

**Financial Planning and Investment Management Services Brochure**

*for*

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

100 Coliseum Drive  
Cohoes, NY 12047  
(518) 886-4000  
[www.ayco.com](http://www.ayco.com)

This Brochure provides information about the qualifications and business practices relating to the financial planning and investment management services offered by The Ayco Company, L.P. (“Goldman Sachs Ayco”). If you have any questions about your relationship with Goldman Sachs Ayco, please contact your Goldman Sachs Ayco advisor team or call (518) 886-4000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Investment adviser registration does not imply a certain level of skill or training.

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

**March 28, 2024**

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This Brochure (also known as a Form ADV Part 2A) has been duly filed under Goldman Sachs Ayco’s Investment Adviser Public Disclosures (IAPD) with the SEC.

A separate brochure (also known as Form ADV Part 2A – Appendix 1) has been prepared for the wrap fee programs sponsored by Goldman Sachs Ayco.

For ease of reference, capitalized terms that are defined in this brochure are also set forth in the Glossary.

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## ITEM 2 – MATERIAL CHANGES

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This Brochure is dated March 28, 2024. This Brochure contains material changes from the last annual update filed on March 31, 2023, which were included in an interim update filed on November 3, 2023. Effective November 3, 2023, United Capital Financial Advisors, LLC, formerly known as Goldman Sachs Personal Financial Management (“GS PFM”), a former affiliate of Goldman Sachs Ayco, underwent a change of control and was acquired by Creative Planning, LLC, an unaffiliated third party (the “GS PFM Separation”). Prior to the GS PFM Separation, Goldman Sachs Ayco and GS PFM maintained their brochure required by Form ADV Part 2A on a combined basis. We also note that Goldman Sachs Ayco expects to cease utilizing its fictitious name, Goldman Sachs Personal Financial Management, by the end of 2024. References to GS PFM refer to the GS PFM business conducted prior to the change in control and references to “United Capital” refer to GS PFM business conducted following the change of control.

This Brochure has been revised and contains updated and expanded disclosures from the last annual update related to Goldman Sachs Ayco’s business operations particularly in the following areas:

- Item 4 – Advisory Business
- Item 5 – Fees and Compensation
- Item 6 – Performance-Based Fees and Side-by-Side Management
- Item 7 – Types of Clients
- Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss
- Item 10 – Other Financial Industry Activities and Affiliations
- Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading
- Item 12 – Brokerage Practices
- Item 14 – Client Referrals and Other Compensation
- Item 17 – Voting Client Securities
- Appendix A

Clients are encouraged to read this Brochure in detail and contact their Goldman Sachs Ayco advisor team with any questions.

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## **ITEM 4 – ADVISORY BUSINESS**

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### **Introduction**

This Brochure describes the financial planning, investment management, and related advisory and supporting services offered by Goldman Sachs Ayco. Goldman Sachs Ayco, together with various affiliates described in this Brochure, comprise the wealth management business of Goldman Sachs Asset & Wealth Management (“Asset and Wealth Management”) that perform investment advisory and other services on behalf of the wealth management businesses. For purposes of this Brochure, Goldman Sachs Ayco’s advisory personnel will be collectively referred to herein as “Wealth Advisors.” Wealth Advisors are, to the extent required, registered investment adviser representatives of Goldman Sachs Ayco. Wealth Advisors generally are also broker-dealer registered representatives of Goldman Sachs & Co. LLC (“GS&Co.”). In some circumstances, Wealth Advisors may also be registered representatives of Goldman Sachs Ayco’s affiliate, Mercer Allied Company, L.P. (“Mercer Allied”). Mercer Allied and GS&Co. are broker-dealers registered with the SEC. Not all Wealth Advisors provide the same services to clients.

Goldman Sachs Ayco provides financial planning, sometimes referred to as financial counseling (“Financial Planning”) and/or investment management (“Investment Management”) services nationally to a wide-ranging client base as described in more detail below. Clients engage with Goldman Sachs Ayco through various channels including through corporate/employer-sponsored programs that make Financial Planning and/or Investment Management available to their eligible employees, and through arrangements with affinity or membership associations and organizations, plan recordkeepers or other organizations through which Goldman Sachs Ayco may offer its services to members and participants, or to their clients or users, as applicable. Such employers, associations and organizations, or other entities are referred to as “Corporate Partners” within this Brochure. Clients may also come to engage with Goldman Sachs Ayco as a result of affiliate and third-party referrals or directly, or through certain arrangements with community-based or charitable organizations (such community-based or charitable organizations being referred to herein as “Community-Based Partners”).

Goldman Sachs Ayco has been a registered investment adviser with the SEC since 1994. Goldman Sachs Ayco is headquartered in Cohoes, NY and operates through offices located in Atlanta, GA, Austin, TX, Boston, MA, Boulder, CO, Canonsburg, PA, Charleston, SC, Chicago, IL, Dallas, TX, Deerfield, IL, Houston, TX, Irving, TX, Miami, FL, Minneapolis, MN, Newport Beach, CA, New York, NY, Parsippany, NJ, Philadelphia, PA, San Francisco, CA, Saratoga Springs, NY, Seattle, WA, Troy, MI, Washington, DC, West Palm Beach, FL, and Westport, CT. For certain offices Goldman Sachs Ayco offers advisory services in offices of its affiliate GS&Co.

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

The financial planning, investment management, and related advisory and supporting services offered by Goldman Sachs Ayco do not constitute tax, legal, or accounting advice. Clients should consult with their own legal, tax, and accounting professionals.

Clients that transitioned from PWM or GS PFM to Goldman Sachs Ayco and their related accounts receive products and services in connection with Financial Planning, Investment Management and related services on a legacy basis that are not made available to other clients of Goldman Sachs Ayco. This includes access to different products (including products subject to different reviews) as well as different fee arrangements.

### **Financial Planning**

Goldman Sachs Ayco offers Financial Planning to clients as an independent service or as part of another service offering. Certain aspects of Financial Planning include delivery of investment advice as defined by

the Investment Advisers Act of 1940, as amended (“Advisers Act”), in which Goldman Sachs Ayco acts as fiduciary under the Adviser’s Act. Financial Planning varies among Wealth Advisors, clients, and the tools utilized by Wealth Advisors, as explained in more detail in *Item 4 – Tools for Financial Planning; Tailoring Financial Planning* below. Not all clients receive Financial Planning. Goldman Sachs Ayco also provides other types of information and education about the financial markets, asset allocations, financial planning illustrations and the advantages and risks of particular investments that do not constitute investment advice or recommendations, including when providing general information and education about issues and options that should be considered when deciding whether to implement aspects of a Financial Planning.

Financial Planning generally focuses on planning related to compensation and employment benefits, cash-flow, retirement, estate, insurance, investment, philanthropic, and tax, as may be appropriate. Depending on the level of service, Financial Planning is provided to the client either through meetings or digitally whereby the Wealth Advisor and the client will work together to develop a written or verbal financial plan and, with client cooperation, will endeavor to review risk profiles and objectives with clients no less than annually and update the financial plan to account for changes in the client’s situation. Goldman Sachs Ayco clients are not required to implement their financial plans through products and services offered by Goldman Sachs Ayco or its affiliates (each in their capacities as asset managers, insurance agencies, a bank or broker-dealers, as applicable). Clients who elect to implement any portion of their financial plans through Goldman Sachs Ayco or its affiliates generally do so by entering into separate agreements with Goldman Sachs Ayco or an affiliate. Wealth Advisors may refer clients to implement their financial plans through Goldman Sachs Ayco or an affiliate, which creates a conflict of interest. *See Item 14 – Client Referrals and Other Compensation and Item 5 – Fees and Compensation.* Goldman Sachs Ayco does not have discretion over specified client assets as part of Financial Planning but may have discretion as part of Investment Management as described below in *Item 4 – Investment Management Services.* Corporate Partners often have other relationships with Goldman Sachs as vendors, partners, or clients and they, their employees, or participants may receive benefits or preferential fees or rates as a result of such other relationships. *See Item 5- Negotiated Fees and Item 11 – Code of Ethics, Participation or Interest in Client Transactions.*

In addition to the above services, Financial Planning is also offered to supplement advisory services made available to certain current or prospective clients serviced by GS&Co. Private Wealth Advisors (“PWAs”), advisory personnel within GS&Co. Private Wealth Management (“PWM”), and select current and former executives of GS Group (e.g., Partners Family Office). When Goldman Sachs Ayco provides Financial Planning only to current or prospective clients of GS&Co. and select current and former executives of GS Group, Goldman Sachs Ayco undertakes no responsibility for, and provides no investment or brokerage services related to, such clients’ investment accounts unless otherwise agreed to in writing.

