, while the TCJA is expected to have a significant impact on the tax consequences to investors, the Advisory Accounts and/or an Advisory Account’s investments, the manner in which the rules set forth in the TCJA will be implemented has not yet been fully determined. It should also be noted that there are numerous interpretive issues and ambiguities that will require further guidance and that are not yet clearly addressed. Technical corrections legislation may be needed to clarify certain of these provisions and to give proper effect to U.S. Congressional intent. It is unclear if and when applicable technical corrections or other legislative changes that may be needed to avoid unintended or unforeseen tax consequences will be enacted, and future regulatory guidance and legislation may significantly affect the impact of the TCJA. In addition, subsequent developments in the tax laws of the United States and any other jurisdictions may be applied retroactively, and could, directly or indirectly, have a material effect on the tax consequences to the investors, the Advisory Accounts and/or the Advisory Account’s investments.

Uncertainty in the tax law may require an Advisory Account to accrue potential tax liabilities even in situations where an Advisory Account and/or its investors do not expect to be ultimately subject to those tax liabilities. Further, accounting standards and/or

related tax reporting obligations may change, giving rise to additional accrual and/or other reporting obligations. Moreover, the interpretation and application of tax laws and regulations by certain tax authorities may not be clear, consistent or transparent. In addition, although the TCJA did not include material changes with respect to the tax treatment of private equity funds and hedge funds, the U.S. Congress has scrutinized the tax treatment of private equity funds and hedge funds. Any changes in law could result in material tax or other costs for certain Advisory Accounts and/or their investors, or require a significant restructuring of the manner in which certain Advisory Accounts are organized or operated. Each prospective investor is also encouraged to be aware that other developments in the tax laws of the United States and other jurisdictions could have a material effect on the tax consequences to investors, the Advisory Accounts and/or an Advisory Account's investments and that investors may be required to provide certain additional information to Goldman Sachs (which may be provided to the Internal Revenue Service or other taxing authorities) or may be subject to other adverse consequences as a result of that change in tax laws.

Each prospective investor is advised that it will or may be required to take into account its distributive share of all items of income, gain, loss, deduction and credit, whether or not distributed. Because of the nature of an Advisory Account's investment activities, an Advisory Account may generate taxable income in excess of cash distributions to investors.

In any given year, a prospective investor may incur taxable income in excess of cash received from an Advisory Account. The specific U.S. federal income tax consequences to an Advisory Account and its investors will depend upon the types of investments made and the manner in which those investments are structured, among other considerations. An Advisory Account may generate losses, deductions, and other tax attributes that may be subject to special limitations and other complex rules.

There may also be unanticipated and/or adverse legal, tax and regulatory changes, including changes in the interpretation or enforcement of existing laws and rules, from time to time, including requirements to provide additional information pertaining to an Advisory Account to the Internal Revenue Service or other taxing authorities. Regulatory changes and restrictions imposed by regulators, self-regulatory organizations and exchanges may vary from country to country and may affect the value of Advisory Accounts' investments and their ability to pursue their investment strategies. Compliance with the TCJA and any additional new or revised laws or regulations (including compliance with reporting requirements of the Bureau of Economic Affairs) could be difficult and expensive, and any uncertainty in respect of their implementation may result in increased taxes or other costs, reduced profit margins and reduced investment and trading opportunities, and may require a significant restructuring of the manner in which an Advisory Account is organized, all of which may negatively impact the performance of Advisory Accounts.

Certain governmental authorities are particularly focused on commodities and the regulation thereof. New regulations affecting commodities may limit Advisory Accounts' ability to make certain investments, particularly energy-related investments. As a result, the nature and extent of government regulations can be a key driver of investment opportunities, value and returns in respect of commodity-related investments.

On June 23, 2016, the United Kingdom voted, via referendum, to exit from the European Union, triggering political, economic and legal uncertainty. The terms of exit from the European Union by the United Kingdom are currently unclear. The formal notification to the European Council under Article 50 of the Treaty on European Union was made on March 29, 2017, triggering a two year period during which the terms of an exit were to be negotiated. On March 21, 2019, the E.U. granted a conditional extension, which provides that the earliest the United Kingdom will leave

the E.U. will now be April 12, 2019. However, the exit date and the terms on which the United Kingdom will leave the E.U. remain uncertain.

Further, the vote by the United Kingdom to exit the European Union may, depending on the outcome of the negotiations, increase the likelihood of similar referenda in other member countries of the European Union, which could result in additional departures from the European Union. The uncertainty resulting from any further exits from the European Union, or the possibility of such exits, would also be likely to cause market disruption in the European Union, the United Kingdom and more broadly across the global economy, as well as introduce further legal, tax and regulatory uncertainty in the European Union and the United Kingdom.

The UK referendum has also caused reduced liquidity in financial markets, and a destabilization of the pound and, depending on the outcome of the negotiations and the nature of any transitional arrangement and/or settlement arrangement, these effects may be exacerbated and new outcomes may arise, such as increased counterparty risk and reduced deal flow in the European Union and United Kingdom markets. An exit by the United Kingdom from the European Union will impact GSAM, Goldman Sachs and Advisory Accounts in a variety of ways, not all of which are currently readily apparent.

Advisory Accounts may invest in issuers or portfolio companies with significant operations and/or assets in the United Kingdom, any of which could be adversely impacted by any new legal, tax and regulatory environment, whether by increased costs or impediments to the implementation of their business plan. In addition, the United Kingdom's decision to leave the European Union could have a material impact on the ability of Advisory Accounts' Alternative Investment Fund Managers that are incorporated and regulated in the United Kingdom to carry out their designated functions.

In addition, it is expected that the UK referendum could impact the ability of GSAM and other investment firms with operations in the United Kingdom to continue to provide investment advisory and related services in the United Kingdom and Europe. Depending on whether any transitional, mutual recognition or other similar arrangements are agreed, and the terms of any such arrangements, it is possible that GSAM and other such firms may need to take additional steps to provide certain services to clients in Europe from establishments in the United Kingdom. This could lead to investment firms (including GSAM) moving some or all of their operations or restructuring the operations and the services they currently provide. However, the ultimate impact of the UK referendum on GSAM's operations in the United Kingdom and Europe, including whether the relocation and/or restructuring of GSAM's operations will be necessary, remains unclear given the uncertainties regarding the process with respect to the United Kingdom's exit from the European Union generally and the agreements and arrangements that will be entered into in connection with such exit.

On January 3, 2018, MiFID II came into force across the European Economic Area (comprising the European Union as well as Iceland, Liechtenstein and Norway, together the "EEA"). MiFID II updates the regulation of a broad range of financial services activities carried out within and for clients within the EEA, which may have significant impact on GSAM's European activities. GSAM has established internal policies and procedures in order to ensure compliance with MiFID II requirements, but given the scope of regulatory reform under MiFID II it is possible that there will be unforeseen consequences and implications for GSAM's European activities that have not yet been determined. This could adversely impact Advisory Accounts, whether by increased costs or impediments to the implementation of their investment objectives, or more generally through changes to existing market practices.

Effective May 25, 2018, the European Union Data Protection Directive has been replaced by a more

extensive General Data Protection Regulation (the “GDPR”). GDPR increases the compliance obligations of Goldman Sachs (including GSAM), has a significant impact on the collection, processing and retention of personal data and reporting of data breaches by Goldman Sachs (including GSAM), and provides for significantly increased penalties for non-compliance. GDPR also may impose additional compliance obligations and liabilities on the portfolio companies of Advisory Accounts that may impact the performance of such investments. In addition, the California Consumer Privacy Act (the “CCPA”) was enacted in June 2018 and is scheduled to take effect on January 1, 2020. The CCPA will impose privacy compliance obligations with regard to the personal information of California residents. Other states may, in the future, impose similar privacy compliance obligations.

In the ordinary course, GSAM and its management persons, as well as Goldman Sachs, Advisory Accounts and/or other Goldman Sachs personnel, have been in the past, and may be in the future, subject to certain actions or proceedings by regulatory or other authorities. Please see Item 9, Disciplinary Information. Increased regulatory oversight may also impose additional compliance and administrative obligations on GSAM and Goldman Sachs, including, without limitation, responding to investigations and implementing new policies and procedures. Additional information regarding such matters may also be available in the current public SEC filings made by Goldman Sachs.

- **Lending of Portfolio Securities**—Advisory Accounts (or direct or indirect subsidiaries thereof, or underlying vehicles established or otherwise participated in by Advisory Accounts) may engage in securities lending. Securities lending involves the lending of securities owned by an Advisory Account to financial institutions such as certain broker-dealers including, as permitted by the SEC, Goldman Sachs. The borrowers are required to secure their loans continuously with cash, cash equivalents, U.S. government securities or letters of credit in an amount at least equal to the market value

of the securities loaned. Cash collateral may be invested by an Advisory Account in short term investments, including registered and unregistered investment pools managed by GSAM, its affiliates or the Advisory Account’s custodian and from which GSAM or its affiliates may receive fees. To the extent that cash collateral is so invested, such collateral will be subject to market depreciation or appreciation, and the Advisory Account will be responsible for any loss that might result from its investment of the borrowers’ collateral. If GSAM determines to make securities loans, the value of the securities loaned may not exceed 33 1/3% of the value of the total assets of an Advisory Account (including the loan collateral).

Advisory Accounts may lend their securities to increase their income. An Advisory Account may, however, experience delay in the recovery of its securities or incur a loss if the institution with which it has engaged in a portfolio loan transaction breaches its agreement with the Advisory Account or becomes insolvent.

- **Leverage Risks**—There may be few, if any, limitations or restrictions on the ability of an Advisory Account to utilize leverage. Certain Advisory Accounts are generally expected to utilize significant leverage in their investment programs, increasing the volatility of their performance and the risk of investment loss. Leverage creates exposure to potential gains and losses in excess of the initial amount invested. Borrowing and the use of derivatives may result in leverage and may make an Advisory Account more volatile. When an Advisory Account uses leverage the sum of the Advisory Account’s investment exposures may significantly exceed the amount of assets invested in the Advisory Account, although these exposures may vary over time. Relatively small market movements may result in large changes in the value of a leveraged investment. An Advisory Account will identify liquid assets on its books or otherwise cover transactions that may give rise to such risk, to the extent required by applicable law. The use of leverage may cause an Advisory Account to liquidate portfolio positions to satisfy its obligations or to meet segregation

requirements when it may not be advantageous to do so. The use of leverage by an Advisory Account can substantially increase the volatility of an Advisory Account's investments and adverse impact to which the Advisory Account's investment portfolio may be subject. A high degree of leverage necessarily entails a high degree of risk. In addition, the level of interest rates generally, and the rates at which the Advisory Accounts can borrow in particular, can affect the operating results of the Advisory Accounts. Because the interest payable on any borrowings may be at a rate lower than the high water mark or hurdle rate for certain Advisory Accounts, GSAM may be incentivized to fund the acquisition of investments and ongoing capital needs of such Advisory Accounts with the proceeds of borrowings in lieu of drawing down unfunded capital commitments. The use of leverage by the Advisory Accounts may make the net internal rate of return of such Advisory Accounts higher than it otherwise would be without fund-level borrowing. The risks involved in the use of leverage are increased to the extent that an Underlying Fund (as opposed to the Advisory Account itself) utilizes leverage.

Leverage may take the form of borrowing funds, trading on margin, derivative instruments that are inherently leveraged, including among others forward contracts, futures contracts, options, swaps (including total return financing swaps and interest rate swaps), repurchase agreements and reverse repurchase agreements, or other forms of direct and indirect borrowings, and other instruments and transactions that are inherently leveraged. Any such leverage, including leverage that takes the form of instruments and transactions that are inherently leveraged, may result in an Advisory Account's market value exposure being in excess of the net asset value of the Advisory Account. An Advisory Account will incur expenses, which may include interest charges and commitment fees, in connection with any leverage that it utilizes, which could be significant. Depending upon the form of leverage utilized by an Advisory Account, a lender may require the Advisory Account to reduce its leverage

ratio by requiring the liquidation of assets when it otherwise would not have done so. In addition, lenders may impose restrictions or requirements on the operations of an Advisory Account including, without limitation, investment guidelines and restrictions relating to permitted investments and redemptions, strategy limits, leverage and borrowing restrictions, liquidity and diversification guidelines, requirements with respect to valuation procedures, and reporting, notification and other remediation requirements. There can be no assurance that financing will be available at any time, on terms available to any other Accounts or to competitors, or on terms favorable to the Advisory Accounts. An Advisory Account may not be able to liquidate assets quickly enough to repay its borrowings, which could increase the losses incurred by the Advisory Account. Lenders may also have the right under certain circumstances to cause the sale of assets held in an Advisory Account at times that may be inopportune from a pricing standpoint. Further, in the case of an Advisory Account that invests in Underlying Funds utilizing leverage, the rights and claims of any lenders to receive payments of interest or repayments of principal from the Underlying Fund will generally be senior to the rights of the Advisory Account to withdraw its investment from the Underlying Fund.

- **Limited Assets**—An Advisory Account may at any time and from time to time have limited assets, which may limit GSAM's ability to trade in certain instruments that typically require minimum account balances for investment. Advisory Accounts may be limited with respect to the investment strategies they are able to employ and may be unable to diversify their portfolios across investment strategies or instruments.
- **Limited Information Risks**—GSAM will consider allocations for Advisory Accounts utilizing information made available to it; however, as a result of information barriers constructed between different divisions and areas of Goldman Sachs or other policies and procedures of Goldman Sachs, generally GSAM will not have access, or will have limited access, to information and personnel in other areas of Goldman

Sachs. This includes information about markets, investments, Advisers and Underlying Funds that other investment managers or current or prospective investors in Advisers or Underlying Funds have. This may include information that, if known to GSAM, might cause GSAM to seek to dispose of, retain or increase investments with Advisers, or take other actions. Therefore, GSAM will generally not be able to review potential investments for Advisory Accounts with the benefit of information held by other divisions of Goldman Sachs. Information barriers may also exist between different businesses within Goldman Sachs or GSAM, or within a Registrant. Goldman Sachs has no obligation or other duty to seek information or to make available to or share with GSAM any information, investment strategies, opportunities or ideas known to personnel of Goldman Sachs or developed or used in connection with other clients or activities.

- **Liquidity Risks**—Advisory Accounts, or Advisers to which Advisory Accounts' assets are allocated, may make investments that are illiquid or that are not publicly traded and/or for which no market is currently available, that are subject to legal, regulatory or contractual restrictions on their sale or transfer, or that may become less liquid in response to market developments or adverse investor perceptions. Lack of liquidity could prevent an Advisory Account, or the Adviser, from liquidating unfavorable positions promptly and could subject the Advisory Account to substantial losses. Investments that are illiquid or that trade in lower volumes may be more difficult to value. Liquidity risk may be the result of, among other things, the reduced number and capacity of traditional market participants to make a market, including in fixed-income securities, or the lack of an active market. Additionally, market participants may attempt to sell holdings at the same time as the Advisory Account or the Adviser, which could cause downward pricing pressure and contribute to illiquidity. Furthermore, with respect to assets in which Advisory Accounts or Advisers and other market participants hold large and similar positions, there may be insufficient liquidity in

the market to accommodate simultaneous sales of such assets by Advisory Accounts or Advisers and other market participants, which could subject the Advisory Accounts to substantial losses. These risks may be more pronounced in connection with an Advisory Account's investments in securities of issuers located in countries that are not included in the Organization for Economic Cooperation and Development.

The inability of an Advisory Account to withdraw assets from Advisers due to lack of liquidity may have an adverse effect on the investment mix of the Advisory Account and could adversely affect the ability of GSAM to successfully implement the investment program of the Advisory Account, including GSAM's ability to rebalance the Advisory Account's investments. This could also cause an Advisory Account to liquidate some or all of its more liquid assets at a time when it is not considered by GSAM to be an optimal time to do so, which could result in the Advisory Account holding a greater concentration of less liquid assets and other adverse effects on the Advisory Account's portfolio.

Furthermore, to the extent that an Advisory Account (such as a Seeding Fund) holds a Profits Interest, such Advisory Account's ability to dispose of such Profits Interest may be limited because Profits Interests are not expected to be readily marketable and may be difficult to value. In addition, the sale of a Profits Interest may require the consent of the relevant Adviser. As a result, the applicable Advisory Account may be required to hold a Profits Interest longer than it otherwise would have or to sell such Profits Interest at a price that does not reflect its full value.

For a description of liquidity risks relating to investments in Underlying Funds, see “—Liquidity Risk of Investments in Underlying Funds” below.

- **Litigation Risk**—Advisory Accounts may be subject to third-party litigation, which could give rise to legal liability. These matters involving Advisory Accounts may arise from their activities and investments and could have an adverse effect on the Advisory Accounts,

including the expense of defending against claims and paying any amounts pursuant to settlements or judgments. There can be no guarantee that these matters will not arise in the normal course of business. If an Advisory Account were to be found liable in any suit or proceeding, any associated damages and/or penalties could have an adverse effect on the value of the Advisory Account.

- **Losses in Affiliated Underlying Funds Borne Solely by Investors**—All losses of an Advisory Account, including losses relating to investments in Underlying Funds managed by GSAM shall be borne solely by such Advisory Account and not by Goldman Sachs. Goldman Sachs' losses in affiliated Underlying Funds will be limited to losses attributable to the ownership interests in such Underlying Funds held by Goldman Sachs, if any, in its capacity as an investor in such Underlying Funds or as beneficiary of a restricted profit interest held by Goldman Sachs. Ownership interests in Advisory Accounts are not insured by the Federal Deposit Insurance Corporation, and are not deposits, obligations of, or endorsed or guaranteed in any way, by any banking entity.
- **Management of Discretionary and Non-Discretionary Accounts**—GSAM may provide investment advice to advisory clients on either a discretionary or a non-discretionary basis. For various reasons, non-discretionary advisory clients may not be able to implement GSAM's recommendations with respect to the allocation or reallocation of assets as quickly as GSAM implements such recommendations on behalf of discretionary advisory clients. In certain cases, due to redemption notice deadlines or other reasons, this may result in non-discretionary advisory clients being unable to act on GSAM recommendations at the same time GSAM acts on behalf of the discretionary advisory clients. This could cause significant differences in the performance between non-discretionary and discretionary advisory clients with the same or similar investment objectives.
- **Management Risks**—A strategy used by GSAM may fail to produce the intended results for an Advisory Account, and there is a risk that the entire amount invested may be lost. There is no guarantee that the investment objective of the Advisory Account will actually be achieved and investment results of the Advisory Account may vary substantially over time.
- **Market Abuse Risk**—Certain markets have a history of alleged or actual price manipulation and market abuse and improper influence. Any fraud, price manipulation, market abuse, or improper influence in markets in which Advisory Accounts invest, directly or indirectly, may have an adverse effect on such Advisory Accounts. There can be no assurance that any form of regulation or any market constraints would prevent fraud, price manipulation, market abuse, or improper influence in the future. Moreover, there can be no assurance that any redress would be available to, or would be practical for, an Advisory Account to pursue with respect to any particular fraud, price manipulation, market abuse, or improper influence.
- **Market and Macro Risks**—The market value of the instruments in which an Advisory Account invests may go up or down in response to the prospects of individual companies and risks affecting particular industry sectors or governments and/or general economic conditions throughout the world due to increasingly interconnected global economies and financial markets. These risks include, but are not limited to, commodity exposure risk, IPS risk, credit/default risk, interest rate risk, mortgage-backed or asset-backed risk, non-investment grade investments risk, U.S. government securities risk, and derivatives risk. In addition, governmental and quasi-governmental organizations have taken a number of unprecedented actions designed to support the markets. Such conditions, events and actions may result in greater market risk.
- **Market Disruption Risks and Terrorism Risks**—The military operations of the United States and its allies, the instability in various parts of the world and the prevalence of terrorist attacks throughout the world

could have adverse effects on the global economy and may exacerbate some of the general risk factors related to investing in certain strategies. In addition, certain illnesses spread rapidly and have the potential to significantly affect the global economy. A terrorist attack involving, or in the vicinity of, a portfolio company in which Advisory Accounts invest may result in a liability far in excess of available insurance coverage. Similarly, prices for certain commodities will be affected by available supply, which will be affected by terrorism in areas in which such commodities are located. GSAM cannot predict the likelihood of these types of events occurring in the future nor how such events may affect the investments of the Advisory Accounts.