Fiduciary status under the Advisers Act is different from fiduciary status under other laws, including under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and the Internal Revenue Code of 1986, as amended (“IRC”) (together, the “Retirement Regulations”). For example, at times, Goldman Sachs Ayco may be acting as a fiduciary under the Advisers Act when providing education-related retirement services, but not as a fiduciary under any other law, including ERISA or the IRC. In situations where Goldman Sachs Ayco provides general investment education to clients on retirement assets, such as when Wealth Advisors provide Financial Wellness services to clients as described below, Wealth Advisors are not fiduciaries under ERISA.

**Goldman Sachs Ayco offers Financial Planning through the various programs described below:**

<p><b>Executive Wealth</b></p>	<p>Executive Wealth programs and services offered by Wealth Advisors are made available to executives and high-net-worth clients directly or through a Corporate Partner. Services are designed to assist clients in developing comprehensive financial plans intended to maximize compensation and benefit programs, preserve and/or grow assets, manage income on a long-term basis, and integrate tax, retirement, and estate plans and goals. In order to deliver comprehensive financial planning services, Wealth Advisors analyze a number of factors, including, as applicable, the client’s financial status, sources of income, assets, personal obligations and debts, objectives,</p>
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	commitments, cash flow, family responsibilities and the effect of the existing income and estate tax structure on the client's sources of income and accumulation of wealth.
<b>Private Family Office</b>	The Private Family Office (previously referred to as Ayco's Family Office or the Family Office) is part of the Goldman Sachs Family Office. Private Family Office services, which include estate and trust planning and administration, review and evaluation of investments, portfolio monitoring, philanthropic and foundation planning, cash flow planning, tax planning and insurance review, are offered to high net worth individuals and family offices. Private Family Office services are designed to help individuals and families with significant wealth manage their complex financial affairs. Private Family Office services can be provided to clients directly or through a Corporate Partner and often includes work with several generations within one client family and coordination with the individual's or family's other advisers (as directed). In many cases, Private Family Office services offer high-net-worth individuals and families an alternative to creating their own family office. Private Family Office services are made available to clients of Goldman Sachs Ayco and GS&Co. Private Wealth Management.
<b>Personal Planning</b>	Through Personal Planning, Goldman Sachs Ayco generally provides Financial Planning to individuals whose relationship with Goldman Sachs Ayco is via a Corporate Partner, but are not part of the Executive Wealth service. Services are designed to assist clients in developing personal financial plans. In addition to the Financial Planning services offered to clients as described above if the client is associated with a Corporate Partner, clients may also receive Financial Planning related to estate planning, income tax planning, and/or employee benefit planning, support, and education. Additional information about Personal Planning is set forth under <i>Item 4 – Investment Management Services</i> below.. See <i>Item 4, Investment Management Services</i> . Personal Planning is generally provided through advisor teams within either Executive Wealth or Personal Wealth.
<b>Financial Wellness</b>	Financial Wellness programs and services are provided to employees, members or participants of Corporate Partners and focus on the fundamentals of financial planning. Financial Wellness programs are delivered telephonically and digitally and may be supplemented with broad-based seminars offering education on a variety of financial topics, including a Corporate Partner's employee benefits. Seminars are delivered in-person, or via digital or other recorded media. Financial Wellness is also available to employees of Goldman Sachs and Community-Based Partners. The scope of the Financial Wellness program available to an employee of a Corporate Partner or Community-Based Partner depends on the arrangements with the Corporate Partner and the election of employee. <i>See Item 5 – Fees and Compensation.</i> These services may be provided to clients without a Corporate Partner relationship. Through Financial Wellness, Goldman Sachs Ayco also makes available an integrated marketplace of digital products and services (the "Marketplace") for referral services. Referrals for services and products made available through the Marketplace are done so as an accommodation to clients rather than as part of Goldman Sachs Ayco's advisory services.

<p style="text-align: center;"><b>Sponsors Coverage Group</b></p>	<p>The Sponsors Coverage Group makes available to executives and high-net-worth clients who have significant net worth in private equity and/or hedge funds services offered by Wealth Advisors designed to assist clients in developing comprehensive financial plans intended to maximize compensation and benefit programs, preserve and/or grow assets, manage income on a long-term basis, and integrate tax, retirement, and estate plans and goals. In order to deliver comprehensive financial planning services, Wealth Advisors analyze a number of factors, including, as applicable, the client's financial status, sources of income, assets, personal obligations and debts, objectives, commitments, cash flow, family responsibilities and the effect of the existing income and estate tax structure on the client's sources of income and accumulation of wealth.</p>
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Goldman Sachs Ayco also offers Personal Wealth services, which are available to clients who generally do not have another Financial Planning relationship with Goldman Sachs Ayco, but who have the potential to have at least \$1,000,000 held in Advisory Accounts (as defined below). While Personal Wealth often includes a Financial Planning component, it is primarily designed to provide investment management services. Financial Planning provided will vary among clients depending on their unique circumstances and needs, and normally should be expected to be more limited in scope than the Financial Planning provided under other services offered by Goldman Sachs Ayco and generally limited to investment planning. Investment planning services include asset allocation and portfolio construction. The services, as clients may initiate them from time to time, are designed to help clients integrate their investment management and strategies with their existing estate plans, tax plans, and long-term cash flow and retirement plans, as applicable. Personal Wealth clients also include individuals who are part of a Corporate Partner program who are not Executive Wealth or Personal Planning clients. Personal Wealth clients will typically work with a designated Wealth Advisor in Personal Wealth with Financial Planning services provided through in-person, telephonic, video conference, digitally or a combination thereof. Services available to Personal Wealth clients are also made available through one or more advisory affiliates and Goldman Sachs Ayco may introduce clients to such affiliates for such available services. Certain advisors within Personal Wealth also provide Personal Planning services as described above. Additional information about Personal Wealth is set forth under *Item 4 – Investment Management Services* below.

Clients who have received Financial Planning services paid by a Corporate Partner, but are no longer affiliated with a Corporate Partner, are generally eligible to receive similar services on a self-pay basis. If individuals are no longer affiliated with a Corporate Partner, they may be required to execute new agreements with different fee schedules and services. *See Item 5 – Fees and Compensation*

### ***Tools for Financial Planning***

As referenced above, Financial Planning services are provided to clients through a variety of means, including through in-person meetings, video conferences, telephone calls, digital platforms, e-mail, reporting, or a combination thereof. Wealth Advisors have available to them a variety of proprietary and third-party tools to aid in delivering Financial Planning services to clients. However, not all tools are available to all Wealth Advisors for all Financial Planning services nor are Wealth Advisors required to use all of the tools available to them.

### ***Tailoring Financial Planning***

Financial Planning is typically designed to be personalized to the client, including such client's unique circumstances and needs, personal financial goals, net worth, and/or complexity. Accordingly, the scope, duration, advisory personnel, deliverables, and channels through which Financial Planning is provided will vary among clients and services based on a variety of factors. Financial Planning will also vary among clients as a result of agreements between Goldman Sachs Ayco and the client, and program parameters

established by Goldman Sachs Ayco and its affiliates or by and between Goldman Sachs Ayco and Corporate Partners or any Community-Based Partners. Financial Planning will vary among individuals participating within the same Corporate Partner-sponsored program. Certain programs may be tailored to address specific Corporate Partner events (e.g., benefit changes or corporate changes-in-control) or client life events (e.g., serious illness or death of client or client's family member).

Financial Planning may also be offered on a full or more limited basis and supplement other advisory services made available to clients through Goldman Sachs Ayco. Further, services may be limited or more expansive due to certain Wealth Advisors' access to tools, analysis, and other inputs provided by different affiliates. For certain clients, such as small businesses, Goldman Sachs Ayco may provide specialized needs analyses, planning, business performance reviews, or other services as requested by such clients.

Financial Planning does not always address every aspect of a client's financial life. Omission of one or more financial planning topics from discussions with Wealth Advisors may be the result of differences and/or insufficient information provided by or on behalf of a client. Such omissions do not indicate that the Financial Planning topic is not relevant or applicable to the client's financial situation, and clients are encouraged to consult with their other advisors regarding such topics (e.g., tax and legal counsel).

In some situations, clients may be eligible for reduced or waived fees due to certain arrangements as discussed in more detail in *Item 5 – Negotiated Fees*. Different service offerings, arrangements, services and fees may also be negotiated and differ among clients.

In addition to personalized Financial Planning, Goldman Sachs Ayco periodically provides seminars to eligible employees, members or participants of its Corporate Partners and Community-Based Partners. Unless otherwise indicated by Goldman Sachs Ayco or its affiliates in writing, when Goldman Sachs Ayco provides such seminars, it does not act as an investment adviser or fiduciary to participants pursuant to the Advisers Act or the Retirement Regulations.

#### ***No Investment Management Advice Without Agreement***

Unless otherwise specifically agreed to by Goldman Sachs Ayco in writing, Financial Planning is not designed to be specific to any particular investment account. When providing a consolidated financial summary of accounts to clients, data included may contain information provided by clients about third-party accounts that Goldman Sachs Ayco does not manage or for which Goldman Sachs Ayco does not advise the client. As such, clients should understand that Goldman Sachs Ayco does not serve as the investment adviser on all securities listed in these consolidated financial summaries. Goldman Sachs Ayco will not supervise client assets or provide any recommendations as to investments unless granted authority, in writing, to manage the particular assets. Any asset management services provided to clients are governed by a separate Investment Management agreement (as applicable). In no case will Financial Planning or the terms of a Corporate Partner program modify the terms and conditions governing a client's investment accounts.

#### ***Other Services Related to Financial Planning***

Goldman Sachs Ayco may provide tax planning and advice and/or tax preparation services to certain clients of Goldman Sachs Ayco or an affiliate and their spouses, dependents, trusts, and other related entities. Goldman Sachs Ayco's tax preparation services are generally limited to gift and income tax preparation, and part of a separate tax preparation agreement that clients must consent to in writing. Depending on a client's particular circumstances, Goldman Sachs Ayco will also refer clients to third-party tax preparers. In connection with such referrals, Goldman Sachs Ayco, at the client's request and with their consent, will forward client information to the tax preparer to facilitate the third-party tax preparation service. Clients will contract directly with these tax preparers and fees will be paid either directly by the client or by a Corporate Partner on the client's behalf. In connection with any such referrals, Goldman Sachs Ayco will provide neither tax nor investment advice. When Goldman Sachs Ayco provides tax planning and advice, but is not otherwise the client's tax preparer, the client should consult with its own tax preparer and other tax advisors with respect to the tax impact of transactions and other financial activities.



Depending on a client's particular circumstances and goals, Goldman Sachs Ayco may introduce the client to Ayco Trust Advisory Service ("ATAS"), the Ayco Charitable Foundation ("ACF"), and/or the Goldman Sachs Philanthropy Fund ("GSPF"). Where appropriate for a client's estate plan, Goldman Sachs Ayco, as part of an ATAS offering, will recommend that the client appoint a corporate trustee as a fiduciary with the direction or delegation that the trust engage Goldman Sachs Ayco as an investment adviser for the cash and securities owned by the trust. Corporate trustees from whom Goldman Sachs Ayco will accept this engagement include Goldman Sachs Ayco affiliates Goldman Sachs Trust Company, N.A. ("GSTC") and Goldman Sachs Trust Company of Delaware ("GSTD"), and a limited number of third-party corporate trustees. ATAS is available to confer with the trustee in furtherance of the trustee's decisions regarding tax, distributions and estate planning, as well as the grantor and/or trust beneficiaries, on a periodic basis. ACF or GSPF may be introduced to clients with philanthropic planning goals. ACF and GSPF are 501(c)(3) public charities that sponsor donor advised funds in which each donor maintains a limited ability to recommend charitable grants to 501(c)(3) public charities, certain private operating foundations and certain qualified governmental units and has limited input into how their donations are invested. Goldman Sachs Ayco has a conflict of interest when making these introductions, including because Goldman Sachs Ayco affiliates provide services to ACF and GSPF in exchange for compensation and because ACF and GSPF invests in mutual funds advised by GSAM. While Goldman Sachs Ayco does not charge an investment management fee on assets invested in affiliated mutual funds, such assets are subject to advisory and various other fees and expenses paid to the service providers of each affiliated mutual fund and Goldman Sachs Ayco may receive a portion of such fees.

Further, SurvivorSupport<sup>®</sup>, typically offered by Goldman Sachs Ayco through Corporate Partner relationships, is designed to help employees (or survivors of deceased employees) navigate personal financial decisions and obtain financial planning following a personal loss. Goldman Sachs Ayco, through TransitionalSupport<sup>SM</sup>, also provides support under certain SurvivorSupport<sup>®</sup> programs to Corporate Partner employees when they or their spouse or domestic partner have been diagnosed with a life threatening illness. Financial Planning through SurvivorSupport<sup>®</sup> or TransitionalSupport<sup>SM</sup> covers a wide range of topics including counseling on employee benefits, social security and Medicare benefits, insurance, estate settlement and planning, income tax, and cash flow and retirement planning. SurvivorSupport<sup>®</sup> and TransitionalSupport<sup>SM</sup> offer one-on-one planning sessions and provide personalized steps to help prioritize planning needs. Depending on a client's needs, SurvivorSupport<sup>®</sup> or TransitionalSupport<sup>SM</sup> Wealth Advisors may refer clients to Goldman Sachs Ayco or another affiliate for ongoing Financial Planning and Investment Management.

Goldman Sachs Ayco may make available a corporate program focused on retirement readiness for certain members or employees identified by the Corporate Partner. The program may include group education sessions and the option to meet with a Wealth Advisor. Unless otherwise agreed in writing, when Goldman Sachs Ayco provides such services, it does not act as an investment adviser or fiduciary to participants pursuant to the Advisers Act or the Retirement Regulations. Following a program participant's separation from a Corporate Partner, the participant may have the opportunity to continue services on a self-pay or Corporate Partner paid basis.

### ***Reliance on Information in Financial Planning***

In providing Financial Planning, Goldman Sachs Ayco relies on the accuracy and completeness of information provided by or on behalf of clients and does not assume responsibility to independently verify the accuracy or completeness of such information. Goldman Sachs Ayco does not assume responsibility to review, respond to, or incorporate into its services any materials uploaded by or on behalf of the client to any electronic storage system made available to clients. Clients must consult with and inform their designated Wealth Advisor regarding any specific materials they would like to include in the services.

### ***Client's Obligation to Take Action***

Except as otherwise expressly agreed by Goldman Sachs Ayco in writing, Goldman Sachs Ayco does not assume any duties to take action pursuant to advice or Financial Planning strategies that Goldman Sachs

Ayco provides to clients, which ultimately remain the client's obligation. It is the client's responsibility to determine if and how the suggestions made in connection with Goldman Sachs Ayco's Financial Planning services should be implemented or otherwise followed. Clients should carefully consider all relevant factors in making these decisions, including consulting with other professionals (e.g., tax and legal counsel).