- **Master-Feeder Structure**—Commingled funds may be organized as a part of a “master-feeder” structure. Investors may be materially affected by the actions of another entity investing in the master entity, including redemptions of interests by such entities.
- **Mid Cap and Small Cap Risks**—Investments in mid-capitalization and small capitalization companies involve greater risks than investments in larger, more established companies, including because such companies may have narrower markets and more limited managerial and financial resources, and because there is often less publicly available information concerning such companies than for larger, more established businesses. These securities may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks. Securities of such issuers may lack sufficient market liquidity to enable an Advisory Account to effect sales at an advantageous time or without a substantial drop in price. Both small- and mid- capitalization companies often have narrower markets and more limited managerial and financial resources than larger, more established companies. As a result, their performance can be more volatile and they face greater risk of business failure, which could increase the volatility of an Advisory Account’s

portfolio. Generally, the smaller the company size, the greater these risks.

- **Model Risks**—The management of Advisory Accounts by GSAM may include the use of various proprietary quantitative or investment models for risk management or other purposes. 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. These models and/or investments selected using such models may perform differently than expected for various reasons, including as a result of incomplete, inaccurate or stale market data or other factors used in the models, the weight placed on each factor, changes from the factors’ historical trends, the speed that market conditions change, and technical issues in the construction and implementation of the models (including, for example, data problems and/or software issues). The use of proprietary quantitative models could be adversely impacted by unforeseeable software or hardware malfunction and other technological failures, power loss, software bugs, malicious code such as “worms,” viruses or system crashes or various other events or circumstances within or beyond the control of GSAM. Certain of these events or circumstances may be difficult to detect. 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. Models may not be predictive of future price movements if their return mapping is based on historical data regarding particular asset classes, particularly if unusual or disruptive events cause market movements, the nature or size of which are inconsistent with the historical performance of individual markets and their relationship to one another or to other macroeconomic events. In addition, 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. Models also rely heavily on data that may be licensed from a variety of sources, and the functionality of the models depends, in part, on the accuracy of voluminous data inputs.

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 money managers may amplify losses. There is no guarantee that the use of these models will result in effective investment decisions for Advisory Accounts.

- **No Assurance of Achievement of Investment or Performance Objectives**—There is no assurance that Advisory Accounts will achieve their investment or performance objectives, including, without limitation, the location of suitable investment opportunities and the achievement of targeted rates of return, or that Advisory Accounts will be able to fully invest their capital.
- **Non-Hedging Currency Risks**—An Advisory Account may purchase or sell currencies through the use of forward contracts or other instruments based on GSAM's judgment regarding the direction of the market for a particular currency or currencies for both hedging and non-hedging purposes. Currency exchange rates can be extremely volatile, and a variance in the degree of volatility of the market or in the direction of the market from GSAM's expectations may produce significant losses to an Advisory Account.
- **Non-U.S. Custody Risk**—An Advisory Account that invest in foreign securities may hold such securities and cash with non-U.S. banks, agents, and securities depositories appointed by the Advisory Account's custodian. Some non-U.S. custodians may be recently organized or new to the non-U.S. custody business. In some countries, non-U.S. custodians may be subject to little or no regulatory oversight over or independent evaluation of their operations. Further, the laws of certain countries may place limitations on an Advisory Account's ability to recover its assets if a non-U.S. custodian enters bankruptcy. Investments in emerging markets may be subject to even greater custody risks than investments in more developed markets. Custody services in emerging market countries are very often undeveloped and may be considerably less well-regulated than in more developed countries, and thus may not afford the same level of investor protection as would apply in developed countries.
- **Non-U.S. Securities Risks**—Non-U.S. securities (including those of government issuers) may be subject to heightened risk of loss because of more or less non-U.S. government regulation (including with respect to settlement or custody), less public information, less liquidity and greater volatility (potentially as a result of the small size of the relevant securities market), and less economic, political and social stability in the countries of domicile of the issuers of the securities and/or the jurisdictions in which these securities are traded. Loss may also result from, among other things, deteriorating economic and business conditions in other countries, including the United States, regional and global conflicts, adverse diplomatic developments, regime changes, the imposition of exchange controls (including repatriation restrictions), trading controls, import duties or other protectionist measures, non-U.S. taxes (including confiscatory taxes), sanctions, confiscations, trade restrictions (including tariffs), expropriations, nationalizations and other government restrictions by the United States or other governments, higher transaction costs, difficulty in repatriating funds or enforcing contractual obligations, or from problems in share registration, settlement or custody. An Advisory Account is also subject to risks involving fluctuations in the rate of exchange between currencies, including the risk of negative non-U.S. currency fluctuations which may cause the value of securities denominated in non-U.S. currency (or other instruments through which the Advisory Account has exposure to foreign currencies) to decline in value, and costs associated with currency conversion. These risks and costs may be greater in connection with an Advisory Account's investment in securities of issuers located in emerging countries. In addition, an Advisory Account will be subject to the risk that an issuer of non-U.S. sovereign debt held by an Advisory Account or the governmental authorities that control the repayment of

such debt may be unable or unwilling to repay the principal or interest when due, including as a result of levels of non-U.S. debt or currency exchange rates. Furthermore, an Advisory Account's purchase and sale of certain non-U.S. securities may be subject to limitations or compliance with procedures imposed by non-U.S. governments that may restrict investment opportunities. For example, an Advisory Account may be subject to limitations on aggregate holdings by non-U.S. investors. Moreover, as a result of having to comply with such procedures, an Advisory Account's ability to effect trades may be delayed, and an Advisory Account's failure to comply with such procedures may result in failed trades, loss of voting or transfer rights or the forced sale of settled positions. In addition, because the effectiveness of the judicial systems in certain countries in which Advisory Accounts may invest varies, Advisory Accounts may have difficulty in successfully pursuing claims in the courts of such countries, as compared to the United States or other developed countries. Furthermore, to the extent an Advisory Account obtains a judgment but is required to seek its enforcement in the courts of one of the countries in which the Advisory Account invests, there can be no assurance that such courts will enforce such judgment. Moreover, certain countries with emerging markets have in the past failed to recognize private property rights and have at times nationalized or expropriated the assets of, or ignored internationally accepted standards of due process against, private companies, and such countries may take these and other retaliatory actions against a specific private company, including an Advisory Account or GSAM. There may not be legal recourse against these actions, which could arise in connection with the commercial activities of Goldman Sachs or its affiliates or otherwise, and an Advisory Account could be subject to substantial losses. As a result, the risks described above, including the risks of nationalization or expropriation of assets, may be heightened, in particular if the Advisory Account invests in emerging markets or growth markets. See "Emerging Markets and Growth Markets Risks" above. GSAM may or may not take action as a

result of, or seek to avoid, such retaliatory actions and resulting losses.

- **Operational Risk**—An Advisory Account may suffer a loss arising from shortcomings or failures in internal processes, people or systems, or from external events. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents related to, for example, major systems failures. Advisory Accounts may trade instruments, including derivative instruments traded over-the-counter, where operational risk is heightened due such instruments' complexity.
- **Partial or Total Loss of Capital**—Certain investments made by GSAM for Advisory Accounts are intended for investors who can accept the risks associated with investing in illiquid securities and the possibility of partial or total loss of capital.
- **Performance-Based Compensation**—GSAM and managers of affiliated and unaffiliated Underlying Funds in which an Advisory Account invests (which, in the case of affiliated Underlying Funds, may be GSAM) may receive performance-based compensation from Advisory Accounts and the Underlying Funds based upon the net capital appreciation of Advisory Account or Underlying Fund assets. Such compensation arrangements create an incentive for GSAM and Advisers of Underlying Funds to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. In many cases, performance-based compensation may be calculated on a basis that includes unrealized appreciation of assets. In such cases, such compensation may be greater than if it were based solely on realized gains and losses. In addition, in the case of the Seeding Funds, HFS receives performance-based compensation based solely on amounts received by the applicable Seeding Fund in respect of Profits Interests, even if the Seeding Fund has negative overall performance. See Item 6, Performance-Based Fees and Side-By-Side Management.

- **Private Investment Risks**—Advisory Accounts may invest in private investments, which may include debt or equity investments in operating and holding companies, investment funds, joint ventures, royalty streams, commodities, physical assets and other similar types of investments that are highly illiquid and long-term. Clients should not invest unless they are prepared to retain their interests in the Advisory Account until the Advisory Account liquidates its private investments. Private investments are highly competitive and an Advisory Account may face greater challenges in making such investments than when investing in traditional asset classes. In addition, the Advisory Account's ability to transfer and/or dispose of private investments is expected to be highly restricted. Certain Advisory Accounts investing in private investments may have a wind-down phase following the expiration of their terms, and during that wind-down phase, which may take several years due to the illiquid nature of the investments, such Advisory Accounts may continue to bear management fees, performance-based compensation, and expenses. Similarly, to the extent an Advisory Account has invested in private investments indirectly through an Underlying Fund which is in the process of winding down, the Underlying Fund may hold a limited number of illiquid investments that may not be realized for a significant amount of time and the Advisory Account will continue to bear its portion of the Underlying Fund's operating costs during such time. The Underlying Fund may be unable to dispose of such investments other than through sale in a secondary market, which could be at a disadvantageous price.
- **Reliance on Technology**—GSAM may employ investment strategies that are dependent upon various computer and telecommunications technologies. The successful implementation and operation of such strategies could be severely compromised by telecommunications failures, power loss, software-related "system crashes," fire or water damage, or various other events or circumstances. Any such event could result in, among other things, the inability of GSAM to establish, maintain, modify, liquidate, or monitor the Advisory Accounts' investments, which could have an adverse effect on the Advisory Accounts.
- **Restricted Investments Risks**—Restricted securities are securities that may not be sold to the public without an effective registration statement under the 1933 Act, or, if they are unregistered, may be sold only in a privately negotiated transaction or pursuant to an exemption from registration. These restrictions could prevent an Advisory Account from promptly liquidating unfavorable positions and subject such Advisory Account to substantial losses. Further, when registration is required to sell a security, an Advisory Account may be obligated to pay all or part of the registration expenses, and a considerable period may elapse between the decision to sell and the time the Advisory Account may be permitted to sell the security under an effective registration statement. If adverse market conditions developed during this period, an Advisory Account might obtain a less favorable price than the prevailing price when it decided to sell.
- **Restrictions on Investments**—Advisory Accounts may be limited in their ability or unable to invest in certain types of investments due to preferences or rights-of-first-refusal that have been or will be granted in favor of other affiliates of Goldman Sachs or vehicles in which they have invested. In addition, Advisory Accounts may be unable to invest in certain types of investments as a result of non-competition agreements or other similar undertakings made by other affiliates of Goldman Sachs.
- **Risk Management Risks**—GSAM may seek to reduce, increase or otherwise manage the volatility of an Advisory Account's overall portfolio or the Advisory Account's risk allocation to particular investments or sectors through various strategies, including by changing the amount of leverage utilized in connection with certain investments or sectors and/or by liquidating interests in certain investments and investing any proceeds in different investments or similar investments with a different volatility profile.

There can be no assurance that GSAM's use of such strategies will be adequate, or that they will be adequately utilized by GSAM. Additionally, any strategies may be limited by, among other things, liquidity of the Advisory Account's investments and the availability of investment opportunities that GSAM believes are appropriate.

- **Risks Involved in the Development of Models**—Errors may occur in designing, writing, testing, and/or monitoring models, which may be difficult to detect and may not be detected for a significant period of time. Inadvertent systems and human errors are an inherent risk of models and the complexity of models may make it difficult or impossible to detect the source of any weakness or failure in the models before material losses are incurred. Moreover, the complexity of the models and their reliance on complex computer programming may make it difficult to obtain outside support. To the extent any third-party licensed intellectual property is used in the development of models, there may be adverse consequences if such material is no longer available. Finally, in the event of any software or hardware malfunction, or problem caused by a defect or virus, there may be adverse consequences to developing or monitoring models.
- **Risks of New Investment Strategies**—GSAM may determine to implement new investment strategies. There may be operational or theoretical shortcomings which could result in unsuccessful investments and, ultimately, losses to an Advisory Account that implements such a strategy. New investment techniques utilized by GSAM on behalf of an Advisory Account may be more speculative than established techniques and may increase the risk of the investment. It may be difficult for GSAM to project accurately the outcome of prospective investments made pursuant to such new investment techniques. Such investments may not provide as favorable returns or protection of capital as other investments, and may be structured using non-standard terms that are less favorable for an Advisory Account than those traditionally found in the marketplace for existing investment techniques

(including investment techniques utilized by GSAM). The implementation of a new investment strategy or utilization of a new investment technique by GSAM on behalf of an Advisory Account could adversely affect such Advisory Account.

- **Risks of Technological Developments**—The financial success of issuers in which Advisory Accounts invest may depend, in part, on their ability to continue to develop and implement services and solutions that anticipate and respond to rapid and continuing changes in technology. The widespread adoption of new internet, networking or telecommunications technologies or other technological changes (including developing technologies such as artificial intelligence, augmented reality, automation, blockchain, Internet of Things, quantum computing and as-a-service solutions) could require such issuers to incur substantial expenditures to modify or adapt their services or infrastructure to such new technologies, which could adversely affect their results of operations or financial condition. New services or technologies offered by competitors or new entrants may make such issuers less differentiated or less competitive when compared to other alternatives. Any failure by such issuers to implement or adapt to new technologies in a timely manner or at all could adversely affect their ability to compete, their market share and their results of operations, which may adversely affect Advisory Accounts.
- **Risks Related to the Discontinuance of IBORs**, in particular LIBOR—LIBOR is an estimate of the rate at which a sub-set of banks (known as the panel banks) could borrow money on an uncollateralized basis from other banks. The FCA, which regulates LIBOR, has announced that it will not compel banks to contribute to LIBOR after 2021. It is likely that banks will not continue to provide submissions for the calculation of LIBOR after 2021 and possibly prior to then. It is uncertain whether or for how long LIBOR will continue to be viewed as an acceptable market benchmark, what rate or rates may become accepted alternatives to LIBOR, or what the effect any such changes may have

on the financial markets for LIBOR-linked financial instruments. Similar statements have been made by regulators with respect to the other IBORs. Advisory Accounts may undertake transactions in instruments that are valued using LIBOR or other IBOR rates or enter into contracts which determine payment obligations by reference to LIBOR or one of the other IBORs. Until their discontinuance, Advisory Accounts may continue to invest in instruments that reference IBORs. In advance of 2021, regulators and market participants are working to develop successor rates and transition mechanisms to amend existing instruments and contracts to replace an IBOR with a new rate. Nonetheless, the termination of LIBOR and the other IBORs presents risks to Advisory Accounts. It is not possible at this point to identify those risks exhaustively, but they include the risk that an acceptable transition mechanism may not be found or may not be suitable for Advisory Accounts. In addition, any alternative reference rate and any pricing adjustments required in connection with the transition from LIBOR or another IBOR may impose costs on Advisory Accounts or may not be suitable for Advisory Accounts, resulting in costs incurred to close out positions and enter into replacement trades.

- **Risks Related to Side Pockets**—Certain Advisory Accounts that are pooled investment vehicles have the ability, under certain circumstances, to segregate one or more assets through the use of side pockets. If an Advisory Account establishes a side pocket, an investor in the Advisory Account generally will not be able to redeem the portion of its interest that corresponds to the side pocketed assets until the side pocketed assets are liquidated, deemed realized or otherwise disposed of. In addition, such assets are generally carried on the books of the Advisory Account at GSAM's or a third party's determination of fair value; however, given the nature of such assets, such determinations may not represent the actual amount that would be realized by the Advisory Account upon the disposition of the assets. As a result, the use of side pockets entails a number of risks, including significant liquidity and

valuation risks and the risk that the use of side pockets may affect the amount and timing of any management fees and incentive compensation charged by the Advisory Account.

- **Social Media Risks**—The increasing use of social media platforms presents new risks and challenges to issuers in which Advisory Accounts invest. In recent years, there has been a marked increase in the use of social media platforms, including blogs, chat platforms, social media websites, and other forms of Internet-based communications which allow individuals access to a broad audience of consumers and other interested persons. The rising popularity of social media and other consumer-oriented technologies has increased the speed and accessibility of information dissemination. Many social media platforms immediately publish the content their subscribers and participants post, often without filters or checks on accuracy of the content posted. Information posted on such platforms at any time may be adverse to the interests of issuers in which Advisory Accounts invest. The dissemination of negative or inaccurate information about such issuers via social media could harm their business, reputation, financial condition, and results of operations, which could adversely affect Advisory Accounts and, due to reputational considerations, may influence GSAM's decision as to whether to remain invested in such issuers.
- **Speculative Position Limits Risks**—The CFTC and some exchanges have rules limiting the maximum net long or short positions which any person or group may own, hold or control in any given futures contract or option on such futures contract. The CFTC has re-proposed position limits that would apply to certain physical commodity futures contracts and economically equivalent futures, options and swaps. Any such limits may prevent an Advisory Account from acquiring positions that might otherwise have been desirable or profitable. In addition, it is possible that, in applying such limits, the CFTC and some exchanges will require aggregation of an Advisory Account's positions in futures contracts, options on such futures contracts or

swaps that are economically equivalent to such contracts with positions owned, held or controlled by other Accounts, entities and/or accounts affiliated with GSAM. The CFTC also has adopted certain rules and rule amendments that incorporate aggregation criteria (certain aspects of which are currently subject to CFTC staff no-action relief) which are more restrictive in some respects than the prior rules and which may hinder GSAM's ability to trade certain contracts.

Under such circumstances, Goldman Sachs may utilize available position limits for Accounts other than the Advisory Account, and, as a result, the Advisory Account, and not Goldman Sachs, could be required to limit its use of futures contracts, options on such futures contracts or swaps that are economically equivalent to such contracts or liquidate its positions.

- **Tax-Managed Investment Risks**—To the extent an Advisory Account is tax-managed, because GSAM balances investment considerations and tax considerations, the pre-tax performance of a tax-managed Advisory Account may be lower than the performance of similar Advisory Accounts that are not tax-managed. Even though tax-managed strategies are being used, they may not reduce the amount of taxable income and capital gains to which an Advisory Account may become subject.
- **Technology Sector Risks**—The stock prices of technology and technology-related companies and therefore the value of Advisory Accounts that invest in the technology sector may experience significant price movements as a result of intense market volatility, worldwide competition, consumer preferences, product compatibility, product obsolescence, government regulation, excessive investor optimism or pessimism, or other factors.
- **Timing of Implementation Risks**—GSAM gives no warranty as to the timing of the investment of Advisory Account assets generally and/or any changes to the Advisory Account over time and from time to time (including in respect of asset allocation and investments), the performance or profitability of the

Advisory Account or any part thereof, nor any guarantee that any investment objectives, expectations or targets with respect to the Advisory Account will be achieved, including, without limitation, any risk control, risk management or return objectives, expectations or targets. For example, there may be delays in the implementation of investment strategies, including as a result of differences in time zones and the markets on which securities trade.

- **Trading on Non-U.S. Exchanges**—Advisory Accounts may trade, directly or indirectly, futures and securities on exchanges located outside the United States. Some non-U.S. exchanges, in contrast to U.S. exchanges, are “principals’ markets” in which performance is solely the responsibility of the individual member with whom the Advisory Account has entered into a contract and not that of an exchange or its clearinghouse, if any. In the case of trading on non-U.S. exchanges, the Advisory Accounts will be subject to the risk of the inability of, or refusal by, the counterparty to perform with respect to contracts. Moreover, since there is generally less government supervision and regulation of non-U.S. exchanges, clearinghouses and clearing firms than in the United States, the Advisory Accounts are also subject to the risk of the failure of the exchanges on which their positions trade or of their clearinghouses or clearing firms, and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls. The Advisory Accounts may not be afforded certain of the protections that apply to U.S. transactions, including with respect to margin. In addition, such trades may be affected by any fluctuation in the foreign exchange rate.
- **Use of Third-Party General Partners or Independent Boards of Directors**—In certain circumstances, certain Advisory Accounts may utilize the services of third-party general partners or majority independent boards of directors. Such third-party general partners or majority independent boards of directors may have direct or indirect business, financial or other relationships with Goldman Sachs, which may create conflicts of interest in connection with the roles of

GSAM or the third-party general partners or majority independent boards of directors. Such third-party general partners or majority independent boards of directors will be entitled to remuneration from the applicable Advisory Account at their customary rates and for reimbursement for out of pocket expenses. GSAM generally will not have the right to control or direct the actions of a third-party general partner or majority independent board of directors. A third-party general partner or majority independent board of directors may take actions that could result in an adverse effect on an Advisory Account, and also may terminate the investment management agreement between the Advisory Account and GSAM. The directors of any third-party general partner or Advisory Account will be non-executive directors and will not be required to provide their full time and attention to the business of the Advisory Account. They may be engaged in any other business and/or be concerned or interested in or act as directors, managers or officers of any other company or entity. While such directors are responsible for the overall management and control of the general partner, they will, to the extent permitted by applicable law, delegate oversight and management of the Advisory Account to GSAM, as described in the offering materials of the applicable Advisory Account.

- **Valuation Risks**—The net asset value of an Advisory Account as of a particular date may be materially greater than or less than its net asset value that would be determined if an Advisory Account's investments were to be liquidated as of such date. For example, if an Advisory Account was required to sell a certain asset or all or a substantial portion of its assets on a particular date, the actual price that an Advisory Account would realize upon the disposition of such asset or assets could be materially less than the value of such asset or assets as reflected in the net asset value of an Advisory Account. Volatile market conditions could also cause reduced liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in the net asset value of an Advisory Account. An Advisory

Account may invest in assets that lack a readily ascertainable market value, and an Advisory Account's net asset value will be affected by the valuations of any such assets (including, without limitation, in connection with calculation of any fees). In valuing assets that lack a readily ascertainable market value, GSAM (or an affiliated or independent agent thereof) may utilize dealer supplied quotations or pricing models developed by third parties, GSAM and/or affiliates of GSAM. Such methodologies may be based upon assumptions and estimates that are subject to error. The value of assets that lack a readily ascertainable market value may be subject to later adjustment based on valuation information available to an Advisory Account at that time. Any adjustment to the value of such assets may result in an adjustment to the net asset value of an Advisory Account.

- **Volatility Risks**—The prices of an Advisory Account's investments can be highly volatile. Price movements of assets are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, developments or trends in any particular industry, the financial condition of the issuers of such assets, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.
- **Warehousing Investments Risks; Seed Capital**—Goldman Sachs may warehouse one or more investments on behalf of an Advisory Account prior to the formation or initiation of the investment program of such Advisory Account. In addition, Goldman Sachs may provide seed capital to an Advisory Account to allow the Advisory Account to acquire one or more investments prior to the admission of third party investors. To the extent that a warehoused investment is transferred to an Advisory Account or capital is contributed by investors in an Advisory Account to redeem a seed investment, the terms of such transfer from Goldman Sachs to the Advisory Account or the redemption of Goldman Sachs' interest in the Advisory

Account will be specified in the Advisory Account's offering materials. Because the value of warehoused investments may decline prior to their transfer to any such Advisory Account and/or the value of the investments acquired by such Advisory Account with seed capital may decline prior to the redemption of the seed investment, there can be no assurance that their value will not be less than their cost to the Advisory Account, at the time of the transfer or redemption, which could result in losses to the Advisory Account.

RISKS THAT APPLY PRIMARILY TO EQUITY INVESTMENTS

General

- **Energy, Oil and Gas Sector Risks**—Advisory Accounts may invest in MLPs that primarily derive their income from investing in companies within the energy, oil and gas sectors. Energy, oil and gas companies are subject to specific risks, including, among others, fluctuations in commodity prices; reduced consumer demand for commodities such as oil, natural gas or petroleum products, reduced availability of natural gas or other commodities for transporting, processing, storing or delivering, slowdowns in new construction, extreme weather or other natural disasters, threats of attack by terrorists on energy assets, and adverse political events. Additionally, changes in the regulatory environment for these companies may adversely impact their profitability. Over time, depletion of natural gas reserves or other commodities may also affect the profitability of companies in the energy, oil and gas sectors.
- **Equity and Equity-Related Securities and Instruments**—Advisory Accounts may take long and short positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and OTC markets. The value of equity securities varies (and can suffer high volatility) in response to many factors. These factors include, without limitation, factors specific to an issuer (such as certain decisions by management, lower demand for products or services, or even loss of a key executive, which could result in a decrease in the value of the company's securities) and factors specific to the industry in which the issuer participates (such as increased competition or costs of production or consumer or investor perception, which can have a similar effect). Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, including an increase in interest rates or a decrease in consumer confidence, that are unrelated to the issuer itself or its industry. The stock prices of such companies may suffer a decline in response. Current economic conditions in some cases have produced downward pressure on security prices and credit availability for certain companies without regard to those companies' underlying financial strength. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, mid-capitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks. These factors and others can cause significant fluctuations in the prices of the equity securities in which Advisory Accounts invest and can result in adverse effects to Advisory Account Returns.
- **Exchange Traded Fund Risks**—Advisory Accounts may invest in ETFs. Most ETFs are passively managed investment companies whose shares are purchased and sold on a securities exchange. An ETF represents a portfolio of securities designed to track a particular market segment or index. In addition to presenting the same primary risks as an investment in a conventional fund, an ETF may fail to accurately track the market segment or index that underlies its investment objective. Moreover, ETFs are subject to the following risks that do not apply to conventional funds: (i) the market price of the ETF's shares may trade at a premium or a discount to their net asset value; (ii) an active trading market for an ETF's shares may not

develop or be maintained; and (iii) there is no assurance that the requirements of the exchange necessary to maintain the listing of an ETF will continue to be met or remain unchanged.

- **Infrastructure Company Risk**—Infrastructure companies are susceptible to various factors that may negatively impact their businesses or operations, including costs associated with compliance with, and changes in, environmental, governmental and other regulations, rising interest costs in connection with capital construction and improvement programs, government budgetary constraints that impact publicly funded projects, the effects of general economic conditions throughout the world, surplus capacity and depletion concerns, increased competition from other providers of services, uncertainties and delays with respect to the timing and receipt of government and/or regulatory approvals, uncertainties regarding the availability of fuel and other natural resources at reasonable prices, the effects of energy conservation policies, unfavorable tax laws or accounting policies and high leverage. Infrastructure companies will also be affected by innovations in technology that could render the way in which a company delivers a product or service obsolete and natural or man-made disasters.
- **Investments in Technology Start-Up and Similar Companies**—Advisory Accounts may invest in portfolio companies that are technology start-up or similar companies, including with the anticipation that such portfolio companies will engage in IPOs. Investments in these portfolio companies are subject to the risks described under “Pre-IPO Investments Risks” below. In addition, as these business are often involved in new and often untested products, services and markets, such portfolio companies may be subject to additional risks common among technology start-up companies, including risks related to (a) increased litigation and significant costs associated therewith (including, potentially, litigation involving intellectual property and privacy), (b) significant regulatory, public and political scrutiny, (c) technology error, viruses, hacking or other failure, (d) market saturation and an inability to grow their user bases, (e) competition, including by competitors that create new and improved technology, (f) unfavorable media coverage, (g) an inability to effectively manage the rapid growth of their organizations, (h) expansion into unfamiliar jurisdictions, (i) an inability to generate meaningful revenue (despite a significant user base) and (j) an inability to continue to adapt to changes and improve and upgrade technology.
- **IPOs/New Issues Risks**—The value of IPO/New Issue shares held in an Advisory Account may fluctuate considerably due to factors such as the absence of a prior public market, unseasoned trading, the small number of shares available for trading and limited information about the company’s business model, quality of management, earnings growth potential and other criteria used to evaluate its investment prospects. The purchase of IPO/New Issue shares may involve high transaction costs. Investments in IPO/New Issue shares, which are subject to market risk and liquidity risk, involve greater risks than investments in shares of companies that have traded publicly on an exchange for extended periods of time.
- **Master Limited Partnership Risks**—Investments by an Advisory Account in securities of MLPs involve risks that differ from investments in common stock, including risks related to limited control and limited rights to vote on matters affecting the MLP, risks related to potential conflicts of interest between the MLP and the MLP’s general partner, cash flow risks, depletion risk, dilution risks and risks related to the general partner’s right to require unit-holders to sell their common units at an undesirable time or price because of regulatory changes or other reasons. Certain MLP securities may trade in lower volumes due to their smaller capitalizations. Accordingly, those MLPs may be subject to more abrupt or erratic price movements, may lack sufficient market liquidity to enable an Advisory Account to effect sales at an advantageous time or without a substantial drop in price, and investment in those MLPs may restrict an Advisory Account’s ability to take advantage of other investment

opportunities. MLPs are generally considered interest-rate sensitive investments. During periods of interest rate volatility, these investments may not provide attractive returns. In addition, the managing general partner of an MLP may receive an incentive allocation based on increases in the amount and growth of cash distributions to investors in the MLP. This method of compensation may create an incentive for the managing general partner to make investments that are riskier or more speculative than would be the case in the absence of such compensation arrangements. Furthermore, MLPs structured as U.S. Royalty trusts are not structured to replenish assets through acquisitions or exploration as the assets are depleted. As a result, the capacity of such MLPs to pay distributions will diminish over time, which may result in a lower stock price and the eventual dissolution of such MLPs, which could adversely affect Advisory Accounts that hold securities of such MLPs.

Investments in securities of an MLP also include tax-related risks. For example, to the extent a distribution received by an Advisory Account from an MLP is treated as a return of capital, the Advisory Account's adjusted tax basis in the interests of the MLP may be reduced, which will result in an increase in an amount of income or gain (or decrease in the amount of loss) that will be recognized by the Advisory Account for tax purposes upon the sale of any such interests or upon subsequent distributions in respect of such interests.

- **Pre-IPO Investments Risks**—An Advisory Account may invest in privately held companies, including companies that may issue shares in IPOs. Investments in pre-IPO shares involve greater risks than investments in shares of companies that have traded publicly on an exchange for extended periods of time. Investments in such companies are less liquid and difficult to value, and there is significantly less information available about their business models, quality of management, earnings growth potential and other criteria used to evaluate their investment prospects relative to public companies. Although there is the potential that the pre-IPO shares that an Advisory Account purchases may

increase in value if the company subsequently issues shares in an IPO, IPOs are risky and subject to price volatility which may cause the value of such Advisory Account's investment to decrease significantly. Moreover, because pre-IPO shares are generally not freely or publicly tradable, an Advisory Account may not be able to purchase or sell such shares in the amounts or at the prices the Advisory Account desires. The private companies that an Advisory Account anticipates will eventually execute successful IPOs may not ever issue shares in an IPO, and a liquid market for the shares may never develop, which may negatively affect the price of, and the Advisory Account's ability to, sell the shares, which in turn could adversely affect the Advisory Account's liquidity.

- **Preferred Stock, Convertible Securities and Warrants Risks**—The value of preferred stock, convertible securities and warrants will vary with the movements in the equity market and the performance of the underlying common stock, in particular. Their value is also affected by adverse issuer or market information.
- **Private Investments in Public Equities**—An Advisory Account may make private investments in public equities ("PIPEs"). PIPE transactions typically involve the purchase of securities directly from a publicly traded company or its affiliates in a private placement transaction, generally at a discount to the market price of the company's common stock. Equity issued in this manner is often subject to transfer restrictions and is therefore less liquid than equity issued through a registered public offering. In a PIPE transaction, an Advisory Account may bear the price risk from the time of pricing until the time of closing. An Advisory Account may be subject to lock-up agreements that prohibit transfers for a fixed period of time. In addition, because the sale of the securities in a PIPE transaction is not registered under the 1933 Act, the securities are "restricted" and cannot be immediately resold by the investors into the public markets. Accordingly, PIPE securities may be deemed illiquid. An Advisory Account may enter into a registration rights agreement with the issuer pursuant to which the

issuer commits to file a resale registration statement allowing the Advisory Account to publicly resell its securities. The ability of an Advisory Account to freely transfer the shares is conditioned upon, among other things, the SEC's preparedness to declare the resale registration statement effective covering the resale, from time to time, of the shares sold in the private financing and the issuer's right to suspend the Advisory Account's use of the resale registration statement if the issuer is pursuing a transaction or some other material nonpublic event is occurring. Accordingly, PIPE securities may be subject to risks associated with illiquid securities.

- **Risks Relating to Portfolio Company Reputation**—If a portfolio company fails to maintain the strength and value of the portfolio company's brand, its value is likely to decrease. A portfolio company's success often depends on the value and strength of its brand. In such cases, the name of such portfolio company is integral to its business as well as to the implementation of its strategies for expanding its business. Maintaining, promoting, and positioning such brand can depend largely on the success of marketing efforts and its ability to provide consistent, high quality merchandise, services and / or customer experience. A portfolio company's brand could be adversely affected if it fails to achieve these objectives or if its public image or reputation were to be tarnished by negative publicity. Any of these events could result in decreases in value of a portfolio company, which could have an adverse effect on Advisory Accounts.

Private Equity

- **Difficulty in Valuing Fund Investments**—Valuation of interests in Underlying Funds in which a fund or other Advisory Account managed by GSAM may invest may be difficult, as there generally will be no established market for these interests or for securities of privately-held companies which Underlying Funds may own. The overall performance of funds and other Advisory Accounts managed by GSAM will be affected by the acquisition price paid by the Underlying Funds for their

interests in portfolio companies, which will be subject to negotiation with the sellers of such interests. In the absence of a readily ascertainable market price, assets of the Underlying Funds will be valued by the general partners or Advisers of such Underlying Funds or the portfolio companies themselves. The valuation of such assets may create a conflict of interest for such general partners or Advisers, as the assets may constitute a substantial portion of such Underlying Funds' investments and their value may affect the compensation of the general partners or Advisers. GSAM generally will not have sufficient information in order to be able to confirm or review the accuracy of these valuations. Accordingly, Advisory Accounts may be obligated to continue to hold such interests for an indefinite period of time

- **Illiquidity of Investments**—Investments in private equity by an Advisory Account generally will be long-term and highly illiquid. Investors generally will not be able to redeem their capital account balances or withdraw their interests, and there will be no active secondary market for the interests. Moreover, investors may not, directly or indirectly, sell, assign, encumber, mortgage, transfer, or otherwise dispose of, voluntarily or involuntarily, any portion of their interests without general partner consent, which may be granted or withheld in its sole discretion. Significant credit, tax, contractual, legal and regulatory restrictions apply with respect to potential transfers of the interests.
- **Investments in Venture Capital Funds**—An Advisory Account may invest in venture capital funds, which generally involve more risk than investments in private equity funds focused on later-stage investing due to the nature of the companies in which venture capital funds invest. Venture capital investing tends to be speculative; there is a significant risk of loss of up to and including the entire amount invested due to, among other reasons, unproven business models and increased competition for gaining market share. Investments in venture capital funds are highly illiquid and there is no guarantee that an Advisory Account will be able to realize its investments in the expected timeframe. In

many instances, a venture capital investment may require additional infusions of capital in order to protect earlier investments, although there is no guarantee that such additional investments will lead to a successful investment by the venture capital fund.

- **Limited Ability to Negotiate Terms and Structures—**GSAM may not have the opportunity and/or ability to negotiate the terms of the interests in the portfolio companies or other special rights or privileges. In many cases, Advisory Accounts may have the opportunity to invest in a portfolio company or co-investment on a “take it or leave it” basis and, in some cases, certain components of investments in portfolio companies may be less attractive than others. The performance of Advisory Accounts will be affected by the structure of the acquisition and the terms of investments, including legal, tax, regulatory and/or other considerations, over which GSAM is generally expected to have limited control. GSAM may believe an investment opportunity is a generally appropriate investment for an Advisory Account even though the opportunity may have legal, tax or regulatory terms that are not for the benefit of such Advisory Account.
- **Operating and Financial Risks and Competition Associated with Portfolio Companies—**Certain portfolio companies in which GSAM funds or Advisory Accounts invest, either directly or indirectly, may involve a high degree of business and financial risk, including those set forth below.

Portfolio companies may also be highly leveraged and subject to restrictive financial and operating covenants that may impair their ability to finance their future operations and capital needs, or to make payments in respect of debt obligations or distributions to equity holders. As a result, these companies may have limited flexibility to respond to changing business and economic conditions and to business opportunities. A leveraged company’s income and equity will tend to increase or decrease at a greater rate than if borrowed money were not used. In addition, a portfolio company with a leveraged capital structure will be subject to

increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of that portfolio company or its industry. In the event that a portfolio company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of a debt or equity investment in a portfolio company could be significantly reduced or even eliminated.

In addition, portfolio companies may (i) be in an early stage of development and not have a proven operating history; (ii) be operating at a loss or have significant variations in operating results; (iii) be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence; (iv) require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position; (v) rely on the services of a limited number of key individuals, the loss of any of whom could adversely affect a portfolio company’s performance; and (vi) otherwise have a weak financial condition or be experiencing financial difficulties that could result in insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company, each of which could adversely affect the investment results of an Advisory Account. Portfolio companies may also face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a larger number of qualified management and technical personnel.

As described in “—Cybersecurity” above, portfolio companies may be vulnerable to cyber attacks. Such vulnerabilities or other exposures may be difficult or impossible to detect, which may adversely impact the value of an Advisory Account’s investment in the portfolio company.