### ***Related Party Accommodations***

Goldman Sachs Ayco may, as an accommodation to and at the request of a client, meet with certain individuals related to the client, including a client's spouse, partner, and/or dependents (as used in this Brochure, "Related Parties"), to discuss Financial Planning services provided to the client, and/or one or more Financial Planning topics applicable to such Related Parties. Unless otherwise agreed by Goldman Sachs Ayco in writing or through separate notice to or from an affiliate: (i) the client remains Goldman Sachs Ayco's primary point of contact for discussions with, and delivery of documents and notices (if any) to, Related Parties; (ii) such accommodations made by Goldman Sachs Ayco are not intended to result in a contractual or investment advisory relationship with Related Parties; and (iii) Goldman Sachs Ayco undertakes no corresponding fiduciary duty with respect to Related Parties.

## **Investment Management Services**

### ***General Description of Investment Management***

Goldman Sachs Ayco offers Investment Management services to clients in addition to Financial Planning services described above. When Goldman Sachs Ayco acts in an investment advisory capacity, it has a fiduciary obligation to act in its advisory client's best interests in accordance with the Advisers Act. Client Investment Management accounts for which Goldman Sachs Ayco serves as registered investment adviser are referred to as "Advisory Accounts" herein. Investment Management Services are also available to clients who do not also receive Financial Planning services.

Wealth Advisors work with clients to understand each client's risk tolerance, investment objectives, and investment attribute preferences, and to determine an appropriate asset allocation and portfolio construction. Based on the investment goals clients have discussed and agreed upon with their Wealth Advisors, Wealth Advisors will select, or recommend that the client select, one or more Managers, as defined below, to manage the client's assets in one or more Advisory Accounts. Advisory Accounts may be invested in a variety of asset classes and investment vehicles that may include mutual funds, exchange traded funds ("ETFs"), exchange traded notes, equity securities, options, fixed income securities, or other types of securities. Advisory Accounts may also hold investments in private equity or other private funds.

Depending on how a client's assets are allocated, Advisory Accounts are managed in different ways. Further, product offerings are consistently changing. For example, products that are made available to some clients through Goldman Sachs Ayco are not made available to clients of one or more of Goldman Sachs Ayco's affiliates or investment offerings made available at a particular time may be removed from Goldman Sachs Ayco's offerings. Goldman Sachs Ayco and/or its affiliates will add or remove product offerings to or from Goldman Sachs Ayco's platforms without prior notice to clients. Further, depending on the custodian selected and the services offered by Goldman Sachs Ayco, the investment selection available to clients will differ.

Goldman Sachs Ayco offers investment products managed by investment advisers or managers that are affiliated with Goldman Sachs ("Affiliated Managers"), including GS&Co. Goldman Sachs Ayco also offers investment products managed by investment advisers or managers that are unaffiliated with Goldman Sachs (including where Goldman Sachs-advised accounts hold equity, other interests in investment advisers that Goldman Sachs does not control) ("Unaffiliated Managers," and together with Affiliated Managers, "Managers"). Some Affiliated Managers provide advisory services by evaluating and selecting mutual funds and ETFs that are managed, sponsored or advised by investment managers that are not affiliated with Goldman Sachs Ayco or its affiliates ("Third-Party Funds") and meet GS&Co.'s eligibility criteria for inclusion in the Advisory Mutual Fund Strategies ("Fund Strategies") program. GS&Co. or an affiliate, including Goldman Sachs Asset Management, L.P. ("GSAM") through its External Investment

Group ("XIG"), provides investment advisory services by evaluating and selecting Third-Party Funds and funds included in the Fund Strategies program. Additionally, certain Advisory Accounts invest in investments that were previously available but are no longer available through Goldman Sachs Ayco or an affiliate and/or retained in Advisory Accounts pursuant to client request. Such investments are not subject to the same diligence and other requirements as investments that are currently available. Goldman Sachs Ayco provides model portfolios to Affiliated Managers and Unaffiliated Managers, including United Capital.

Generally, Managers' responsibilities vary and include the authority to:

- exercise discretion to determine the types of securities bought and sold, along with the percentage allocation;
- exercise discretion as to when to buy or sell securities;
- exercise discretion on the timing of securities transactions;
- select the broker-dealer for execution of securities transactions, if appropriate; and
- take other portfolio management actions that Goldman Sachs Ayco delegates, including the ability to vote proxies.

Goldman Sachs Ayco does not monitor transactions directed by Managers for conformity with stated investment objectives, risk tolerance, financial circumstances, or investment restrictions, if any. In addition, Goldman Sachs Ayco will not evaluate each transaction executed by Managers for compliance with the Managers' disclosed policies or style. However, if Goldman Sachs Ayco manages the accounts directly, it will undertake such monitoring with respect to restrictions to which Goldman Sachs Ayco and the client agree in writing.

Upon request, Goldman Sachs Ayco will provide clients with information about any Managers managing assets in a client's portfolio. This information could include content provided by a Manager explaining its investment style, an explanation from Goldman Sachs Ayco describing the Managers' investment style, or the Managers' Form ADV, Part 2A.

### ***Investment Management Services***

Goldman Sachs Ayco provides the various advisory services described herein through one or more of Executive Wealth, Personal Wealth and Personal Planning, Wealth Advisors, ATAS and the Ayco Portfolio Management Group ("Ayco PMG"). ATAS services may be provided through Ayco PMG or other groups within Ayco or an affiliate in the future. In addition, PWAs who primarily provide services as described below in *Item 4 – Referrals to Affiliates and Third Parties* provide investment management services to Goldman Sachs Ayco clients. The client's designated Wealth Advisor will work with the client to assess risk tolerance, evaluate asset allocation, and develop a long-term personal portfolio strategy that integrates company benefit plans and the client's financial goals, as applicable. Clients also have the ability to select a third party or an affiliate, such as GS&Co. or GSAM, to directly manage all or a portion of their assets.

Goldman Sachs Ayco also has clients that do not have a dedicated Wealth Advisor, but who still have Advisory Accounts that hold investments managed by Ayco PMG, an Unaffiliated Manager or an Affiliated Manager and are supported by another Goldman Sachs Ayco team.

Clients generally elect to custody their Advisory Accounts with either GS&Co. or National Financial Services LLC, and together with Fidelity Brokerage Services LLC, "Fidelity."

Goldman Sachs Ayco offers discretionary and non-discretionary investment advisory services. Advisory Accounts are managed directly by a client's Wealth Advisor, by the Ayco PMG or by an Affiliated or Unaffiliated Manager. Wealth Advisors and Ayco PMG are collectively referred to as "Advisory Personnel." Wealth Advisors provide clients with investment advisory services, including providing asset allocation and portfolio construction recommendations as well as managing Advisory Accounts across a broad range of asset classes and investments. Wealth Advisors may select or recommend that clients appoint Goldman Sachs Ayco or its affiliates to manage all or a portion of a client's assets. Wealth Advisors manage Advisory Accounts by investing in one or multiple asset classes and types of investments, which currently include

certain equity and fixed income securities, structured investments, options, master limited partnerships (“MLPs”), mutual funds, ETFs, private equity, and other securities and investments. Goldman Sachs Ayco has the discretion, where consistent with applicable law, to take into account Environmental, Social, and Sustainability Impact (“ESG”) considerations and political, media and reputational considerations relating thereto. *See Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss – General Risks Applicable to Advisory Accounts, Environmental, Social and Sustainability Impact Considerations.* Affiliates of Goldman Sachs Ayco that act as investment adviser or manager of investment companies or pooled vehicles act as investment adviser or manager for certain of these investments or assets. Wealth Advisors also sometimes recommend managers through GS&Co.’s wrap fee program known as “Managed Account Strategies,” and Goldman Sachs Ayco’s wrap fee program, including Affiliated Managers and Unaffiliated Managers, and sometimes recommend Affiliated Managers outside of the wrap fee program. With client authorization, Wealth Advisors allocate, rebalance and reallocate client assets among Advisory Accounts across agreed-upon equity and fixed income sub-asset classes (each of which may involve a separate agreed-upon fee depending on the fee structure agreed by the client). Information about GS&Co. as sponsor of Managed Account Strategies is available in the GS&Co. Wrap Fee Program Brochure. Information about Managers participating in Managed Account Strategies is available in the Form ADV brochure for the applicable Manager. Information about Goldman Sachs Ayco as sponsor of its Wrap Fee Program is available in Goldman Sachs Ayco’s Wrap Fee Brochure.