- **Reliance on Company Management—**Although GSAM or one of its affiliates may seek to be represented on the board of directors of portfolio companies, there is no assurance that this representation, if sought, will be

obtained. Furthermore, even in cases where GSAM or one or more Advisory Accounts may have certain rights to (i) be represented on the board of directors of a portfolio company and/or (ii) participate in certain significant business decisions and/or other management rights, neither GSAM nor the Advisory Accounts will have an active role in the day-to-day management of that company. Accordingly, the success or failure of an investment in a portfolio company will depend to a significant extent on the portfolio company's management team. A member of a portfolio company's management team may engage in activities that pose legal, regulatory, financial, reputational or other risks to the portfolio company and adversely impact the value of an Advisory Account's investment in the portfolio company. Such activities may be difficult or impossible to detect, and GSAM's proper performance of its monitoring functions would generally not give it the opportunity to discover such activities within a time frame sufficient to prevent significant harm to Advisory Accounts, or at all.

RISKS THAT APPLY PRIMARILY TO FIXED-INCOME INVESTMENTS

- **Assignments and Participations**—An Advisory Account may acquire investments directly (by way of assignment) or indirectly (by way of participation). Holders of participation interests ("Participations") are subject to additional risks not applicable to a holder of a direct interest in a loan. Participations acquired by an Advisory Account in a portion of a loan obligation held by a selling institution (the "Selling Institution") typically result in a contractual relationship only with such Selling Institution, not with the obligor. An Advisory Account would have the right to receive payments of principal, interest and any fees to which it is entitled under the Participation only from the Selling Institution and only upon receipt by the Selling Institution of such payments from the obligor. In purchasing a Participation, an Advisory Account generally will have no right to enforce compliance by the obligor with the terms of the instrument evidencing such loan obligation, nor any rights of set-off against

the obligor. As a result, an Advisory Account will assume the credit risk of both the obligor and the Selling Institution, which will remain the legal owner of record of the applicable loan. In addition, the Selling Institution may have interests different from those of the Advisory Account, and the Selling Institution might not consider the interests of the Advisory Account when taking actions with respect to the loan underlying the Participation. Assignments and participations are typically sold strictly without recourse to the Selling Institution thereof, and the Selling Institution will generally make no representations or warranties about the underlying loan, the borrowers, and the documentation of the loans or any collateral securing the loans.

- **Bank Obligations**—Advisory Accounts may invest in obligations issued or guaranteed by U.S. or foreign banks. Bank obligations, including without limitation, time deposits, bankers' acceptances and certificates of deposit, may be general obligations of the parent bank or may be limited to the issuing branch by the terms of the specific obligations or by government regulations. Banks are subject to extensive but different governmental regulations which may limit both the amount and types of loans which may be made and interest rates which may be charged. In addition, the profitability of the banking industry is largely dependent upon the availability and cost of funds for the purpose of financing lending operations under prevailing money market conditions. Among the significant risks relating to bank obligations are adverse changes in general economic conditions as well as exposure to credit losses arising from possible financial difficulties of borrowers.
- **Commodity Exposure Risks**—Exposure to the commodities markets may subject an Advisory Account to greater volatility than investments in traditional securities. The value of commodity-linked investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather,

livestock disease, embargoes, tariffs and international economic, political and regulatory developments. The prices of energy, industrial metals, precious metals, agriculture and livestock sector commodities may fluctuate widely due to factors such as changes in value, supply and demand and governmental regulatory policies. The commodity-linked investments in which an Advisory Account invests may be offered by companies in the financial services sector, and events affecting the financial services sector may cause the Advisory Account's value to fluctuate.

- **Contingent Convertible Instruments Risks**—Contingent convertible securities (“CoCos”) are a form of hybrid debt security that are intended to either convert into equity or have their principal written down, potentially to zero, upon the occurrence of certain “triggers.” The triggers are generally linked to regulatory capital thresholds or regulatory actions calling into question the issuing banking institution’s continued viability as a going-concern. CoCos’ unique equity conversion or principal write-down features are tailored to the issuing banking institution and its regulatory requirements. Some additional risks associated with CoCos include, among others, less absorption risk, risk as subordinated instruments, and risk that its market value will fluctuate based on unpredictable factors.
- **Corporate Debt Securities Risks**—Corporate debt securities are subject to, among other risks, the risk of the issuer’s inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates decline, the value of an Advisory Account’s debt securities can be expected to rise, and when interest rates rise, the value of those securities can be expected to decline. Debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities. In addition, an Advisory Account’s investments in debt securities may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each

case, could result in the issuer repaying the principal on an obligation held by the Advisory Account earlier than expected. This may happen when there is a decline in interest rates, or when the issuer’s performance allows the refinancing of debt with lower cost debt. Early repayments of an Advisory Account’s investments may have an adverse effect on such Advisory Account’s investment objectives and the profits on invested capital.

- **Credit/Default Risk**—An issuer or guarantor of fixed-income securities or instruments held by an Advisory Account (which, for certain Advisory Accounts, may have low credit ratings) may default on its obligation to pay interest and repay principal or default on any other obligation, and a counterparty to a derivatives investment may fail to perform its contractual obligations. Additionally, the credit quality of securities or instruments may deteriorate rapidly, which may impair an Advisory Account’s liquidity and cause significant value deterioration. Advisory Accounts may invest in noninvestment grade fixed-income securities (commonly known as “junk bonds”) and leveraged loans that are considered speculative. Non-investment grade investments, leveraged loans and unrated securities of comparable credit quality are subject to the increased risk of an issuer’s inability to meet principal and interest payment obligations. These securities and loans may be subject to greater price volatility due to such factors as specific issuer developments, interest rate sensitivity, negative perceptions of the junk bond and leverage loan markets generally and less secondary market liquidity. It is likely that a major economic recession could have a materially adverse impact on the value of such securities. Lower rated debt securities are typically junior to the obligations of companies to senior creditors, trade creditors and employees and therefore, the ability of holders of such lower rated debt securities to influence a company’s affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors.

- **Credit Ratings**—The Advisory Accounts may, but are not required to, use credit ratings to evaluate securities. Credit ratings do not evaluate the market value risk of lower-quality securities and, therefore, may not fully reflect the true risks of an investment, and they are used only as a preliminary indicator of investment quality. Investments in lower-quality and comparable unrated obligations will be more dependent on the credit analysis of GSAM than would be the case with investments in investment-grade debt obligations.
- **Exchange-Traded Notes**—An Advisory Account may invest in exchange-traded notes (“ETNs”), which are senior, unsecured, unsubordinated debt securities issued by a sponsoring financial institution. The returns on an ETN are linked to the performance of particular securities, market indices, or strategies, minus applicable fees. ETNs are traded on an exchange (e.g., the New York Stock Exchange) during normal trading hours; however, investors may also hold an ETN until maturity. At maturity, the issuer of an ETN pays to the investor a cash amount equal to the principal amount, subject to application of the relevant securities, index or strategy factor. Similar to other debt securities, ETNs have a maturity date and are backed only by the credit of the sponsoring institution. ETNs are subject to credit risk. The value of an ETN may be influenced by, among other things, time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying assets, changes in the applicable interest rates, changes in the issuer’s credit rating, and economic, legal, political or geographic events that affect the underlying assets. When an Advisory Account invests in ETNs, it will bear its proportionate share of any fees and expenses borne by the ETN. Although an ETN is a debt security, it is unlike a typical bond, in that there are no periodic interest payments and principal is not protected.
- **Fixed-Income Securities Risks**—Advisory Accounts may invest in fixed-income securities. Investment in these securities may offer opportunities for income and capital appreciation, and may also be used for temporary defensive purposes and to maintain liquidity. Fixed-income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bonds, notes, and debentures issued by corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities or by a non-U.S. government or one of its agencies or instrumentalities; municipal securities; and mortgage-backed and asset-backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations. 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 (i.e., credit risk) and are subject to price volatility due to factors such as interest rate sensitivity, market perception of the creditworthiness of the issuer, and general market liquidity (i.e., market risk). The credit quality of securities may deteriorate rapidly, which may impair an Advisory Account’s liquidity and cause significant value deterioration.
- **Floating and Variable Rate Obligations Risks**—Advisory Accounts may invest in instruments that have floating and/or variable rate obligations. For floating and variable rate obligations, there may be a lag between an actual change in the underlying interest rate benchmark and the reset time for an interest payment of such an obligation, which could harm or benefit the Advisory Account, depending on the interest rate environment or other circumstances. In a rising interest rate environment, for example, a floating or variable rate obligation that does not reset immediately would prevent an Advisory Account from taking full advantage of rising interest rates in a timely manner. However, in a declining interest rate environment, an Advisory Account may benefit from a lag due to an obligation’s interest rate payment not being immediately impacted by a decline in interest rates. Certain floating and variable rate obligations have an interest rate floor feature, which prevents the interest rate payable by the security from dropping below a specified level as compared to a reference interest rate.

Such a floor protects Advisory Accounts from losses resulting from a decrease in the reference rate below the specified level. However, if the reference rate is below the floor, there will be a lag between a rise in the reference rate and a rise in the interest rate payable by the obligation, and Advisory Accounts may not benefit from increasing interest rates for a significant amount of time.

- **General Risks of Secured Loans—An Advisory Account may invest in loans that are secured.** These investments may be subject to the risk that the Advisory Account's security interests in the underlying collateral are not properly or fully perfected. Compounding these risks, the collateral securing debt investments will often be subject to casualty or devaluation risks and even where the senior loans held by an Advisory Account are secured by a perfected lien over a substantial portion of the assets of a portfolio company and its subsidiaries, the portfolio company and its subsidiaries will often be able to incur a substantial amount of additional indebtedness, which may have an exclusive lien over particular assets. For example, debt and other liabilities incurred by non-guarantor subsidiaries of portfolio companies will be structurally senior to the debt held by the applicable Advisory Account. Accordingly, any such debt and other liabilities of such subsidiaries would, in the event of liquidation, dissolution, insolvency, reorganization or bankruptcy of such subsidiary, be repaid in full before any distributions to an obligor of the loans held by the Advisory Account. Furthermore, these other assets over which other lenders have a lien may be substantially more liquid or valuable than the assets over which the Advisory Account has a lien. The foregoing could have an adverse impact on an Advisory Account's recovery in connection with a secured loan. The foregoing risks may be more significant where an Advisory Account invests in second-lien secured debt.
- **High Yield Debt Securities Risks—Advisory Accounts may also invest in high yield debt securities, which have historically experienced greater default rates than investment grade securities.** The ability of holders of

high yield debt to influence a company's affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors. In addition, high yield debt may also be subject to additional liquidity and volatility risk. In addition, certain types of fixed-income securities may be subject to additional risks. For example, mortgage-backed securities and asset-backed securities may also be subject to call risk, extension risk and prepayment risk, as well as substantial structural, legal, operational and liquidity risks.

- **Inflation Protected Securities Risks—To the extent an Advisory Account invests in IPS, the value of IPS generally fluctuates in response to changes in real interest rates, which are in turn tied to the relationship between nominal interest rates and the rate of inflation.** If nominal interest rates increased at a faster rate than inflation, real interest rates might rise, leading to a decrease in the value of IPS. The market for IPS may be less developed or liquid, and more volatile, than certain other securities markets. In addition, the value of Treasury Inflation-Protected Securities ("TIPS") generally fluctuates in response to inflationary concerns. As inflationary expectations increase, TIPS will become more attractive, because they protect future interest payments against inflation. Conversely, Advisory Accounts that invest in IPS will be subject to the risk that prices throughout the economy may decline over time, resulting in "deflation." If this occurs, the principal and income of inflation-protected fixed-income securities held by an Advisory Account would likely decline in price, which could result in losses for the Advisory Account. Further, there can be no assurance the various consumer price indices used in connection with IPS will accurately measure the real rate of inflation in the prices of goods and services, which may affect the value of IPS.
- **Lack of Control Over Investments—GSAM may not always have complete or even partial control over decisions affecting an investment.** For example, GSAM, on behalf of an Advisory Account, 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.

- **Limited Amortization Requirements**—An Advisory Account may invest in senior secured debt that will typically have limited mandatory amortization and interim repayment requirements. A low level of amortization of any senior debt over the life of the investment may increase the risk that a company will not be able to repay or refinance the senior debt held by such Advisory Account when it comes due at its final stated maturity.
- **Loan Risks**—Advisory Accounts invested in loans may not be entitled to rely on the anti-fraud protections of the federal securities laws, although they may be entitled to certain contractual remedies. Further, the market for loan obligations may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. Because transactions in many loans are subject to extended trade settlement periods, an Advisory Account may not receive the proceeds from the sale of a loan for a period after the sale. As a result, sale proceeds related to the sale of loans may not be available to an Advisory Account to make additional investments or payments in respect of withdrawals therefrom for a period after the sale of the loans, and, as a result, the Advisory Account may have to sell other investments or engage in borrowing transactions if necessary to raise cash to meet its obligations. Advisory Accounts may also hold a larger position in cash and cash items to limit the impact of extended trade settlement periods, which may adversely impact Advisory Accounts' performance. In addition, an Advisory Account may be exposed to losses resulting from default and foreclosure. There is no assurance that the protection of an Advisory Account's interests is adequate or that claims may not be asserted by others that might interfere with enforcement of an Advisory Account's rights. Although a loan obligation may be

fully collateralized at the time of acquisition, the collateral may decline in value, be relatively illiquid, or lose all or substantially all of its value subsequent to investment. Many loan investments are subject to legal or contractual restrictions on resale and certain loan investments may be or become relatively illiquid or less liquid and difficult to value. There is less readily available, reliable information about most loan investments than is the case for many other types of securities. Substantial increases in interest rates may cause an increase in loan obligation defaults. Moreover, to the extent an Advisory Account has a direct contractual relationship with a defaulting borrower, such Advisory Account may be adversely affected, including as a result of costs or delays in the foreclosure or liquidation of the assets securing the loan.

- **Mezzanine Debt Risks**—Mezzanine debt is typically junior to the obligations of a company to senior creditors, trade creditors and employees. The ability of an Advisory Account to influence a company's affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors.
- **Mortgage-Backed and/or Other Asset-Backed Securities Risks**—Mortgage-related and other asset-backed securities are subject to certain risks, including "extension risk" (i.e., in periods of rising interest rates, issuers may pay principal later than expected) and "prepayment risk" (i.e., in periods of declining interest rates, issuers may pay principal more quickly than expected, causing an Advisory Account to reinvest proceeds at lower prevailing interest rates). Mortgage-backed securities offered by non-governmental issuers are subject to other risks as well, including failures of private insurers to meet their obligations and unexpectedly high rates of default on the mortgages backing the securities. Other asset-backed securities are subject to risks similar to those associated with mortgage-backed securities, as well as risks associated with the nature and servicing of the assets backing the securities. Asset-backed securities may not have the

benefit of a security interest in collateral comparable to that of mortgage assets, resulting in additional credit risk.

- **Municipal Securities Risks**—Municipal securities risks include credit/default risk, interest rate risk, the ability of the issuer to repay the obligation, the relative lack of information about certain issuers of municipal securities, and the possibility of future legislative changes which could affect the market for and value of municipal securities. The risk that any proposed or actual changes in income tax rates or the tax exempt status of interest income from municipal securities can significantly affect the demand for, and supply, liquidity and marketability of, municipal securities. Such changes may affect an Advisory Account's net asset value and ability to acquire and dispose of municipal securities at desirable yield and price levels. Certain Advisory Accounts may be more sensitive to adverse economic, business or political developments if they invest a substantial portion of their assets in the bonds of similar projects (such as those relating to education, health care, housing, transportation, and utilities), industrial development bonds, or in particular types of municipal securities (such as general obligation bonds, private activity bonds and moral obligation bonds).

Certain of the municipalities in which an Advisory Account may invest may experience significant financial difficulties, which may lead to bankruptcy or default or significantly affect the values of the securities issued by such municipalities. For example, certain Advisory Accounts hold, and/or may acquire in the future, securities issued by the Commonwealth of Puerto Rico and its instrumentalities. Puerto Rico experienced a significant downturn during the recent recession, and continues to face significant fiscal challenges, including persistent government deficits, underfunded public pension benefit obligations, underfunded government retirement systems, sizable debt service obligations and a high unemployment rate. In April through July 2015, the credit ratings of Puerto Rico's general obligation bonds were downgraded by

Moody's, S&P and Fitch to Caa3, CCC- and CC, respectively. These ratings represent non-investment grade status. Further, on June 30, 2016, the U.S. Congress passed, and the President of the United States signed, the "PROMESA" Bill, which establishes a federal oversight board over the Commonwealth of Puerto Rico. On July 1, 2016, the Commonwealth of Puerto Rico defaulted on its general obligation bonds, and the ratings were downgraded to D by S&P as a result. On March 13, 2017, the newly elected Governor of Puerto Rico presented a fiscal plan, as required by the PROMESA Bill, which was confirmed by the PROMESA Board. The outcome remains uncertain and is subject to negotiations among various parties, including the Commonwealth of Puerto Rico and creditor groups.

- **Non-Investment Grade Investment Risks**—Non-investment grade fixed-income securities and unrated securities of comparable credit quality (commonly known as "junk bonds") are considered speculative and are subject to the increased risk of an issuer's inability to meet principal and interest payment obligations. These investments may be subject to greater price volatility due to such factors as specific corporate or municipal developments, interest rate sensitivity, negative perceptions of the junk bond markets generally and less secondary market liquidity. Advisory Accounts may purchase investments of issuers that are in default.
- **Non-Performing Loan Risks**—Advisory Accounts may invest in non-performing loans, which are loans that are in default or close to being in default. The obligor and/or guarantor of such loans may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments with respect to such non-performing loans. In addition, because of the unique and customized nature of a loan agreement, non-performing loans generally may not be purchased or sold as easily as publicly traded securities. Non-performing loans may encounter trading delays due to their unique and customized nature, and transfers may require the consent of an agent bank or borrower.

Non-performing loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of the principal of the loan and/or the deferral of payments. Commercial and industrial loans in workout and/or restructuring modes and the bankruptcy or insolvency laws are subject to additional potential liabilities, which may exceed the value of an Advisory Account's original investment. For example, borrowers often resist foreclosure on collateral by asserting numerous claims, counterclaims and defenses against the holder of loans, including lender liability claims and defenses, in an effort to delay or prevent foreclosure. Even assuming that the collateral securing each loan provides adequate security for the loans, substantial delays could be encountered in connection with the liquidation of non-performing loans. In the event of a default by a borrower, these restrictions as well as the ability of the borrower to file for bankruptcy protection, among other things, may impede the ability to foreclose on or sell the collateral or to obtain net liquidation proceeds sufficient to repay all amounts due on the related loan. Under certain circumstances, payments to Advisory Accounts may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. Investments in non-performing loans may incur significant losses and adversely affect the performance of Advisory Accounts.

- **Obligations Risks**—Many loan obligations are subject to legal or contractual restrictions on purchase and sale or resale and are relatively illiquid and may be difficult to value. Loan obligations are not traded on an exchange, and purchasers and sellers rely on certain market makers, such as the administrative agent for the particular loan obligation, to trade that loan obligation. As a result of these factors, particular loan obligations or participations can be difficult to dispose of when necessary to meet an Advisory Account's liquidity needs or in response to a specific economic event, such as a decline in the credit quality of the borrower.

- **Other Debt Instruments; CBOs and CLOs Risks**—The Advisory Accounts may directly or indirectly invest in other investment grade or other debt instruments of companies or other entities not affiliated with countries or governments, including but not limited to, senior and subordinated corporate debt; investment grade tranches of collateralized mortgage obligations; preferred stock; corporate securities; and bank debt. As with other investments made by an Advisory Account, there may not be a liquid market for these debt instruments, which may limit the Advisory Account's ability to sell these debt instruments or to obtain the desired price. Advisory Accounts may also invest in collateralized bond obligations ("CBOs") and CLOs, and other similar securities which may be fixed pools or may be "market value" or managed pools of collateral, including commercial loans, high yield and investment grade debt, structured securities and derivative instruments relating to debt. Depending upon the tranche of a CBO or CLO in which an Advisory Account invests, the returns may be extremely sensitive to the rate of defaults in the collateral pool, and redemptions by more senior tranches could result in an elimination, deferral or reduction in the funds available to make interest or principal payments to the tranches held by Advisory Accounts. In addition, there can be no assurance that a liquid market will exist in any CBO or CLO when an Advisory Account seeks to sell its interest therein. Also, it is possible that an Advisory Account's investment in a CBO or CLO will be subject to certain contractual limitations on transfer. Further, a CBO or CLO may be difficult to value given current market conditions.
- **Purchases of Securities and Other Obligations of Financially Distressed Companies**—An Advisory Account may directly or indirectly purchase securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although such purchases may result in significant returns, they involve a substantial degree of risk and may not show

any return for a considerable period of time, if ever. Many of these instruments ordinarily remain unpaid unless and until the company reorganizes and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. If a company that is expected to be stable deteriorates and becomes involved in a reorganization or liquidation proceeding, an Advisory Account may lose its entire investment or may be required to accept cash or other assets with a value less than its original investment. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that GSAM will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action. Distressed investments may require active participation by GSAM and its representatives, and there may be situations where GSAM and its representatives determine to not so participate due to regulatory, tax, reputational or other considerations. This may expose an Advisory Account to greater litigation risks than may be present with other types of investing, or may restrict an Advisory Account's ability to dispose of its investment.

- **Second Lien Loan Risks**—Second lien loans generally are subject to similar risks as those associated with investments in senior loans. Because second lien loans are subordinated or unsecured and thus lower in priority of payment to senior loans, they are subject to the additional risk that the cash flow of the borrower, and property securing the loan or debt, if any, may be insufficient to meet scheduled payments after giving effect to the senior secured obligations of the borrower. This risk is generally higher for subordinated unsecured loans or debt, which are not backed by a security interest in any specific collateral. Second lien loans generally have greater price volatility than senior loans and may be less liquid. There is also a possibility that originators will not be able to sell participations in second lien loans, which would create greater credit risk exposure for the holders of such loans. Second lien

loans share the same risks as other below investment grade securities.

- **Senior Loan Risks**—Senior loans, which hold the most senior position in the capital structure of a business entity, are typically secured with specific collateral and have a claim on the assets and/or stock of the borrower that is senior to that held by subordinated debt holders and stockholders of the borrower. Senior loans are usually rated below investment grade, and are subject to similar risks, such as credit risk, as below investment grade securities. However, senior loans are typically senior and secured in contrast to other below investment grade securities, which are often subordinated and unsecured. There is less readily available, reliable information about most senior loans than is the case for many other types of securities, and GSAM relies primarily on its own evaluation of a borrower's credit quality rather than on any available independent sources. The ability of an Advisory Account to realize full value in the event of the need to sell a senior loan may be impaired by the lack of an active trading market for certain senior loans or adverse market conditions limiting liquidity. To the extent that a secondary market does exist for certain senior loans, the market may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. Although senior loans in which an Advisory Account will invest generally will be secured by specific collateral, there can be no assurance that liquidation of such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal or that such collateral could be readily liquidated. In the event of the bankruptcy of a borrower, an Advisory Account could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing a senior loan. Moreover, any specific collateral used to secure a senior loan may decline in value or become illiquid, which would adversely affect the senior loan's value. Uncollateralized senior loans involve a greater risk of loss. Some senior loans are subject to the risk that a court, pursuant to fraudulent conveyance or other

similar laws, could subordinate the senior loans to presently existing or future indebtedness of the borrower or take other action detrimental to lenders, including an Advisory Account, such as invalidation of senior loans.

- **Short Duration Fixed-Income Strategies**—To the extent that an Advisory Account employs a strategy focused on maintaining fixed-income securities of short duration, such a strategy generally will earn less income and, during periods of declining interest rates will provide lower total returns, than would have been the case had longer duration strategies been employed. Although any rise in interest rates is likely to cause the prices of debt obligations to fall, the comparatively short duration of an Advisory Account's portfolio holdings utilized in connection with such a strategy is generally intended to keep the value of such securities within a relatively narrow range.
- **Short-Term Investment Fund Risk**—A portion of an Advisory Account's assets may be invested in a STIF for liquidity or cash management purposes. STIF vehicles for Advisory Accounts are typically determined by the client, and managed by the Advisory Account's trustee or custodian or an Unaffiliated Adviser. For "stable value" mandates, the ability of the Advisory Account to maintain a stable net asset value is dependent in part on the ability of the STIF vehicle to maintain a stable net asset value.
- **Sovereign Debt Risks**—Investment in sovereign debt obligations by an Advisory Account involves risks not present in debt obligations of corporate issuers. The issuer of the debt or the governmental authorities that control the repayment of the debt may be unable or unwilling to repay principal or interest when due in accordance with the terms of such debt, and an Advisory Account may have limited recourse to compel payment in the event of a default. Any failure to make payments in accordance with the terms of the debt could result in losses to an Advisory Account. A sovereign debtor's willingness or ability to repay principal and pay interest in a timely manner may be

affected by, among other factors, its cash flow situation, the extent of its foreign currency reserves, the availability of sufficient foreign exchange on the date a payment is due, foreign currency exchange rates, political or social factors, the general economic environment of the country, the relative size of the debt service burden to the economy as a whole, the sovereign debtor's policy toward international lenders and the political constraints to which a sovereign debtor may be subject.

As with all fixed-income securities, investing in sovereign debt involves the risks of changes in the value of the instruments resulting from fluctuating interest rates. When interest rates decline, the market value of fixed-income securities tends to increase. Conversely, when interest rates increase, the market value of fixed-income securities tends to decline. In addition, short-term cash equivalent investments, such as commercial paper, bankers' acceptances, certificates of deposit, and repurchase agreements, are not guaranteed by any government and are subject to some risk of default.

- **Stable Value Risks**—To the extent that an Advisory Account invests in Stable Value Contracts, it will be subject to the risks of such contracts. Stable Value Contracts are benefit responsive agreements that typically impose investment restrictions on an Advisory Account in addition to any investment restrictions imposed as a result of the Advisory Account's own investment program. For example, Stable Value Contract providers have required that accounts be managed under more conservative or restrictive investment guidelines than in the past in order to manage their contract risk, and have increased their fees, which may result in lower returns. Certain stable value providers offer bundled arrangements, under which the provider has both the book value obligation and the provider (or an affiliate) manages the underlying portfolio. A bundled arrangement may involve certain conflicts, including that the provider's book value obligation will in part be driven by the investment and risk strategies undertaken by it (or an

affiliate) in managing the underlying portfolio. The contract provider or its affiliate in such arrangements could determine to manage the investment portfolio in a more conservative manner than for an account where the conflict is not present.

The obligations of providers of Stable Value Contracts are those of the providers and are not obligations of GSAM, Goldman Sachs or any of their affiliates. However, there is no guarantee that providers under Stable Value Contracts will fulfill their obligations or that Stable Value Contracts will continue to be valued at their contract value rather than market or fair value. Wrap and separate account contracts may provide for an adjustment to book value if a security that is part of the covered assets defaults or otherwise has its credit risk deteriorate or becomes “impaired” as defined in the contract. If the book value of the assets under a Stable Value Contract were adjusted or if such assets were revalued at their market value, this could cause a significant loss in value to an Advisory Account that held the contract. Furthermore, issuers of Stable Value Contracts may experience a credit failure or otherwise fail to meet their financial obligations, which could result in losses to Advisory Accounts.

Stable Value Contracts typically have long withdrawal notice periods and include provisions that could limit plan sponsor flexibility to implement desired plan changes or terminate their complete investment in funds at book value (as opposed to market value). In addition, plan sponsors are obligated to notify stable value managers of plan changes, in certain cases before changes are implemented. A plan sponsor’s failure to notify the plan’s stable value manager of plan changes in a timely manner could result in contract termination or an adjustment to or loss of book value coverage. GSAM may have limited ability to independently verify compliance by plan sponsors, recordkeepers, clearing firms or other entities providing services directly or indirectly to such plans with these notice provisions or other contractual obligations.

In addition, Stable Value Contracts generally have terms that provide that certain contract withdrawals associated with specified events or circumstances that are not in the ordinary course of the operation of the plan, and, in some cases, that the contract provider determines will have an adverse effect on their financial interests, would be subject to a market value adjustment to the book value for such withdrawals. Wrap contracts define certain termination events that permit the contract provider to terminate the contract at market value and the account will receive the market value of the assets covered by the contract as of the date of termination. Thus, if the market value of the covered assets is less than the book value of the contract on the termination date, the contract does not require the issuer to pay the excess of book value over market value. As a result, this type of termination will result in a market value adjustment. In addition, if the plan defaults in its contractual obligations or representations under the contract (including non-compliance with investment guidelines) and such default is not cured within any applicable cure period, then the contract may be terminated by the issuer and the account will receive the market value of the covered assets as of the date of termination.

There can be no assurance that sufficient Stable Value Contracts will be available in the future to replace or supplement an Advisory Account’s existing contracts. Future regulatory action could also impact the availability or terms of Stable Value Contracts. In addition, any future changes to accounting principles applicable to Stable Value Contracts could impact the availability or terms of such contracts.

- U.S. Government Securities Risks—The U.S. government may not provide financial support to U.S. government agencies, instrumentalities or sponsored enterprises if it is not obligated to do so by law. U.S. government securities, including those issued by the Federal National Mortgage Association (“Fannie Mae”), the Federal Home Loan Mortgage Corporation (“Freddie Mac”), and the Federal Home Loan Banks are neither issued by nor guaranteed by the U.S.

Treasury and therefore are not backed by the full faith and credit of the United States. The maximum potential liability of the issuers of some U.S. government securities held by an Advisory Account may greatly exceed their current resources, including any legal right to support from the U.S. Treasury. It is possible that issuers of U.S. government securities will not have the funds to meet their payment obligations in the future. Fannie Mae and Freddie Mac have been operating under conservatorship, with the Federal Housing Finance Administration ("FHFA") acting as their conservator, since September 2008. The entities are dependent upon the continued support of the U.S. Department of the Treasury and FHFA in order to continue their business operations. These factors, among others, could affect the future status and role of Fannie Mae and Freddie Mac and the value of their debt and equity securities and the securities which they guarantee. Additionally, the U.S. government and its agencies and instrumentalities do not guarantee the market values of their securities, which may fluctuate.

- U.S. Treasury Securities Risk—Advisory Accounts may invest in securities backed by the U.S. Treasury or the full faith and credit of the United States. Such securities are guaranteed only as to the timely payment of interest and principal when held to maturity, but the market prices for such securities are not guaranteed and will fluctuate. Because U.S. Treasury securities trade actively outside the United States, their prices may rise and fall as changes in global economic conditions affect the demand for these securities. In addition, changes in the credit rating or financial condition of the U.S. government may cause the value of U.S. Treasury Securities to decline, which could result in losses to Advisory Accounts.

RISKS THAT APPLY PRIMARILY TO DERIVATIVES INVESTMENTS AND SHORT SALES

- Call and Put Options Risks—There are risks associated with the sale and purchase of call and put options. The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option.
- The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option.
- Failure of Brokers, Counterparties and Exchanges Risks—An Advisory Account 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. An Advisory Account's prime brokers or other parties may hold Advisory Account assets, including assets held as collateral for margin loans or other financing provided to such Advisory Account. Under the terms of such arrangements and under applicable law, a secured party may be permitted to rehypothecate such assets in connection with securities lending or other transactions entered into by the secured party. An Advisory Account may be subject to risk of loss of its assets on deposit with a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Advisory Account, or the bankruptcy of an exchange clearing house. In the case of a bankruptcy of the counterparties with which, or the brokers, dealers and exchanges through which, the Advisory Account deals, the Advisory Account might not be able to recover any of its assets held, or amounts

owed, by such person, even property specifically traceable to the Advisory Account, and, to the extent such assets or amounts are recoverable, the Advisory Account might only be able to recover a portion of such amounts. Additional uncertainty arises from the fact that the Advisory Account may be prevented from recovering amounts owed to it upon a broker, dealer, exchange clearing house or counterparty bankruptcy due to contractual and/or regulatory stays contained in the parties' trading documentation or enacted by insolvency regimes applicable to such entity. For example, the Advisory Account's counterparty may be subject to the Orderly Liquidation Authority framework under Title II of the Dodd-Frank Act, the Securities Investor Protection Act, or the E.U. Bank Recovery and Resolution Directive, among others. Further, even if the Advisory Account is able to recover a portion of such assets or amounts, such recovery could take a significant period of time. Depending on the domicile of the broker, dealer, exchange or counterparty, a bankruptcy proceeding might occur outside of the U.S., further increasing the complexities involved and the period of time such recovery may take and subjecting the Advisory Accounts to the findings of any such non-U.S. bankruptcy regime.

In addition, although the U.S. Commodity Exchange Act, as amended, requires a commodity broker to segregate the funds of its customers, if a commodity broker fails to properly segregate customer funds, an Advisory Account may be subject to a risk of loss of its funds on deposit with such broker in the event of such broker's bankruptcy or insolvency. Also, to the extent an Advisory Account has exposure to non-U.S. broker-dealers it may also be subject to risk of loss of its funds because non-U.S. regulatory bodies may not require such broker-dealers to segregate customer funds.

To the extent an Advisory Account invests in swaps, derivatives or synthetic instruments, or other over-the-counter transactions in these markets, the Advisory Account may take a credit risk with regard to parties with which it trades and also may bear the risk of settlement default. These risks may differ materially

from those involved in exchange-traded transactions, which generally are characterized by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries.

- **Forward Contracts Risks**—The Advisory Accounts may enter into forward contracts and options thereon which are not traded on exchanges and are generally not regulated and there are no limitations on daily price moves of forward contracts. In addition, an Advisory Account may be exposed to credit risks with regard to counterparties with whom it trades as well as risks relating to settlement default. Such risks could result in substantial losses to an Advisory Account.
- **Futures Risks**—Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” It is also possible that an exchange or the CFTC may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, implement retroactive speculative position limits, or order that trading in a particular contract be conducted for liquidation only. The circumstances described above could prevent GSAM from liquidating unfavorable positions promptly and subject an Advisory Account to substantial losses.
- **Hedging Risks**—Hedging techniques could involve a variety of derivative transactions, including transactions in futures, forward, swap and option contracts or other financial instruments with similar characteristics, including exchange-listed and over-the-counter put and call options on securities, financial indices, forward foreign currency contracts, and various interest rate transactions. To the extent GSAM utilizes hedging techniques in respect of an Advisory Account, hedging techniques involve risks different than those of underlying investments, including interest rate risk, market risk, the risk that the complexity of these instruments will make evaluation, monitoring and pricing difficult, the risk that counterparties will default

on their obligations, liquidity risk and risks associated with leverage that may be embodied in the derivative instrument. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives. In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge may be greater than gains in the value of the positions of an Advisory Account or that losses on the hedge will occur at the same time as losses in the value of the positions of an Advisory Account. In addition, certain hedging instruments and markets may not be liquid in all circumstances. As a result, in volatile markets, an Advisory Account may not be able to close out a transaction in certain of these instruments without incurring losses substantially greater than the initial deposit. Although the contemplated use of these instruments is intended to minimize the risk of loss due to a decline in the value of the hedged position, the use of such instruments may limit any potential gain which might result from an increase in the value of such position. The ability of an Advisory Account to hedge successfully cannot be assured. Hedging techniques involve costs, which could be significant, whether or not the hedging strategy is successful.

- **Requirement to Perform**—In contrast to exchange-traded instruments, forward, spot and option contracts and swaps do not provide a trader with the right to offset its obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or option contracts, or swaps, an Advisory Account may be required, and must be able, to perform its obligations under the contract.
- **Reverse Repurchase Agreements Risks**—Reverse repurchase transactions involve risks that the value of portfolio securities being relinquished may decline below the price that must be paid when the transaction closes or that the other party to a reverse repurchase agreement will be unable or unwilling to complete the transaction as scheduled, which may result in losses to an Advisory Account.

- **Risks of Cross-Guarantee and Cross-Collateralization of Borrowing Obligations**—Leverage, if any, used by Advisory Accounts that are pooled investment vehicles may be structured in a way that the Advisory Accounts are jointly responsible on a cross-guaranteed or cross-collateralized basis for the repayment of the indebtedness. An Advisory Account may be adversely affected if another Advisory Account defaults on its obligations in respect of any such indebtedness.
- **Risks of Derivative Investments**—Advisory Accounts may invest in derivative instruments, including, without limitation, options, futures, options on futures, interest rate caps and floors and collars, participation notes, swaps, options on swaps, structured securities, forward contracts and other derivatives relating to non-U.S. currency transactions. To the extent Advisory Accounts invest in these types of derivative instruments through OTC transactions, there may be less governmental regulation and supervision of the OTC markets than of transactions entered into on organized exchanges or other similar trading platforms. Investments in derivative instruments may be for both hedging and non-hedging purposes (that is, to seek to increase total return), although suitable derivative instruments may not always be available to GSAM for these purposes. Using derivatives for non-hedging purposes is considered a speculative practice and presents greater risk of loss than derivatives used for hedging purposes.

Losses in an Advisory Account from investments in derivative instruments can result from the potential illiquidity of the markets for derivative instruments, the failure of the counterparty to perform its contractual obligations, or the risks arising from margin requirements and related leverage factors associated with such transactions. Losses may also arise if an Advisory Account receives cash collateral under the transactions and some or all of that collateral is invested in the market. To the extent that cash collateral is so invested, such collateral will be subject to market depreciation or appreciation and an Advisory Account may be responsible for any loss that might result from

its investment of the counterparty's cash collateral. If cash collateral is not invested, an Advisory Account may be exposed to additional risk of loss in the event of the insolvency of its custodian holding such collateral. Derivatives are also subject to counterparty risk, liquidity risk and risks arising from margin requirements, which include the risk that an Advisory Account will be required to pay additional margin or set aside additional collateral to maintain open derivatives positions. More specifically, counterparties in many derivatives markets are required to post and collect margin in connection with their derivatives positions. Margining derivatives positions, however, may reduce the amount of the Advisory Account's assets available for investment and may create additional liquidity, documentation and operational risks and obligations. For example, if a counterparty becomes insolvent while holding margin posted by an Advisory Account, such Advisory Account might not be able to recover any of that margin, or, to the extent such margin is recoverable, the Advisory Account might only be able to recover a portion of such margin.

Advisory Accounts may also be subject to risk of loss of their funds on deposit with non-U.S. brokers because non-U.S. regulatory bodies may not require such brokers to segregate customer funds. Advisory Accounts may be required to post margin for their foreign exchange transactions either with GSAM or other foreign exchange dealers who are not required to segregate funds (although such funds are generally maintained in separate accounts on the foreign exchange dealer's books and records in the name of the applicable Advisory Account).