Wealth Advisors can manage a client’s portfolio directly by selecting individual unaffiliated or affiliated mutual funds, ETFs, or separately managed accounts (“Separately Managed Accounts”), including those that are managed Centrally by an Affiliated Manager (“Centrally Managed Strategies”, and together with Separately Managed Accounts, “Managed Strategies”). Centrally Managed Strategies can take various forms, including third-party model strategies managed and implemented by Ayco PMG or to internal, proprietary investment strategies developed, implemented, and managed by Ayco PMG. Wealth Advisors can also allocate assets to Unaffiliated Manager model strategies that are implemented through third-party technology platforms, using Third-Party Funds or Separately Managed Accounts.

Accounts in the same Centrally Managed Strategies are generally invested according to the same strategy with similar allocations. However, there are individual circumstances whereby a client could have a different implementation of Centrally Managed Strategies. While Centrally Managed Strategies are generally only available to Goldman Sachs Ayco clients, certain strategies are also made available to third parties or clients of affiliates that were previously Goldman Sachs Ayco clients or of affiliates.

Ayco PMG provides portfolio construction services and manages assets in Advisory Accounts custodied at GS&Co. or Fidelity. Additionally, Ayco PMG may also place orders or provide administration or other portfolio management services and support for Advisory Accounts. As discussed in *Item 4 – Advisory Services Provided by Ayco PMG*, Ayco PMG provides these services in a variety of ways, although Ayco PMG may not offer the same services or strategies to all clients. In performing its duties as manager, Ayco PMG is generally informed by strategic allocation models provided by the Goldman Sachs Private Wealth Management Investment Strategy Group (“ISG”). *See Advisory Services Provided by Ayco PMG* below for more information.

Although clients of Goldman Sachs Ayco or its affiliates elect to invest through an Advisory Account managed by Ayco PMG, Wealth Advisors continue to be responsible for assisting the client in selecting the appropriate strategies and are responsible for various Advisory Account servicing and maintenance needs.

In general, if there is an investment in an Advisory Account that is not otherwise approved as an advisory asset, Goldman Sachs Ayco will not provide investment advisory services for such asset, will not charge advisory fees in respect to such asset and will generally work with the client to remove such asset from the account.

## ***Other Information Related to Goldman Sachs Ayco's Investment Management Services***

### **Retirement Accounts and Retirement Plans**

Goldman Sachs Ayco provides Investment Management services to individual retirement accounts ("IRAs") under IRC Section 408 or 408A, tax-qualified retirement plans (including Keogh plans) under IRC Section 401(a), pension plans and other employee pension benefit plans subject to ERISA (collectively, "Retirement Accounts") through various Managed Strategies. Goldman Sachs Ayco provides investment advice on (1) selection amongst managed programs, (2) manager and strategy selection, including Affiliated Managers and Unaffiliated Managers, and (3) asset allocation across the client's managed program Retirement Accounts. In cases where an Unaffiliated Manager is selected, an additional fee will be charged all of which is passed onto the Unaffiliated Manager.

Where Wealth Advisors provide investment advisory or Investment Management services to Retirement Accounts pursuant to a written agreement, Goldman Sachs Ayco acts as fiduciary pursuant to ERISA and/or the IRC when providing investment advice or recommendations to Retirement Accounts. Any advice or recommendations made by Goldman Sachs Ayco with respect to assets that are not Retirement Account assets do not apply to and should not be used by the client for any decision with respect to any Retirement Account assets, which present different considerations. Goldman Sachs Ayco, in its sole discretion, imposes limitations on the investment services and strategies offered to Retirement Accounts.

Goldman Sachs Ayco refers plan clients to affiliates, including Rocaton Investment Advisors, LLC ("Rocaton") or GSAM, to perform certain advisory services related to employee benefit plans. Goldman Sachs Ayco also offers education and consulting services to plan sponsors of employer-sponsored plans and/or plan participants of employer-sponsored plans (e.g. 401K plans).

### **Advisory Services Provided by Ayco PMG**

Ayco PMG provides portfolio construction services and manages assets in a variety of ways for clients. Not all services of Ayco PMG are available to all clients and not all strategies managed by Ayco PMG are made available to all clients. The strategies available on each custodial platform will change from time to time. In limited circumstances, strategies may also be available to clients of other affiliates, generally where the client transitioned to the affiliate and prior investment strategies remain available on a limited basis. More information on available strategies can be obtained from the client's Wealth Advisor. Ayco PMG manages strategies by investing in particular asset classes and investments, including, but not limited to, equities, fixed income securities, mutual funds and ETFs.

Primarily, Ayco PMG develops, manages, and rebalances proprietary strategies based upon strategic allocation models provided by ISG. Ayco PMG also provides portfolio construction services for strategies offered to clients pursuant to strategic allocation models provided by ISG that include Separately Managed Accounts managed by affiliates and Unaffiliated Managers selected by Ayco PMG. Ayco PMG uses such models to assist in developing investment recommendations to manage client accounts. Strategies are periodically reviewed and are rebalanced to the appropriate model as applicable.

Ayco PMG also manages certain client accounts, including Goldman Sachs Ayco Institutional Client Solutions ("ICS") accounts, based on strategic asset allocations agreed with the clients. ICS Advisory Accounts are typically composed of a mix of investments that may include mutual funds, ETFs, equities, Separately Managed Accounts, and fixed income securities, among other types of securities. ICS clients may provide investment policy statements that inform long-term strategic asset allocation targets and the minimum and maximum percentages for each asset class, which are unique to each client and will be agreed by the client and Goldman Sachs Ayco prior to implementation of the strategy. Ayco PMG uses commercially reasonable efforts to make allocations that adhere to the asset allocation target ranges agreed with the client. The portfolios may contain an allocation to tactical and thematic weights. Ayco PMG will review and periodically rebalance ICS Advisory Accounts to the asset allocation targets set forth in the advisory agreement. Ayco PMG also manages execution of trades for ICS Advisory Accounts managed by Ayco PMG and may provide investment advisory and execution services for ATAS clients. Ayco PMG also

acts as an investment adviser pursuant to “single contract” arrangements described above under either directly or pursuant to delegated authority.

Ayco PMG also provides portfolio construction based on ISG strategic allocations for affiliates. It is anticipated that in the next year certain strategies based on model portfolios developed by Unaffiliated Managers that are currently only available to clients who transitioned from GS PFM to Goldman Sachs Ayco will also be made available to other Goldman Sachs Ayco clients. More information regarding an Unaffiliated Manager’s specific investment philosophy, methods of analysis, and due diligence can be found in the respective Unaffiliated Manager’s ADV Part 2A, which can be provided upon request by the client’s Wealth Advisor. Additionally, Ayco PMG provides model portfolios to Affiliated Managers and Unaffiliated Managers based on strategic allocations provided by ISG. *See Item 6 – Performance Based Fees and Side-by-Side Management - Provision of Portfolio Information to Model Portfolio Advisers.*

Not all recommendations provided by an Unaffiliated Manager or ISG will be implemented for a particular strategy managed by Ayco PMG, as Ayco PMG generally has discretion to deviate from time to time from the recommendations provided by the Unaffiliated Manager or ISG, as appropriate. Additionally, trades made on behalf of accounts that commence trading after others may be subject to price movements, particularly with orders that are large in relation to the security’s trading volume. Further, the selection of the broker-dealer for execution, the timing of when the order is entered and executed by the broker-dealer, time zone differences, the timing of the receipt of information regarding model portfolios, or the client’s individual investment guidelines, among other factors, will affect implementation and performance of a client’s Advisory Account to vary from the strategy chosen by the client and from Advisory Accounts of other clients who have chosen the same strategy. Therefore, Advisory Accounts managed by Ayco PMG may not track the intended model and such accounts may receive prices that are less favorable than the prices obtained for other accounts. Additionally, any delay in the communication or receipt of information regarding model portfolios may reduce or eliminate the effectiveness of such model portfolios. *See Execution/Directed Brokerage for Discretionary Managed Accounts below.*

XIG performs due diligence on Third-Party Funds selected for Advisory Accounts by Ayco PMG. Such due diligence generally includes, but is not limited to, on-site meetings, analytics related to historical performance, reference calls and risk reviews. XIG credit analysts engage in ongoing risk management, and portfolio monitoring of such investments, including an ongoing review of fund holdings, positioning changes, general business trends, and daily risk reports.

### **Reasonable Restrictions**

Clients may impose reasonable restrictions or investment policy guidelines on the management of their Advisory Accounts, including prohibiting investments in particular securities, provided that Goldman Sachs Ayco or its affiliates or the Managers, as applicable, accept such restrictions. Goldman Sachs Ayco generally applies ticker restrictions and Managers may apply industry sector restrictions, but neither Goldman Sachs Ayco nor Managers generally apply other customized restrictions. Goldman Sachs Ayco will generally not accommodate client restrictions if they are inconsistent with the specific mandates or particular strategies. If Goldman Sachs Ayco is unable to accommodate a client’s requested restrictions, the client will need to find another firm to help meet the client’s financial objectives. Managers will accept, or withdraw from the management of, a client’s account based on the nature of the proposed restrictions or for any other reason. Further, each Manager may apply guidelines or restrictions differently. In connection with certain strategies and/or for purposes of seeking to apply the restrictions or limits requested by clients in connection with their account, Goldman Sachs Ayco and Managers may rely on third-party service providers in determining which securities to exclude from investment, based on such service providers’ categorization of the types of companies, industries, or sectors that should be considered in this regard. There can be no assurance that the list of categories as determined by Goldman Sachs Ayco or such service providers is complete, or that the securities restricted as a result of such categorization represent all of the securities that might otherwise be restricted in connection therewith, and it should be expected that such categories or the securities restricted thereunder will change from time to time. Restrictions do not apply to underlying investments in pooled investment vehicles, including mutual funds, structured notes, ETFs, alternative investment products made available through the Advisers or an affiliate,

including hedge funds, private equity funds, venture capital funds, private real estate funds, private credit funds, and other private investments ("Alternative Investments"), or other similar investments. Goldman Sachs Ayco does not offer third-party options for every investment or strategy and may not consider a third-party product. *See Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – Conflicts Relating to the Provision of Model Portfolios.*

Clients should expect that the performance of Advisory Accounts with restrictions will differ from, and may be lower than, the performance of Advisory Accounts without restrictions. Goldman Sachs Ayco does not assume responsibility for investment restrictions that are imposed by the client or any non-client individual or entity, including clients' employers, or that are not communicated in writing to and accepted by Goldman Sachs Ayco. Generally, Managers have the discretion to hold the amount that would have been invested in the restricted security in cash/cash equivalents, in substitute securities, or across the other securities in the strategy that are not restricted.

Further, as part of Goldman Sachs, a global financial services organization that is subject to a number of legal and regulatory requirements, Goldman Sachs Ayco is subject to, and has adopted internal guidelines, restrictions and policies that restrict investment decisions and activities on behalf of clients under certain circumstances. *See Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* below.

### **Outsourcing of Certain Investment Operations**

Goldman Sachs Ayco from time to time works with various third-party service providers to help support the operational needs of managing and servicing Advisory Accounts. These service providers perform or are involved with operational functions such as opening accounts with account custodians, fee billing, bankruptcy claims, proxy voting, portfolio reporting, account rebalancing, model maintenance, trade execution and facilitating operational requests on behalf of clients based on instructions provided by Goldman Sachs Ayco, and charge annual fees per account as well as fees based on a percentage of assets in the accounts they service. Goldman Sachs Ayco will pass some or all of these fees onto the client, unless the client is receiving such third-party services as part of a wrap fee program that includes the costs of these services.

### **Reliance on Information in Investment Management**

In performing its services, Goldman Sachs Ayco does not independently verify any information received from clients or from a client's other service providers, and relies solely on the information clients and their authorized representatives provide. The client is free to accept or reject any asset allocation recommended by Goldman Sachs Ayco. Moreover, it is the client's responsibility to notify Goldman Sachs Ayco promptly in the event of changes in the client's financial situation or investment objectives so that Goldman Sachs Ayco can re-evaluate or revise any previous asset allocation recommendations or services provided to the client, if necessary.

### **Securities Class Actions and Proofs of Claim**

Goldman Sachs Ayco will not render advice or take any action on a client's behalf with respect to Goldman Sachs Ayco Advisory Accounts or the issuers of the securities thereof that become the subject of any legal proceedings, including bankruptcies and class actions. With respect to shareholder class action litigation and similar matters, clients are encouraged to contact the custodian to ensure that the client receives notices and are aware of the participation and filing requirements related to class action and similar proceedings. Goldman Sachs Ayco clients with GS&Co. custody accounts are able to appoint a third party to file claims on their behalf.

## **Other Offerings**

### ***Alternative Investments***

If engaged by the client, Goldman Sachs Ayco will provide the client with non-discretionary advice with respect to buying, holding, selling, and trading interests in Alternative Investments. Clients who choose to invest in Alternative Investments do so based on their own independent assessment of the investment opportunity. Alternative Investments are subject to a high degree of risk, are not in the best interest for all investors, and typically have limited liquidity and can pose challenges when seeking to achieve, maintain or modify a portfolio's allocation. By themselves, Alternative Investments do not constitute a balanced investment portfolio. Clients should carefully review and consider potential risks before investing in Alternative Investments, including carefully reviewing all disclosure documents, private offering memoranda, prospectuses, or other offering materials provided. Clients should also consider consulting with separate managers or third-party service providers of an Alternative Investments and/or tax or legal counsel.

Alternative Investments are made available through GS&Co. or through the separate managers or third-party service providers of Alternative Investments. For Alternative Investments held in Advisory Accounts, Goldman Sachs Ayco will provide periodic monitoring and non-discretionary advice on these investments. In some cases for affiliated Alternative Investments, the management fee paid to the fund manager may be discounted or waived. For Alternative Investments purchased in brokerage accounts, in addition to the management fee paid to the fund manager, clients also pay investor servicing fees, distribution fees, or other similar fees as applicable. A portion of these fees are paid to GS&Co.

### ***Fixed and Variable Insurance and Annuities***

Goldman Sachs Ayco only provides non-discretionary advice with respect to fixed and variable insurance and annuity products. Clients who choose to invest in fixed and variable insurance and annuity products do so based on their own independent assessment and determination. Goldman Sachs Ayco is affiliated with insurance agencies within Goldman Sachs Ayco's internal insurance teams, the Wealth Strategies Group, including The Ayco Services Agency, L.P. ("ASA") and The Ayco Services Insurance Agency, Inc. ("ASIA"). Currently ASIA is not utilized for the placement of new insurance policies. Certain Wealth Advisors are also licensed as insurance agents with ASA and receive compensation related to fixed life insurance policies and annuity contracts (together, "Fixed Products") as described in *Item 10*. Certain Wealth Advisors who are licensed with GS&Co. receive compensation related to variable life insurance products and variable annuity contracts (together, "Variable Products"), as described below under Brokerage Activities and in *Item 10*.