The use of these management techniques also involves the risk of loss if GSAM is incorrect in its expectation of the timing or level of fluctuations in securities prices, interest rates, currency prices or other variables. A lack of correlation between changes in the value of derivatives and the value of the assets being hedged (if any) could also result in losses. In addition, there is a risk that the performance of the derivatives or other instruments used by GSAM to replicate the

performance of a particular asset class may not accurately track the performance of that asset class.

In addition, subject to jurisdictional limits, the Dodd-Frank Act and the implementing rules thereunder establish a comprehensive regulatory framework for oversight of OTC derivatives transactions by the CFTC and the SEC, and heightens the existing regulation of futures markets. There are also comparable regulations in other jurisdictions impacting these markets. There can be no certainty as to the final form of the requirements, and the full extent of the impact such requirements will have on the Advisory Accounts is unclear. Compliance with these regulations may present significant challenges as well as costs and expenses for the Advisory Accounts. As a result, GSAM may have to alter or adjust its hedging or investment strategy, which may have an adverse impact on GSAM's ability to meet the investment and risk management objectives of the Advisory Accounts. GSAM may also have to negotiate or enter into amendments to documentation governing its use of derivative instruments, including industry protocols and other similar amendments, which could further adversely impact the Advisory Accounts.

Investments in derivative instruments may be illiquid or less liquid, harder to value, subject to greater volatility and more likely to be subject to changes in tax treatment than other investments. For these reasons, any attempt to hedge portfolio risks through the use of derivative instruments may not be successful, and GSAM may choose not to hedge certain portfolio risks. Investing for non-hedging purposes presents an even greater risk of loss.

- **Short Selling/Position Risk**—Short selling occurs when an Advisory Account borrows a security from a lender, sells the security to a third party, reacquires the same security and returns it to the lender to close the transaction. The Advisory Account profits if the price of the borrowed security declines in value from the time the Advisory Account sells it to the time the Advisory Account reacquires it. Conversely, if the borrowed

security has appreciated in value during this period, the Advisory Account will suffer a loss. The potential loss on a short sale is unlimited because the price of the borrowed security may rise indefinitely. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. To the extent an Advisory Account uses the proceeds it receives from a short position to take additional long positions, the risks associated with the short position, including leverage risks, may be heightened. In the event of a bankruptcy or other similar insolvency with respect to a broker with whom an Advisory Account has an open short position, the Advisory Account may be unable to recover, or may be delayed in recovering, any margin or other collateral held with or for the lending broker. Short selling also involves the risks of: increased leverage, and its accompanying potential for losses; the potential inability to reacquire a security in a timely manner, or at an acceptable price; the possibility of the lender terminating the loan at any time, forcing the Advisory Account to close the transaction under unfavorable circumstances; the additional costs that may be incurred; and the potential loss of investment flexibility caused by the Advisory Account's obligations to provide collateral to the lender and set aside assets to cover the open position. An Advisory Account may also enter into a short derivative position through a futures contract, an option or a swap agreement.

An Advisory Account may make "short sales against-the-box," in which it sells short securities it owns or has the right to obtain without payment of additional consideration. If the Advisory Account makes a short sale against-the-box, it will be required to set aside securities equivalent in kind and amount to the securities sold short (or securities convertible or exchangeable into those securities) and will be required to hold those securities while the short sale is outstanding. The Advisory Account will incur transaction costs, including interest expenses, in connection with opening, maintaining and closing short sales against-the-box.

Many jurisdictions have imposed restrictions and reporting requirements on short selling. For example, in 2008, the SEC temporarily suspended short selling on stocks of over 950 publicly traded companies and in 2010, the SEC adopted a short sale price test rule, which limited short selling an issuer following a 10% decline in its trading price. These restrictions and reporting requirements may prevent Advisory Accounts from successfully implementing their investment strategies and achieving their investment objectives. In addition, reporting requirements relating to short selling may provide transparency to an Advisory Account's competitors as to its short positions, which may have a detrimental impact on an Advisory Account's returns.

- **Swaps Risks**—The use of swaps is a highly specialized activity which involves investment techniques, risk analyses and tax planning different from those associated with ordinary portfolio securities transactions. Swaps may be subject to various types of risks, including market risk, liquidity risk, structuring risk, legal risk, tax risk, and the risk of non-performance by the counterparty. Swaps can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swaps may increase or decrease an Advisory Account's exposure to commodity prices, equity or debt securities, long-term or short-term interest rates (in the United States or abroad), non-U.S. currency values, mortgage-backed securities, corporate borrowing rates, or other factors such as security prices, baskets of securities, or inflation rates and may increase or decrease the overall volatility of the Advisory Account's portfolio.
- **When-Issued Securities and Forward Commitments**—In order to secure what is considered to be an advantageous price or yield, an Advisory Account may purchase securities that have been authorized, but not yet issued ("when-issued securities") and make contracts to purchase or sell securities for a fixed price at a future date beyond customary settlement time (a "forward commitment").

The purchase of securities on a when-issued or forward commitment basis involves a risk of loss if the value of the security to be purchased declines before the settlement date. Conversely, the sale of securities on a forward commitment basis involves the risk that the value of the securities sold may increase before the settlement date. Although Advisory Accounts will generally purchase securities on a when-issued or forward commitment basis with the intention of acquiring the securities for its portfolio, Advisory Accounts may dispose of when-issued securities or forward commitments prior to settlement if GSAM deems it appropriate. When purchasing a security on a when-issued basis or entering into a forward commitment, an Advisory Account must identify on its books liquid assets, or engage in other appropriate measures, to “cover” its obligations.

RISKS THAT APPLY PRIMARILY TO INVESTMENTS IN THIRD-PARTY MANAGEMENT COMPANIES

- Activities of Third-Party Management Company Personnel—Personnel of a Third-Party Management Company may engage in activities that pose legal, regulatory, financial, reputational or other risks to the Third-Party Management Company. Such activities may be difficult or impossible to detect, and GSAM’s proper performance of its monitoring functions would generally not give it the opportunity to discover such activities within a time frame sufficient to prevent significant harm to Advisory Accounts, or at all.
- Changes in Expected Investment Objectives of Third-Party Management Companies—Third-Party Management Companies may have the ability to change their investment objectives and strategies and economic and other terms, as well as those of their related Third-Party Management Company Funds, and Third-Party Management Companies may enter into new lines of business not anticipated at the time of investment, after an Advisory Account has made its investments in such Third-Party Management Companies or Third-Party Management Company Funds. Any such event may be
- adverse to the Advisory Account’s investment. An Advisory Account generally will not have the ability to reduce or withdraw its investments in such Third-Party Management Companies or Third-Party Management Company Funds.
- Clawback Payments to Third-Party Management Companies—In connection with investments by Advisory Accounts in Third-Party Management Companies, Third-Party Management Companies may make distributions to Advisory Accounts that are subject to clawback arrangements with those Third-Party Management Companies. The terms of an Advisory Account’s investment in a Third-Party Management Company may require the Advisory Account to return such distributions to the Third-Party Management Company upon the occurrence of certain circumstances.
- Consent and Filing Requirements in Connection with Investments in Third-Party Management Companies—Third-Party Management Companies are often regulated entities and/or investment in Third-Party Management Companies may otherwise require the satisfaction of certain legal requirements before an Advisory Account can invest in such Third-Party Management Companies. Accordingly, an Advisory Account’s acquisition and disposition of interests in Third-Party Management Companies may be subject to the consent and filing requirements of various governmental or regulatory bodies (in particular but not limited to the governmental and regulatory bodies of the United States), including agencies charged with oversight of financial institutions, investment advisors or similar enterprises, or the administration of competition laws. As a result, prior to the acquisition or disposition of an interest in a Third-Party Management Company, an Advisory Account may be required or advised to seek consent from the applicable governmental or regulatory bodies, which consent may or may not be granted, or might be granted only after considerable delay or after requiring the parties to alter the terms of their proposed transaction. This may increase the time and/or expense required to complete a

transaction, or may result in an Advisory Account not making an investment it otherwise would have made.

- **Inability to Fulfill Investment Objective or Implement Investment Strategy; Competitive Investment Environment**—There is increasing interest in investing in Third-Party Management Companies by multiple sources of capital, including sponsors of funds, sovereign wealth funds and other private and public companies. Some of these competitors may have advantages not shared by the Advisory Accounts, including different return thresholds than the Advisory Accounts, the ability to incur leverage to finance their debt investments at levels or on terms more favorable than those available to the Advisory Account, or greater operational flexibility due to a relative lack of regulation. As a result, finding opportunities to make investments in Third-Party Management Companies could be challenging given the potentially high levels of investor demand some investment opportunities may receive. There can be no assurance as to the number of investment opportunities to invest in Third-Party Management Companies that will be presented to any Advisory Account.

In addition, identifying attractive investment opportunities in Third-Party Management Companies is difficult and involves a high degree of uncertainty, and there is no assurance that any particular Advisory Account will acquire interests in such investments. Negotiations of investments of this type can be difficult and complicated, and legal or contractual transfer restrictions, including rights-of-first refusal, change-of-control, and other similar provisions to which the Third-Party Management Companies are subject may prevent an Advisory Account from making such investment.

- **Key Persons; Non-Competition**—Third-Party Management Companies in which an Advisory Account invests may rely heavily on certain of their key personnel to manage and direct the operations of the Third-Party Management Companies. The presence and retention of key personnel is particularly important

to participants in the alternative investment managing sector, including the Third-Party Management Companies, and the departure of any personnel or their inability to fulfill their responsibilities may adversely affect the ability of a Third-Party Management Company to effectively implement its investment program, which may have an adverse effect on an Advisory Account.

- **Limited Track Record of Third-Party Management Companies**—An Advisory Account may invest in a Third-Party Management Company that has only recently commenced operations and therefore has a limited operating history upon which GSAM can evaluate its anticipated performance.
- **Past Performance of Third-Party Management Companies**—The past performance of a Third-Party Management Company, or of a manager that has established a Third-Party Management Company after having worked with various investment firms, may not be an indication of the future performance of such Third-Party Management Company. There can be no assurance that these Third-Party Management Companies will achieve their respective performance objectives. The failure of a Third-Party Management Company in which an Advisory Account invests to meet its performance objectives could have an adverse effect on the Advisory Account.
- **Performance Dependent Upon Third-Party Management Companies**—While it is expected that representatives of GSAM will periodically meet with the personnel of Third-Party Management Companies in which an Advisory Account invests and may negotiate contractual terms on behalf of an Advisory Account requiring Third-Party Management Companies to periodically provide GSAM and the Advisory Account with certain information, GSAM generally will not have the opportunity to evaluate the specific strategies employed by the Third-Party Management Companies and the Third-Party Management Company Funds, and GSAM will not have an active role in the day-to-day management of the Third-Party

Management Companies and the Third-Party Management Company Funds. GSAM will have no obligation or other duty to seek to control or influence any Third-Party Management Company. The returns of an Advisory Account that invests in Third-Party Management Companies will depend largely on the performance of the Third-Party Management Companies and could be adversely affected by the unfavorable performance and/or practices and policies of the Third-Party Management Companies.

- **Risks Applicable to Allocation of Assets to Certain Third-Party Management Companies**—GSAM may allocate Advisory Account assets to Third-Party Management Companies that have relatively low levels of assets under management, limited direct experience managing Third-Party Management Company Funds and/or limited or no experience managing certain of the strategies expected to be deployed by them in their investment program. GSAM's ability to determine whether a Third-Party Management Company possesses the capability and resources to effectively manage an investment advisory business (notwithstanding any portfolio management experience) may be limited, including because such Third-Party Management Company may have limited or no independent track records. GSAM's allocation of Advisory Account assets to a Third-Party Management Company may entail additional risks, including risks related to lack of infrastructure, fewer dedicated resources and less developed marketing and other capabilities relative to other managers. In addition, a Third-Party Management Company may not have previous experience with applicable legal and regulatory considerations associated with managing a Third-Party Management Company Fund. The foregoing may result in greater deficiencies relating to operations, risk management and investment management. Such deficiencies may have an adverse effect on an Advisory Account's performance.

RISKS THAT APPLY PRIMARILY TO INVESTMENTS IN UNDERLYING FUNDS AND WITH RESPECT TO ADVISERS

- **Advisers' Activities May be Limited**—To the extent that the client's investment (and/or any investments by other funds and clients managed or advised by GSAM or an affiliate) constitutes a significant percentage of an Underlying Fund, that Adviser's trading activities may be restricted due to certain regulatory or other requirements or restrictions applicable to Goldman Sachs (including relating to the aggregation of positions among different funds and accounts) and internal Goldman Sachs policies. These restrictions may limit the opportunities or investment activities of the Adviser. As a result, the performance of such Underlying Funds could differ significantly from, and could materially underperform, the performance of a comparable investment fund managed by the same Adviser. In order to reduce or avoid any such restrictions, Advisers may reject, limit or restrict investments by Accounts with such Advisers. As a result, an Advisory Account may be unable, or may be limited in its ability, to make investments with certain Advisers, which further limits the universe of potential investments for the Advisory Account.
- **Advisers and Underlying Funds Invest Independently**—Advisers and Underlying Funds generally make investment decisions independently of other Advisers and other Underlying Funds, respectively, and may at times hold, or cause an Advisory Account to hold, economically offsetting positions. Consequently, an Advisory Account could indirectly incur costs, including transaction costs and taxes, without accomplishing any net investment result. Furthermore, it is possible that from time to time, various Advisers or various Underlying Funds may be competing with each other for the same positions in one or more markets. Multiple Advisers or Underlying Funds may at certain times hold large positions in a relatively limited number of the same or similar investments. Greater concentration of positions across multiple Advisers or Underlying Funds likely will increase the adverse effect

of on an Advisory Account of any problems experienced in the market, sector, or industry in which the positions are concentrated.

- **Changes to Investment Program; Additional Investment Strategies of Underlying Funds**—The managers of affiliated or unaffiliated Underlying Funds in which an Advisory Account invests (which, in the case of affiliated Underlying Funds, may be GSAM) may remove, substitute, modify or otherwise deviate from the investment strategies and sub-strategies or any of the types of investments described or being utilized by the Underlying Fund at the time of an Advisory Account's investment in the Underlying Fund. Changes to a manager's investment strategies may adversely affect the Advisory Account's portfolio and may result in a manager making investments in an area in which it has limited experience.
- **Failure by Other Investors to Meet Capital Calls**—Failure by one or more other investors to meet a capital call by an Underlying Fund could have adverse consequences for GSAM's clients. The Underlying Fund may be permitted to require its investors to contribute additional capital to satisfy the shortfall. If the Underlying Fund is unable to raise sufficient capital to consummate a proposed investment, its general partner may not be able to diversify its portfolio, which could adversely affect results of such Underlying Fund and could also result in the Underlying Fund's investments being concentrated in relatively few properties and/or regions. Furthermore, the Underlying Fund may not have sufficient capital to contribute capital to existing portfolio companies necessary to ensure their ongoing financial stability. If multiple investors fail to meet capital calls from a particular Underlying Fund, the Underlying Fund could default on its obligations, which could result in the termination of the Underlying Fund, causing a lower return, or potentially a loss, of investments by GSAM's clients.
- **Giveback Obligations**—The terms of an Underlying Fund may require the return of distributions received from investments, potentially including distributions

made prior to the time the Advisory Account became an investor in such Underlying Fund, upon the occurrence of certain circumstances, including to satisfy any indemnification, reimbursement, contribution or similar obligation (including any obligation resulting from applicable law), or any other expense or obligation, of the Underlying Fund. The Adviser to such Underlying Fund may set aside amounts otherwise distributable to investors for such purpose, should they arise, and amounts set aside to fund such payments will reduce the amount of funds available for distribution to an investor or make additional portfolio investments.

- **Government Investigations**—In the event that an Adviser or any current or former personnel or affiliate thereof becomes the subject of (or is otherwise involved in) any formal or informal investigation by a governmental or regulatory agency or is otherwise suspected to have engaged in or be involved in any wrongdoing (including through reports in the press), such event may have an adverse effect on the Adviser and its operations, regardless of whether such Adviser or other person is ultimately charged or found to have engaged in any wrongdoing, including as a result of reputational harm and the diversion of the Adviser's attention from its investment management responsibilities.
- **Investment and Trading Risks**—Investments in Underlying Funds are speculative and involve a high degree of risk, including the risk that the entire amount invested may be lost. The Advisers will invest in and actively trade securities and other financial instruments using highly complex strategies and investment techniques with significant risk characteristics, including among others, risks arising from the volatility of the fixed-income, commodity, currency and equity markets, risks of concentration, market risks, liquidity risks, risks of short sales, risks of leverage, risks arising from the potential illiquidity of assets, the risk of loss from counterparty and broker defaults, and legal and operations risks. Each Adviser's investment program may utilize such investment techniques as margin transactions, option transactions, short sales, forward

contracts and futures contracts, which involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Advisory Account may be subject.

- **Investments in Certain Multi-Adviser Structures**—From time to time, an Adviser may cause an Underlying Fund to allocate assets to investment funds selected by such Adviser that are affiliated with such Adviser and investment funds selected by such Adviser that are not affiliated with such Adviser (“Multi-Adviser Structures”). The Adviser selection process generally includes the performance by GSAM of customary due diligence on each Underlying Fund and the applicable Adviser. However, where an Underlying Fund allocates funds to a Multi-Adviser Structure, GSAM generally will have limited ability to examine the organizational infrastructure of the underlying managers and the investment funds in which the Advisory Account indirectly invests. In addition, an Advisory Account will not be able control the selection or removal of underlying Advisers. Advisory Accounts investing in Underlying Funds that allocate funds to a Multi-Adviser Structure will also be subject to the risks described under “—Multiple Levels of Fees and Expenses” above.
- **Investments of Advisory Accounts May Not Be Diversified**—Subject to any investment guidelines applicable to an Advisory Account, GSAM will have no constraints on the number of Advisers to which assets of the Advisory Account are allocated, or on the percentage of the assets of the Advisory Account allocated to any single Adviser, group of Advisers, sector or strategy. No assurance is generally given as to any level of multiple Adviser diversification or diversification among the strategies within an Advisory Account. Greater concentration with any single Adviser or in any single sector, strategy, or investment theme may entail additional risks and likely will increase the adverse effect on an Advisory Account of any problems experienced by an underlying Adviser since such Adviser is more likely to make up a significant portion of the Advisory Account’s assets.
- **Limitations on Ability to Rebalance Portfolio**—GSAM may at certain times be unable to reallocate an Advisory Account’s assets among Advisers as it determines is advisable in order to achieve the Advisory Account’s investment objective due to a number of factors including, without limitation, those described under “Liquidity Risks” above. If imbalances in the allocations occur because an Advisory Account is unable to reallocate on a timely basis, losses occurring as a result could cause the Advisory Account to suffer significantly greater losses than would be the case if the Advisory Account’s allocation goals had been achieved. In the event that an Advisory Account is able to make investments in Underlying Funds only at certain times, the Advisory Account may hold cash or invest any portion of its assets that is not invested in Underlying Funds in cash equivalents, short-term securities or money market securities pending allocation to Advisers. During the time that the Advisory Account’s assets are not invested with Advisers, that portion of the Advisory Account’s assets will not be used to pursue the Advisory Account’s investment objective.
- **Limitations on GSAM’s Authority**—Advisers, and not GSAM, typically have responsibility for the day-to-day management of Underlying Funds. GSAM’s ability to waive or amend the investment objectives, policies, and strategies, remove, replace, or withdraw assets from Advisers, reallocate assets among Advisers and vary or change the allocation of assets of an Advisory Account may be subject to the limitations imposed by the agreements with Advisers, market conditions and applicable law. Losses may result during the time it takes GSAM to react to market or other conditions and comply with the required notice obligations or other contractual agreements.
- **Limited Ability to Invest in Underlying Funds**—In the event that an Advisory Account is able to make investments in Underlying Funds only at certain times, the Advisory Account may hold cash or invest any portion of its assets that is not invested in Underlying Funds in cash equivalents, short-term securities or

money market securities pending allocation to Underlying Funds. During the time that an Advisory Account's assets are not invested in Underlying Funds, that portion of the Advisory Account's assets generally will not be used to pursue the Advisory Account's investment objective.

Certain Underlying Funds' trading approaches can accommodate only a limited amount of capital, and each Underlying Fund has the right to refuse to manage some or all of the assets that GSAM may wish to allocate to such Underlying Fund. In determining capital allocations among Underlying Funds, GSAM may consider, among other factors, constraints on an Underlying Fund's capital capacity. GSAM may determine, for various reasons, that an Underlying Fund that has limited capacity is more appropriately included as part of the portfolio of certain Advisory Accounts rather than other Advisory Accounts for which the Underlying Fund might also have been appropriate.

- **Limited Ability to Negotiate Terms of Investments in Underlying Funds**—When an Advisory Account acquires interests from investors in Underlying Funds, rather than from the Underlying Funds themselves (secondary investments), GSAM may have limited or no opportunity to negotiate the terms of the interests in the Underlying Funds or other special rights or privileges. Advisory Accounts will typically have the opportunity to acquire a portfolio of interests in Underlying Funds from a seller only on an “all or nothing” basis and, in some cases, certain components of such investments may be less attractive than others. In addition, the Advisory Account's performance will be affected by the structure of the acquisition and the terms of the Underlying Funds, including with respect to legal, tax, regulatory and other considerations, and the Advisory Account generally will have limited or no control over the Underlying Funds. The terms, structure and other aspects of such investments may be disadvantageous for legal, tax, regulatory and other reasons.

- **Limited Regulatory Oversight**—The Underlying Funds in which Advisory Accounts invest generally are not registered as investment companies, and the client, in turn, is not provided the protections of the Investment Company Act. Advisers to which Advisory Accounts allocate assets may not be registered under the Advisers Act and may be subject to limited or no regulatory requirements or governmental oversight. Therefore, an Advisory Account invested in an Underlying Fund may not have the benefit of certain protections that would otherwise be afforded to investors had the Underlying Fund been more heavily regulated. Similarly, HFS-managed AIMS Program Funds are not required to register as investment companies under the Investment Company Act and, as a result, the provisions of such act intended to provide various protections to investors are not applicable.
- **Liquidity Risk of Investments in Underlying Funds**—Advisory Accounts' interests in Underlying Funds are not freely transferable and there will generally be no active secondary market for such interests. In addition, an Advisory Account that invests in Underlying Funds that are private equity funds generally will not be able to redeem its capital account balances or withdraw its interests. Underlying Funds that are hedge funds may impose minimum holding periods (“lock-ups”), limited dates on which interests may be redeemed, significant redemption notice periods and redemption fees and that implement holdbacks until after the completion of year-end or final audits. From time to time, Underlying Funds that are hedge funds may segregate assets, including illiquid or difficult to value assets, through the use of “side-pockets,” and may suspend, gate or otherwise further limit redemptions, make distributions in-kind in connection with redemption requests, or liquidate their portfolios. The timeframe for the recovery of illiquid assets is typically unknown, and it may be a significant period of time before an Advisory Account is able to redeem from Underlying Funds or to liquidate any assets received in respect of a distribution in-kind. In addition, in order to obtain better fee terms, Profits Interests, or other favorable arrangements with

an Adviser, an Advisory Account may be required to invest on certain terms that are more restrictive or less advantageous to the Advisory Account than may be available to other investors, including without limitation, longer lock-ups.

- **Multiple Levels of Fees and Expenses**—Subject to applicable law, in circumstances in which Advisory Accounts invest in Advisers or Underlying Funds, the Advisory Accounts will generally bear any asset-based fees and performance-based fees or allocations and expenses at the Advisory Account level, in addition to any asset-based fees and performance-based fees or allocations and expenses (including organizational and offering expenses, operating costs, sales charges, brokerage expenses and administrative fees) at the Adviser level (although there may be circumstances in which Advisory Accounts bear such fees at only the Advisory Account level, or only the Adviser level). Asset-based fees will be charged on all assets in an Advisory Account, including cash or cash equivalents. An Advisory Account may be subject to performance-based fees or allocations in respect of certain Advisers, irrespective of the performance of other Advisers and the Advisory Account generally. Accordingly, an Adviser with positive performance may receive performance-based compensation from an Advisory Account, and thus indirectly from a client, even if the Advisory Account's overall performance is negative. See also "Performance-Based Compensation" above.
- **New Strategies Risks**—Advisers may, from time to time, utilize additional investment strategies and sub-strategies, and/or remove, substitute or modify their investment strategies and sub-strategies or any of the types of investments then being utilized. Any such addition or change may result in the Advisers investing in other markets, securities and instruments than those described in their offering or governing documents. GSAM generally will not have an opportunity to evaluate such decisions or an opportunity to withdraw an Advisory Account's assets with any Adviser prior to any such decision. Any such change in investment strategies by an Adviser will also be subject to the risks discussed above in this Appendix B—Information on Significant Strategy Risks—General Risks—Risks of New Investment Strategies.
- **Non-Recourse Risk**—The governing agreements of Underlying Funds in which Advisory Accounts invest may limit the circumstances in which a trustee and/or manager can be held liable to investors. As a result, investors may have a more limited right of action in certain cases than they would in the absence of such provisions.
- **Reliance on Unaffiliated Advisers**—It is expected that GSAM generally will have less ability to monitor investments in Underlying Funds advised by Unaffiliated Advisers and to obtain full and current information with respect to such investments than it would have if the investments were made directly through Underlying Funds and separate accounts managed by GSAM. GSAM generally will have no right or power to participate in the day to day management or control of the Advisory Accounts, the Underlying Funds or other entities through which Advisory Accounts invest, or the Unaffiliated Advisers, and will not have an opportunity to evaluate the specific strategies used or investments made by the Advisory Accounts, the Underlying Funds or other entities through which Advisory Accounts invest, or the Unaffiliated Advisers, or the terms of any investments made by the Advisory Accounts, the Underlying Funds or other entities through which Advisory Accounts invest, or the Unaffiliated Advisers. GSAM generally has no control over the allocation policies of Unaffiliated Advisers, including in the event an Unaffiliated Adviser determines to allocate investment opportunities or fees and expenses in a manner that is not fair and equitable to an Advisory Account, which could have an adverse effect on such Advisory Account. While GSAM will select and monitor the Unaffiliated Advisers, GSAM relies to a great extent on information provided by the Unaffiliated Advisers and may have limited access to other information regarding the Unaffiliated Advisers' portfolios and operations.

Success of investments in Underlying Funds advised by Unaffiliated Advisers depends upon, among other things, the ability of the Unaffiliated Advisers to develop and successfully implement strategies that achieve their investment objectives. GSAM relies on the expertise of numerous Unaffiliated Advisers who are actively involved in running and overseeing the Underlying Funds to help identify, evaluate, underwrite, operate, manage and dispose of assets. GSAM's selection of an Underlying Fund in which to invest its Advisory Account assets is inherently based on subjective criteria with the result that the true performance and abilities of a particular Unaffiliated Adviser will be difficult to assess. The historical performance of an Unaffiliated Adviser is not indicative of its future performance, which can vary considerably. Moreover, the Underlying Funds may be recently formed and may have no independent operating history upon which to evaluate their likely performance. Similarly, Unaffiliated Advisers may have limited or no track records and/or operating histories. No assurance can be made that profits will be achieved or that substantial losses will not be incurred. In addition, while representatives of GSAM may, from time to time, serve on the advisory boards of certain Underlying Funds or portfolio companies, GSAM generally will not have the opportunity to evaluate or to approve the specific investments made by any Underlying Fund and will not have an active role in the day-to-day management of the Underlying Funds. The success of Underlying Funds depends upon, among other things, the ability of GSAM and the Unaffiliated Advisers to develop and successfully implement investment strategies that achieve the investment objectives of the Underlying Funds, and upon the ability of the Unaffiliated Advisers to develop and implement strategies that achieve their investment objectives. Moreover, subjective decisions made by GSAM and/or the Unaffiliated Advisers (including with respect to the utilization of leverage) may cause an Advisory Account to incur losses or to miss profit opportunities on which it may otherwise have capitalized. Furthermore, the success of an Underlying Fund, and, in turn, any of

GSAM's Advisory Accounts, is substantially dependent on the Unaffiliated Advisers of the Underlying Funds in which the Advisory Accounts invest and the individuals associated with such Unaffiliated Advisers. Should one or more of these individuals become incapacitated or in some other way cease to participate in the investment determinations of the applicable Underlying Fund, GSAM's Advisory Accounts could be adversely affected. In addition, the returns of GSAM's Advisory Accounts could be adversely affected by the unfavorable performance of any of the Underlying Funds in which they invest.

Furthermore, there is a risk that an Unaffiliated Adviser may knowingly, negligently or otherwise withhold or misrepresent information, including the presence or effects of any fraudulent or similar activities. Even if an Unaffiliated Adviser has not engaged in any wrongdoing, an Unaffiliated Adviser and its operations could be adversely affected if the Unaffiliated Adviser becomes the subject of (or is otherwise involved in) any formal or informal investigation by a governmental or regulatory agency or is otherwise suspected to have engaged in or be involved in any wrongdoing (including through reports in the press). GSAM's proper performance of its monitoring functions would generally not give GSAM the opportunity to discover such situations prior to the time the Unaffiliated Adviser discloses (or there is public disclosure of) the presence or effects of any fraudulent or similar activities. In addition, certain service providers and consultants to Unaffiliated Advisers may also engage in fraudulent or similar activities (e.g., the dissemination by "expert networks" of material, non-public information regarding issuers), and Unaffiliated Advisers may intentionally or negligently benefit from such activities. In connection with GSAM's ongoing review of Unaffiliated Advisers, GSAM may identify certain deficiencies with or other concerns relating to the Unaffiliated Adviser. GSAM may decide not to terminate an Unaffiliated Adviser despite the identification of such deficiencies or concerns for various reasons. If an Underlying Fund suffers losses

during this period, GSAM's Advisory Accounts could be adversely affected. Alternatively, GSAM may determine to withdraw or attempt to withdraw assets of GSAM's Advisory Accounts from an Underlying Fund as a result of such deficiencies or concerns, but may be unable to do so for a significant period of time, and GSAM's Advisory Accounts may be adversely affected.

In reporting to clients, GSAM may provide market, portfolio, performance and other information prepared by Unaffiliated Advisers, without independently verifying the accuracy of the information. In addition, crediting rates established under Stable Value Contracts may be based in part on data provided by Unaffiliated Advisers, the accuracy of which GSAM has not independently verified.

- **Risks Associated with Certain Methods for Allocating Assets to Advisers**—GSAM will typically allocate Advisory Account assets to an Adviser by purchasing an interest in an Underlying Fund managed by the Adviser. GSAM may, however, allocate assets to Advisers by various other means, including by investing in intermediate investment vehicles (for example, feeder funds) formed or managed by GSAM or an affiliate (collectively, "Alternative Investments"). There are additional costs and risks associated with such investments. For example, Alternative Investments may impose higher costs on investors than a direct investment in an Underlying Fund because investors will have to bear an additional layer of operational fees and expenses, which could be material. Certain Alternative Investments may be smaller (with lower net asset values) than comparable Underlying Funds and may therefore impose higher costs on investors as a percentage of their investment. Further, an indirect investment in an Underlying Fund through Alternative Investments (e.g., a feeder fund) generally will not be tracked separately from other investors in such vehicle. This means that an Advisory Account generally will share in any open positions in the Underlying Fund held by such Alternative Investments prior to the Advisory's Account's investment in such

Alternative Investments, which may result in worse liquidity and/or performance of the Advisory Account's indirect investment in the Underlying Fund than had the Advisory Account invested in the Underlying Fund directly. Furthermore, performance-based compensation charged by an Adviser on the appreciation of the net assets of an Underlying Fund will generally be shared pro rata by all investors in the Alternative Investments (including an Advisory Account), regardless of the amount of appreciation (if any) since the Advisory Account's investment in such vehicle. An Advisory Account also may invest in an Underlying Fund indirectly by purchasing or entering into derivatives. Indirect investments through derivatives carry with them the credit risk associated with the applicable counterparty. In addition, a derivative may be structured in a manner that provides greater leverage than a direct investment in the Underlying Fund. Certain Alternative Investments may be formed by an Adviser specifically for Advisory Accounts. As a result, any decision with respect to the underlying Alternative Investment made by GSAM may be more likely to impact the Alternative Investment as a whole than it would a commingled fund where Advisory Accounts represented a smaller portion of the overall fund.

As a result of, among other factors, differences in the assets, leverage, liquidity, investment guidelines and restrictions (including regulatory or other requirements applicable to Goldman Sachs and/or internal policies of Goldman Sachs relating to regulatory or other requirements), and the terms, costs, structure and operations of certain Alternative Investments, the performance of such Alternative Investments could differ significantly from, and could materially underperform, the performance of a comparable investment fund managed by the same Adviser.

GSAM may also place Advisory Account assets with an Adviser by opening a managed account. It is possible, given the leverage at which certain Advisers will trade, that allocations of Advisory Account assets to an Adviser through a managed account could result in

losses that exceed the amount GSAM has allocated to such Adviser to invest.

- Risks Associated with “Start-up” Advisers—Certain Advisers may have less dedicated resources (e.g., qualified managerial and/or technical personnel and outside advisers), less developed infrastructure and less developed marketing and other capabilities, when compared with managers having higher levels of assets under management. In addition, investments with such Advisers may be subject to greater risk and uncertainty than investments with more experienced Advisers because such Advisers may not have direct experience managing money, such as experience with financial, legal or regulatory considerations unique to money management. In its early stages, an Adviser may lack adequate business acumen to operate its business or have little capital available to cover expenses and may have difficulty attracting qualified personnel. Certain Advisers may face competition from other more established investment funds that have a larger number of qualified management and technical personnel and benefit from a larger capital base. The foregoing may result in greater deficiencies relating to operations, risk management and investment management. Such deficiencies may have an adverse effect on an Advisory Account’s performance.

In addition, identifying such “start-up” Advisers may be considerably more difficult than identifying more established Advisers because there is generally less information available on which to base an opinion of such Advisers’ investment and management expertise. For example, prior to establishing their firms, managers may have been associated with organizations that do not allow direct investment of outside capital or significant transparency into the performance of individual portfolio managers.

In addition, certain “start-up” Advisers’ trading approaches can accommodate only a limited amount of capital. Accordingly, each such Adviser may limit the amount of assets or the number of accounts that it will manage and may refuse to manage some or all of an

Advisory Account’s assets that GSAM may wish to allocate to such Adviser. Moreover, an Advisory Account may be restricted from investing with certain Advisers due to guidelines established by GSAM that limit or cap the amount that investment funds managed by it (including the Advisory Account) may invest with a particular portfolio manager, including as a percentage of a portfolio manager’s assets. Any restrictions on investing with otherwise appropriate Advisers could adversely affect Advisory Accounts.

“Start-up” Advisers are generally expected to have lower levels of assets under management and therefore may be more likely to have smaller portfolio management teams, as compared to managers with higher levels of assets under management. Therefore, the management and direction of the investment programs of an Underlying Fund may be more likely to rely on certain key personnel of the Adviser. The departure of any personnel of an Adviser or the inability of such personnel to fulfill certain duties may adversely affect the ability of the Adviser to effectively implement the investment programs of the Underlying Fund that it manages and may have a greater adverse impact on Advisory Accounts than would the departure of key personnel from an Adviser with a larger portfolio management team.

In addition, because “start-up” Advisers may have relatively lower aggregate assets under management (together with any advisory affiliates), an Advisory Account’s investment may constitute a higher percentage of any Adviser than it would otherwise constitute had the Advisory Account invested with an Adviser with a higher level of assets under management. Therefore, a substantial redemption by an Advisory Account from an Adviser is more likely to result in redemption restrictions being imposed by such Adviser.

An Advisory Account’s investment in an Underlying Fund (or other investment fund) managed by “start-up” Adviser, together with investments in such Underlying Fund by other funds and clients managed or advised by

GSAM, may constitute a significant percentage of such Underlying Fund. As a result, the Adviser's trading activities, including trading in certain securities, may be restricted as a result of regulatory restrictions applicable to Goldman Sachs (including relating to the aggregation of positions among different funds and accounts) and internal Goldman Sachs policies. Such restrictions may limit the opportunities or investment activities of the Adviser and, consequently, may adversely affect the performance of Underlying Funds (or other investment funds) managed by the Adviser.

- **Risks Related to Investments in Underlying Funds—**
The acceptance of additional subscriptions by Underlying Funds will dilute the indirect interests of the Underlying Funds' existing investors (including an Advisory Account) in the Underlying Fund's investment portfolio prior to any such subscription, which could have an adverse impact on the existing investors' interests in the Underlying Funds if such Underlying Fund's future investments underperform its prior investments. Furthermore, where an Adviser receives performance-based compensation, any value attributable to the fact that no performance-based compensation will be paid until gains exceed prior losses will be diluted by new subscriptions, because the new interests will participate in any positive performance until such time as gains exceed prior losses. Underlying Funds may issue capital calls to their investors (including an Advisory Account) over a period of time. If an Advisory Account fails to fund a required capital call in respect of an Underlying Fund, the Advisory Account may be subject to the exercise of numerous remedies by the Underlying Fund, in its sole discretion. The exercise of such remedies could have an adverse effect on an Advisory Account's investment in the Underlying Fund and on the value of the Advisory Account. The valuation of Underlying Funds is ordinarily determined based upon valuations provided by Advisers. GSAM may have no ability (including due to a lack of sufficient information), and has no obligation or other duty, to assess the accuracy of the valuations received in respect of investments in

Underlying Funds. The valuations received by GSAM will typically be estimates only, and such valuations generally will be used to calculate the net asset value and fee accruals (to the extent applicable) in respect of an Advisory Account to the extent that current audited information is not then available. Such valuations provided by the Advisers may be estimates only and may be subject to later adjustment based on valuation information available at that time, including, without limitation, as a result of year-end audits.

In certain circumstances, GSAM may, subject to the terms of the applicable Advisory Account, determine the fair value of an Advisory Account's investment with an Adviser independently of the Adviser's valuations based on the best available information, which may be the information most recently provided by an Adviser to GSAM, and any factors deemed relevant by GSAM at the time of such valuation. Such determination may be materially inaccurate, including because the information available to GSAM was insufficient, inaccurate or out of date. It is not expected that an Advisory Account will make adjustments to correct such determinations to reflect information that becomes available to the Advisory Account at a later date, although GSAM may make such adjustments in its sole discretion.