Wealth Advisors will, based on a client's interest and financial planning needs, refer clients to ASA for the placement of Fixed Products, to Mercer Allied and ASA for the distribution of Variable Products, or to an unaffiliated third-party general insurance agency and/or broker-dealer. Unless otherwise agreed by Goldman Sachs Ayco in writing or through a separate notice to or from an affiliate, in cases in which insurance products or annuities are made available to clients who do not receive advisory services, such engagement does not result in an investment advisory relationship with Goldman Sachs Ayco or any affiliate, and neither Goldman Sachs Ayco nor any affiliate has a corresponding fiduciary duty with respect to such clients.

When Wealth Advisors who are participants in Goldman Sachs Ayco's compensation plan refer clients to affiliates for Fixed Products or Variable Products, including Mercer Allied and ASA, commission or referral fees are paid subject to applicable law and such commissions or referral fees will, in general, be paid to its employees if they hold appropriate state insurance licenses and, if applicable, securities licenses. When Wealth Advisors recommend that a client include an insurance product as part of the client's portfolio or makes a referral of a client for the purchase of an insurance product, Wealth Advisors are generally paid a commission or other compensation for such sale or referral. See *Item 10* for more information. Commissions increase as clients pay more premium for an insurance product and commission rates vary depending on insurance carrier and product selected, which creates an incentive to encourage clients to



use products that pay the highest compensation. If a client is referred to ASA or Mercer Allied related to the purchase, redemption or exchange of an insurance policy, clients are not obligated in any way to execute through ASA or Mercer Allied and/or any insurance agent affiliated with Goldman Sachs Ayco and/or any insurance agency with which its Wealth Advisors may be licensed. Clients should understand that recommendations by insurance agents to purchase an insurance product are not made by Goldman Sachs Ayco in its investment advisory capacity, are not subject to the Investment Management agreements with Goldman Sachs Ayco, and are not subject to the same standard of care as investment recommendations provided by investment advisers.

Goldman Sachs Ayco will not exercise discretionary control over retirement assets to purchase an insurance product. Any changes in a client's Variable Products (re-allocations among Variable Subaccounts or otherwise) are subject to the terms and conditions imposed by the applicable variable annuity sponsor.

Generally, Goldman Sachs Ayco does not provide advice or recommendations on the selection of Variable Subaccounts as part of its Investment Management services, other than on an exception basis. Variable Subaccounts that Goldman Sachs Ayco may recommend are not reviewed by XIG and therefore are subject to a different level of due diligence than other third party investments. Goldman Sachs Ayco may provide clients with education regarding asset allocation principles or examples of model portfolios.

### ***Securities-Based Loans & Margin***

Clients may be able to pledge account assets as collateral for loans obtained through certain affiliated and unaffiliated lenders ("Securities-Based Loans") if the use of leverage is determined to be legally permissible. The Securities-Based Loans can be offered through Goldman Sachs Bank USA. The Securities-Based Loan programs available to clients of Goldman Sachs Ayco will depend on the custodian selected by the client. Clients should regularly monitor their loan activity and market values of their pledged accounts at their custodian. Interest or other fees charged for margin are paid to the custodian. Generally, Goldman Sachs Ayco clients that seek margin would open a brokerage account and obtain margin approval through GS&Co.

### ***Cash Sweeps***

Clients that select GS&Co. as their custodian may authorize cash sweeps of their free credit balances from their accounts into an available sweep option that includes an affiliated money market fund or GS Bank offers deposit sweeps, where free credit balances are swept into GS Bank on an omnibus basis. *See Item 10 – Other Financial Industry Activities and Affiliations – Other Material Relationships with Affiliated Entities – Banking or Thrift Institution.* Clients that have selected Fidelity as their custodian have different sweep options made available by Fidelity.

### ***Brokerage Activities***

Generally, Wealth Advisors are registered with an affiliated broker dealer, GS&Co. or Mercer Allied. These persons, in their capacity as registered representatives of GS&Co. or Mercer Allied, can refer clients to GS&Co. for brokerage services or effect securities transactions in brokerage accounts. Wealth Advisors also refer clients to GS&Co. for brokerage related services and to unaffiliated broker/dealers for other brokerage related services, including individually directed, non-discretionary brokerage accounts. Wealth Advisors registered with GS&Co. or Mercer Allied can also refer clients to Mercer Allied for Variable Products, as discussed above. Wealth Advisors generally will receive commissions for these transactions. Clients are under no obligation to effect brokerage transactions through GS&Co or Mercer Allied. Because of the potential for Wealth Advisors to generate a commission, Wealth Advisors have an incentive to recommend insurance and investment products based on the potential compensation received, rather than the client's needs. This conflict is mitigated by the broker-dealers' oversight of brokerage products and sales activity of its registered representatives as well as Mercer Allied, GS&Co. and its registered representatives' obligation to act in a retail client's best interest. *See Item 10 - Other Financial Activities and Affiliations* below.

GS&Co.'s primary role as broker is to execute trades for the client based on the client's instructions and Mercer Allied's primary role is to place variable insurance products. The brokerage firm's obligations to the client are different when it acts as broker as compared to when Goldman Sachs Ayco acts as investment adviser. The client does not pay a separate fee for advice in brokerage transactions but compensates the brokerage firm for trade execution only by payment of a commission or, in the case of placement of an insurance product, the brokerage firm is paid a commission by the insurance company. In the brokerage account context, Goldman Sachs Ayco is not acting as a fiduciary investment adviser with respect to the assets held in a brokerage account (including an IDA). However, broker-dealers are subject to a best interest standard when recommending securities transactions or investment strategies.

### ***Referrals to Affiliates and Third Parties***

Goldman Sachs Ayco refers clients to affiliates, including GSAM, ASA, GS&Co., and Mercer Allied, in connection with certain services. Wealth Advisors may refer clients to PWAs with GS&Co. In some circumstances, PWAs will work alongside Wealth Advisors to provide advisory services to clients who typically have more than \$15,000,000 in assets under supervision. PWAs may select or recommend that clients appoint Goldman Sachs Ayco or other affiliates to manage all or a portion of the clients' assets, including through Advisory Accounts managed by Ayco PMG. PWAs manage Goldman Sachs Ayco accounts with GS&Co. Custody by investment in one or multiple asset classes and types of investments, which currently include certain structured investments, mutual funds, ETFs, cash and cash equivalents, and other securities and investments. PWAs will also manage existing Goldman Sachs Ayco accounts for which Fidelity is custodian but typically, they will not purchase new assets for these accounts.

Subject to applicable law, Goldman Sachs Ayco will receive commissions, referral fees or other compensation and such receipt of such commissions, referral fees or compensation can be a factor in determining compensation paid to its employees. Referral payments are also made for insurance contracts. In addition, in the future, Goldman Sachs Ayco expects to make client referrals to third party investment advisers and will receive a fee for that service. Such third parties have other relationships with Goldman Sachs including for investment management and custodial services. Goldman Sachs will receive compensation and other benefits for these services in addition to the referral fee in connection with such client referrals. *See Item 14 – Client Referrals and Other Compensation. Please also see Item 5 – Fees and Compensation – Other Fees – Compensation for the Sale of Securities and Other Investment Products* for information on compensation and related conflicts.