GSAM may allocate assets, directly or indirectly, to Advisers that invest in assets that lack a readily ascertainable market value, and the net asset value of an Advisory Account will be affected by the valuations of any such assets (including, without limitation, in connection with calculating the fees of GSAM). The valuation of such assets may create a conflict of interest for such Advisers, as such assets may constitute a substantial portion of the Advisers' investments and their value may affect the Advisers' compensation. Given the uncertainty inherent in the valuation of assets that lack a readily ascertainable market value, the value of such assets as reflected in the net asset value of the Advisory Account or any Underlying Fund may differ materially from the prices at which the applicable Advisers would be able to liquidate the assets.

The valuation of an investment with an Adviser may be materially greater than or less than the valuation of the investment that would be determined if its assets were to be liquidated as of such date. For example, if a third-party Underlying Fund were required to sell a certain asset or all or a substantial portion of its assets on a particular date, the actual price that the third-party Underlying Fund would realize upon the disposition of such asset or assets could be materially less than the value of such asset or assets as reflected in the net asset value of the third-party Underlying Fund. Volatile market conditions could also cause reduced liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in the net asset value of an investment.

In addition, GSAM may sell interests in Underlying Funds (or interests in specific assets held by such Underlying Funds) through secondary market transactions. Valuation of assets sold in a secondary market transaction may be difficult, as there generally will be no established market for these assets. In addition, these assets may be sold at a discount to the current net asset value because of liquidity or other considerations, and such discount may be significant. The value of any interests in Underlying Funds (or interests in specific assets held by such Underlying Funds) sold through secondary market transactions may fluctuate, and the sale price of such interests may not reflect the actual amount that will be realized in connection with a disposition (or, on the eventual liquidation) of such interests.

- **Risks Related to Thematic Investments**—Certain Advisers to which GSAM allocates Advisory Account assets may implement specific investment themes or ideas that are derived from short-term or medium-term market views. It is expected that only a limited number of Portfolio Funds will have a thematic focus, and therefore, the universe of thematic investment opportunities for the Fund will be limited. Moreover, Advisers that implement thematic investing are generally expected to limit the amount of assets that

will be managed with respect to a particular investment theme or opportunity, and therefore, there will be limited capacity for Advisory Accounts investing in Underlying Funds with a thematic focus.

Under certain market environments, an Underlying Fund with a thematic focus may not find sufficiently compelling investment opportunities with desirable return-versus-risk tradeoffs within a specified theme or sector and, as a result, the Underlying Fund may hold large cash balances. Such cash balances will act as a drag on the Underlying Fund's investment performance and will lead to underperformance of the Underlying Fund.

In addition, Underlying Funds with a thematic focus may at certain times hold large positions in a relatively limited number of investments, and as a result may be more adversely affected by adverse economic, business, political or other developments than a less concentrated portfolio. Such factors may adversely affect the performance of Advisory Accounts that invest in Underlying Funds with a thematic focus.

- **Risks Related to Underlying Fund Side Pockets**—An Advisory Account that holds interests in an Underlying Fund that has segregated one or more assets through the use of side-pockets generally will not be able to redeem its interests in such investments until the side pocketed assets are liquidated, deemed realized or otherwise disposed of. In addition, such assets are generally carried on the books of the Underlying Fund at the Adviser's or a third party's determination of fair value; however, given the nature of such assets, such determinations may not represent the actual amount that would be realized by the Underlying Fund upon the disposition of the assets. As a result, such assets raise significant liquidity and valuation risks and may affect the amount and timing of any management fees and incentive compensation charged to the Advisory Account by the Adviser. See "Liquidity Risks" above and "Risks Related to Investments in Underlying Funds" below.

- **Transactions Between and Among Advisory Accounts**—GSAM may determine that it is advisable to reduce some or all of an Advisory Account’s interest in one or more Underlying Funds in order to achieve the Advisory Account’s investment objective. In certain cases, such Underlying Funds may be appropriate investments for one or more other Advisory Accounts. Rather than redeeming the Advisory Account’s interests in such Underlying Funds, GSAM may determine to transfer such interests to one or more other Advisory Accounts. Any such transfer generally would be effected at a price equal to the redemption price that otherwise would have been payable to the Advisory Account in respect of such Underlying Fund upon redemption of such interests (or at a price equal to the reported value of such interests if all or a portion of such interests are not redeemed on such transfer date). The transfer price will not take into account any value associated with the transfer of the Advisory Account’s investment holding period, if any, in an Underlying Fund, or the prior high net asset value associated with the transferred interests.

Advisory Accounts may reallocate interests in Underlying Funds that invest in assets that are difficult to value, including investments that have been “side pocketed” or otherwise segregated by an Adviser. If an Advisory Account transfers or receives interests in such Underlying Funds, such interests generally will be valued in accordance with the terms of the Underlying Fund’s governing agreement, as such valuations are reported to the Advisory Account. However, given the nature of such investments, such valuations may not represent the actual amount that would be realized by the Underlying Fund upon a disposition of such investments. If such difficult-to-value assets are not valued accurately by the Underlying Fund, any transfer of interests in such Underlying Fund may adversely affect the performance of the Advisory Accounts involved in the cross transaction. In addition, to the extent that an Advisory Account receives through a cross transaction an interest in an Underlying Fund that includes one or more investments that have been “side

pocketed” or otherwise segregated by an Adviser, the Advisory Account will generally have a greater portion of its assets invested in such “side pocketed” or segregated investments following such cross transaction than it did beforehand, which will generally decrease the overall liquidity of the Advisory Account’s investments. The Advisory Account generally would not have received an interest in such “side pocketed” or segregated investments had it made a new investment in the applicable Underlying Fund rather than obtaining an interest therein by means of a cross transaction.

GSAM may, on behalf of a Seeding Fund or other applicable Advisory Account, transfer a Profits Interest in anticipation of the Advisory Account’s liquidation or otherwise to one or more other Advisory Accounts. The price at which such a transfer is effected may be determined by GSAM, an affiliated or independent pricing agent or others (subject to applicable law), and may be based upon information provided by, or pricing models developed by, any such party. However, Profits Interests may be difficult to value and the transfer price may not be reflective of what the applicable Advisory Account would have received for such Profits Interest had the Advisory Account sold it to another party.

RISKS THAT APPLY PRIMARILY TO REAL ESTATE INVESTMENTS

- **Dependence on Property Managers and Operating Partners**—Certain real estate investments rely on the expertise of property managers who are responsible for the day-to-day management of properties and operating partners who help to identify, evaluate, underwrite, operate, manage and dispose of assets. The selection of property managers and operating partners is inherently based on subjective criteria, making the true performance and abilities of a particular property manager or operating partner difficult to assess. This reliance on third parties to manage or operate investments poses significant risks. For example, a property manager or operating partner may suffer a business failure, become bankrupt or engage in activities that compete with investments. These and

other problems, including the deterioration of the business relationship between GSAM and the property manager or operating partner, could have an adverse effect on the assets held by an Advisory Account.

- **Development Risks**—Real estate investments may require development or redevelopment, which carries risks including those relating to the availability and timely receipt of zoning, land-use, building, occupancy, environmental and other regulatory approvals, the cost and timely completion of construction (including risks due to weather or labor conditions, insolvency of building contractors, defects in plans and specifications or material shortages), and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of an Advisory Account. In addition, properties under development carry the risk that the properties will not achieve anticipated occupancy levels or sustain anticipated rent levels. Development or redevelopment projects also carry an increased risk of litigation with contractors, subcontractors, suppliers, partners and others. Properties under development or properties acquired for development or redevelopment may receive little or no cash flow from the date of acquisition through the date of completion of development or redevelopment and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development that make such development less attractive than at the time it was commenced.
- **Failure to Qualify as a REIT Would Result in Higher Taxes**—Each REIT in which an Advisory Account invests will operate in a manner intended to qualify as a REIT for U.S. federal income tax purposes. A REIT's compliance with the REIT income and asset requirements depends, however, upon its ability to successfully manage the composition of its income and assets on an ongoing basis. If any REIT were to fail to qualify as a REIT in any taxable year, it would be subject to U.S. federal, state and local income tax, including any applicable alternative minimum tax, on its taxable income at regular corporate rates, and distributions by the REIT would not be deductible by such REIT in computing its taxable income. Even if a REIT remains qualified for taxation as a REIT, it may be subject to certain U.S. federal, state and local taxes on its income and assets under certain circumstances.
- **Impact of Recessionary Environment on Real Estate Investments**—Investments in real estate may be adversely affected by deteriorations and uncertainty in the financial markets and economic conditions throughout the world. Real estate historically has experienced significant fluctuations and cycles in value and local market conditions which may result in reductions in the value of real property interests. All real estate-related investments are subject to the risk that a general downturn in the national or local economy will depress real estate prices. Recent economic developments have increased, and may continue to increase, the risk associated with investing in real estate investments. Given the volatile nature of the current market disruption and the uncertainties underlying efforts to mitigate or reverse the disruption, GSAM may not timely anticipate or manage existing, new or additional risks, contingencies or developments, including regulatory developments and trends in new products and services, in the current or future market environment. Such a failure could adversely affect the Advisory Accounts and their investment objectives or could require Advisory Accounts to dispose of investments at a loss while such unfavorable market conditions prevail.
- **Real Estate Industry Risks**—The real estate industry is particularly sensitive to economic downturns; specific market conditions may result in occasional or permanent reductions in property values. The values of securities of companies in the real estate industry may go through cycles of relative under-performance and out-performance in comparison to equity securities

markets in general. Additionally there are risks related to general and local economic conditions which may include: possible increased cost of or lack of availability of mortgage financing or insurance, variations in rental income, neighborhood values or the appeal of property to tenants; interest rates; overbuilding; extended vacancies of properties; increases in competition, property and other taxes, assessed values and operating expenses; fluctuations in energy prices; and changes in zoning laws. Real estate industry companies are dependent upon management skill, may not be diversified, and are subject to heavy cash flow dependency, default by borrowers and self-liquidation. Advisory Accounts may be subject to personal injury or property damage or similar claims by private parties in respect of investments, and changes in laws or in the condition of an asset may create liabilities that did not exist at the time of acquisition of an investment and that could not have been foreseen. In addition, investments that may require development are subject to additional risks, including availability and timely receipt of zoning and other regulatory approvals and cost and timely completion of construction (which may be affected by weather, labor conditions or material shortages).

- **REIT Risks**—In addition to the risks associated with investments in the real estate industry (see “—Real Estate Industry Risks” above), REITs whose underlying properties are concentrated in a particular industry or geographic region are also subject to risks affecting such industries and regions. The securities of REITs involve greater risks than those associated with larger, more established companies and may be subject to more abrupt or erratic price movements because of interest rate changes, economic conditions and other factors. Securities of such issuers may lack sufficient market liquidity to enable the Advisory Account to effect sales at an advantageous time or without a substantial drop in price. The failure of a company to qualify as a REIT could have adverse consequences for an Advisory Account invested in the company.

- **Risks Relating to the Acquisition and Ownership of Undeveloped Land**—An Advisory Account may invest in transactions involving the acquisition of, or may otherwise hold interests in, undeveloped land for residential or commercial land banking purposes. In addition to risks associated with real estate development, due to the long-term investment holding period often associated with land banking investments, entitlement and other regulatory risks may be heightened. Further, until the disposition or development of such undeveloped land, an Advisory Account would not realize any income from such land banking investment. Undeveloped land is also a highly illiquid investment, and an Advisory Account may not be able to dispose of undeveloped land when desired due to various changes in market conditions.

RISKS THAT APPLY PRIMARILY TO ESG INVESTMENTS

- **Dependence on Government Funding, Tax Credits and Other Subsidies**—The success of certain environmental and social impact investments may depend on government funding, tax credits or other public or private sector subsidies. There is a risk investments could fail to qualify or re-qualify for anticipated funding opportunities or tax credits, which may result in the investment being unable to repay a loan or meet operational expenses. If an investment does not generate enough income to cover expenses and mandatory debt service, an Advisory Account may be required in certain instances to contribute additional capital to the investment to protect the value of the investment. In addition, government programs and funding opportunities could expire or be repealed due to budget cuts or other unforeseen legislative mandates. As a result of the foregoing, an Advisory Account may experience lower financial returns.
- **Environmental and Social Impact Investments**—Environmental and/or social impact investing is a relatively new investment strategy. There may be operational or theoretical shortcomings which could result in unsuccessful investments and, ultimately,

losses to an Advisory Account that implements such a strategy. New investment techniques utilized by GSAM on behalf of an Advisory Account may be more speculative than established techniques and may increase the risk of the investment. It may be difficult for GSAM to project accurately the environmental and/or social impact of prospective investments. Environmental and/or social impact investments may not provide as favorable returns or protection of capital as other investments, and may be more concentrated in certain sectors than investments that do not have the intention of generating measurable social and environmental impact. Such investments may be structured using non-standard terms that are less favorable for an Advisory Account than those traditionally found in the marketplace for investment strategies that do not link environmental and/or social impact to financial returns. GSAM or an Advisory Account may determine to forego an investment that could provide favorable returns because such investment would not have sufficient environmental and/or social impact.

- **Risks Associated with Impact Investments**—Subject to an Advisory Account’s documentation, GSAM may take into account the potential environmental and/or social impact when making decisions regarding the selection, management and disposal of investments on behalf of the Advisory Account. In certain situations, the potential social impact may outweigh financial considerations. For example, GSAM, on behalf of the Advisory Account, may choose to make an investment that has a lower expected financial return when compared to other possible investments because such investment has the potential to make a greater environmental and/or social impact. In addition, GSAM may reject an opportunity to increase the financial return of an existing investment in order to preserve the environmental and/or social impact of such investment. Further, GSAM, on behalf of an Advisory Account, may refrain from disposing of an underperforming investment for a period of time in order to minimize the negative environmental and/or

social impact of such disposition and the Advisory Account may forebear payment or otherwise choose not to exercise its rights as a creditor. As a result of the foregoing, an Advisory Account may achieve lower returns than if it did not take into account the environmental and/or social impact of investments and investment-related decisions. On the other hand, in connection with attempting to maximize Advisory Account returns or for other reasons, GSAM may determine not to take into account the environmental and/or social impact of investments and investment-related decisions. In addition, GSAM may make impact investments on behalf of Advisory Accounts in emerging or growth markets, which involves certain considerations not usually associated with investing in developed markets. See “Emerging Markets and Growth Markets Risks” above.

RISKS THAT APPLY PRIMARILY TO RENEWABLE ENERGY INVESTMENTS

- **Operational Risks of Renewable Energy Investments**—The operations, performance and ultimately the value of renewable power investments are all heavily dependent on contractual arrangements with a range of third parties, including landowners, interconnection providers, transmission providers, power purchasers, and operation and maintenance providers, among others. Non-performance by, or other challenges involving, any of these counterparties may create significant risks to investments. Furthermore, co-owners of renewable power investments may have governance rights and rights to economic priorities, as well as other rights that may bring risk in operating and exiting investments, as well as to the overall performance of such investments. Failures or limitations of physical operating assets may impact, and impact significantly, results of renewable power investments, including business interruption or partial or complete shutdown, and associated losses may not be covered by insurance.
- **Regulatory Restrictions Applicable to Renewable Power Investments**—Renewable power projects are

subject to numerous environmental, health and safety laws, regulations, guidelines, policies, directives, government approvals, permit requirements and other requirements. Violations of environmental and other laws, regulations and permit requirements may result in fines, penalties, criminal sanctions or injunctions. As a result, the operation of renewable power projects may be costly, which may adversely affect the profitability of such projects. In addition, renewable power projects require various government approvals and permits, which may need to be periodically renewed. GSAM cannot predict whether all approvals or permits required for a given asset will be granted or whether the conditions associated with the approvals or permits will be achievable. The denial or loss of an approval or permit essential to an asset or the imposition of impractical conditions upon renewal could impair GSAM's ability to construct and/or operate a renewable power asset.

- **Risks Relating to Co-Ownership Arrangements**—An Advisory Account may enter into a joint ownership structure with the developer of a renewable energy project. In such event, the Advisory Account may have a lesser degree of control over the business operations of a project than if the Advisory Account were the sole owner, which could result in an increase in the financial, legal, operational or compliance risks associated with the project and have an adverse effect on the performance of the project and the Advisory Account. In addition, conflicts of interest may arise between an Advisory Account and the co-owners where the co-owners' business interests are inconsistent with the Advisory Account's interests, which may result in disagreements or disputes between the Advisory Account and the co-owners. Furthermore, co-ownership arrangements may restrict the Advisory Account's ability to exit. Even if an Advisory Account is contractually permitted to exit a co-ownership arrangement, due to the absence of a liquid market for the Advisory Account's interests in the co-ownership arrangement, the Advisory Account may be unable to dispose of its interests at all or may dispose of its

interests at a price that results in material losses to the Advisory Account.

- **Risks Relating to Development Support Arrangements**—In connection with the implementation of a renewable energy strategy, an Advisory Account may enter into certain development support arrangements with developers of renewable power projects. Such arrangements may include extending credit to developers or their projects in the form of loans or equity support. Entering into development support arrangements presents a number of significant risks. There is often little public information about the developers of energy projects, and GSAM may be required to rely on information provided by developers when assessing the creditworthiness of a developer. In addition, any financial distress on a developer could cause the developer to default on its repayment obligations to the Advisory Account. As a result, an Advisory Account is subject to the risk that a developer may default on its obligations under a development support arrangement. In the event of such a default, an Advisory Account's recourse may be limited. Furthermore, in some instances, repayment of obligations under a development support arrangement may depend in part upon successful completion of a project and, as a result, there is a risk that an Advisory Account may not be repaid all or a significant portion of the amount of credit extended to a developer or a project.
- **Risks Relating to the Renewable Energy Market**—The renewable energy market is at a relatively early stage of development. If renewable energy technology proves unsuitable for further market adoption at economically attractive rates of return or if additional demand for renewable energy systems fails to develop sufficiently or takes longer than anticipated to develop, investment opportunities in the renewable energy market may be difficult to source, limited or unavailable. A material drop in the price or increase in the availability of other energy sources could reduce demand for and availability of renewable energy investments. The renewable energy market is also subject to a high

degree of uncertainty as a result of potential tax, regulatory and technological changes. For example, current U.S. government policies promote and support renewable energy and enhance the economic viability of renewable energy projects through tax credits and other incentives. A loss or reduction in such incentives could decrease the attractiveness of renewable energy projects to project developers and the attractiveness of renewable energy systems to customers and tax equity investors, which could reduce the availability or profitability of renewable energy investment opportunities for Advisory Accounts.

Notwithstanding the uncertainties described above, the renewable energy market is highly competitive. Advisory Accounts may compete with, for example, solar energy developers who retain solar power plant ownership, independent power producers, yieldcos, utilities, investment funds (including private equity and infrastructure funds) and other financial investors. Such competitors may be more experienced, substantially larger and have considerably greater financial, technical and marketing resources than Advisory Accounts investing in renewable energy. Some competitors may have a lower cost of funds, perpetual lives and access to funding sources that are not available to Advisory Accounts. In addition, some competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than Advisory Accounts. Moreover, Advisory Accounts' ability to effectively consummate acquisitions may also depend on their ability to arrange the required or desired financing for acquisitions. As a result of operating in such a competitive environment, Advisory Accounts may acquire renewable energy investments that are on less favorable terms than anticipated, which may have an adverse effect on the business, financial condition and results of operations of Advisory Accounts.