Goldman Sachs Ayco also provides referrals to unaffiliated third-party professionals ("Third-Party Professionals") to assist clients with recommendations, advice, financial planning strategies (including tax return preparation, household payment administration and bill payment), and services not directly related to Goldman Sachs Ayco's services. Unless otherwise indicated by Goldman Sachs Ayco in writing, Goldman Sachs Ayco does not undertake to, nor does it perform, specific due diligence regarding Third-Party Professionals and such referrals do not constitute recommendations by Goldman Sachs Ayco of the Third-Party Professional or their services. Referrals to Third-Party Professionals are made as an accommodation. Goldman Sachs Ayco does not undertake any fiduciary obligation when providing referrals to Third-Party Professionals. Services provided by Third-Party Professionals are distinct from those provided by Goldman Sachs Ayco and its affiliates and typically involve additional terms of service. Third-Party Professionals may be different from the service providers that Goldman Sachs Ayco and its affiliates use to provide the same or similar services due to regulatory limitations or other reasons. In instances where Goldman Sachs Ayco maintains a business relationship with a Third-Party Professional, such relationship should not influence the referral or the service received by the Third-Party Professional.

### ***Legal, Tax, and Accounting Advice and Services***

As discussed above in *Item 4 – Financial Planning*, Goldman Sachs Ayco may provide tax return preparation services and tax advice to clients. Goldman Sachs Ayco does not provide legal or accounting advice or services to clients. Clients should consult with their own legal, tax, and accounting professionals before engaging in any transaction.

### ***Other Non-Advisory Services***

Goldman Sachs Ayco may also offer directly or through affiliates certain non-investment advisory services beyond those already mentioned herein, such as insurance servicing for products and annuities placed through Goldman Sachs Ayco's or its affiliated insurance teams, bill pay services, and various administrative services. Such services are made available to clients based on a number of factors including client interest, total client assets and other factors. Please see *Item 10* for more information. Such non-investment advisory services are provided to certain clients and non-clients, and provision of any such services to a non-client does not result in that person becoming an advisory client of Goldman Sachs Ayco. Unless otherwise agreed by Goldman Sachs Ayco in writing or through separate notice from an affiliate, in cases where such services are made available, such engagement does not result in an investment advisory relationship with Goldman Sachs Ayco, and Goldman Sachs Ayco has no corresponding fiduciary duty with respect to such services.

### **Portfolio Management Services in Wrap Fee Programs**

Goldman Sachs Ayco is the sponsor of a wrap fee program with Fidelity as custodian known as the Goldman Sachs Ayco Private Access Account Strategies program ("Ayco Private Access Account Strategies Program"); however, Goldman Sachs Ayco does not act as a portfolio manager for wrap fee programs. Through the Private Access Account Strategies Program, clients who have selected Fidelity as their custodian are able to invest in Affiliated Managers and Unaffiliated Managers. Goldman Sachs Ayco clients who elect GS&Co. as their custodian have access to GS&Co.'s wrap fee program ("Managed Account Strategies Program"). The number of Managers available in the Private Access Account Strategies Program is more limited than in GS&Co.'s Managed Account Strategies Program. Goldman Sachs Ayco charges Retirement Accounts a single advisory fee for advice on (1) selection amongst managed programs, (2) manager and strategy selection, including Affiliated Managers and Unaffiliated Managers and (3) asset allocation across the client's managed program for Retirement Accounts. In cases where an Unaffiliated Manager is selected, an additional fee will be charged all of which is passed onto the Unaffiliated Manager.

For more information, please refer to Goldman Sachs Ayco's Wrap Fee Program Brochure (ADV Part 2A – Appendix 1) – Private Access Account Strategies (a copy of which is available through the SEC's Investment Adviser Public Disclosure website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and delivered to applicable clients). Information about GS&Co. as sponsor of its Managed Account Strategies Program is available in the GS&Co. Wrap Fee Program Brochure (a copy of which is also available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and delivered to applicable clients). Information about Managers participating in the Private Access Account Strategies Program and/or Managed Account Strategies Program is available in the Form ADV Part 2A brochure for the applicable manager.

### **Transition, Delegation or Assignment of Advisory Services to Affiliates**

Due to business restructuring, personnel changes or changes in particular circumstances of a client and the scope of their advisory services and advisory relationships, clients may be offered the option to transfer their relationship to an affiliated adviser through delegation, assignment or through establishing a relationship under new terms and conditions. Such changes result in differing arrangements among clients of the same Wealth Advisor and different or legacy terms among clients of Goldman Sachs Ayco, including higher or lower fees for the same or similar products and services. Each circumstance is different and, in some cases, the client will have the option to maintain the same products and services under the same terms and fee schedule agreed with the original adviser. For any additional products or services made available to the client by the affiliate, the client may be required to execute new agreements, and be subject to new or differing disclosures that could supersede prior terms. For more information on the various fee arrangements that may be available, clients can refer to *Item 5 – Fees and Compensation*, the standard fee schedules contained in this Brochure in Appendix A and Appendix A of the PWM Brochure available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Managed Strategy Fees are available to clients at <https://goldman.com>, or available upon request to their Wealth Advisor.

## **Assets Under Management**

Clients may elect to have assets in the client's account(s) managed by the Wealth Advisors, Ayco PMG, GSAM or Affiliated Managers and/or Unaffiliated Managers. The figure below includes investments in pooled vehicles reflected in Advisory Accounts that are managed by an affiliate of Goldman Sachs Ayco or a third party. The figures also include assets of clients of United Capital who received model implementation services following the GS PFM Separation. That arrangement terminated on March 4, 2024. Certain investments and strategies in accounts for former GS PFM clients that transitioned to Goldman Sachs Ayco as part of the GS PFM Separation that in general are not available to other Goldman Sachs Ayco clients are not included in the figure below. Also excluded are investments that an affiliate may otherwise include in their assets under management, except for the pooled investment vehicles as described above.

As of December 31, 2023, assets managed by Goldman Sachs Ayco were approximately \$27,237,700,000, all of which were managed on a discretionary basis.

## **ITEM 5 – FEES AND COMPENSATION**

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Goldman Sachs Ayco is generally compensated through Financial Planning fees and/or Investment Management fees that are charged to clients, along with other fees that may be charged by Goldman Sachs. Clients are also responsible for third-party fees and charges, as described in more detail below. Goldman Sachs Ayco utilizes different fee structures as more fully described in *Item 5 –Investment Management Services*.

### **Negotiated Fees**

Advisory fees are agreed upon with each client and confirmed in writing, which may be amended from time to time. Goldman Sachs Ayco considers a number of variables when analyzing the specific services to be provided to the client and the appropriate cost for those services. Factors that determine the advisory fee could include, but are not limited to:

- the services expected to be performed;
- anticipated level of service;
- the client's Financial Planning and/or Investment Management needs;
- account objectives;
- the amount of investable assets;
- the client's net worth;
- corporate affiliation, if acquired through a Corporate Partner;
- distribution channel;
- overall relationship, including whether the client participates in a Financial Planning program through a Corporate Partner or receives other services under a separate fee arrangement;
- referrals from affiliated and unaffiliated parties; and
- historical fees charged to other similar clients in the region.

As a result, clients (including clients who are part of the same Corporate Partner program as applicable) should expect to be charged different fees for similar services and the actual advisory fee may be higher or lower than the fee charged to other clients depending on these broader considerations. Negotiated rates or fee waivers, if applicable, made available through Corporate Partner relationships are generally only available while a client is affiliated with a Corporate Partner.

Goldman Sachs Ayco's fees may be higher or lower than those charged by others in the industry and it is possible to obtain the same or similar services from other advisers at lower or higher rates. Minimum balances or minimum fees are modified and/or waived in the sole discretion of Goldman Sachs Ayco or its affiliates, as applicable, including as part of certain corporate-sponsored Financial Planning programs.

Financial Planning fees will vary as programs and services themselves vary (based on the factors described above). This will result in a client or third party (e.g., Corporate Partner) paying different Financial Planning, program, and/or seminar fees (as applicable) than another client or third party for similar services. Certain clients may have access to strategies or products that may not be available to other clients and pursuant to different fee schedules or fee structures. Certain strategies may be available to Goldman Sachs Ayco's affiliates, or employees of Goldman Sachs Ayco and its affiliates, at lower rates than those available to clients. The same strategy or product can be subject to different fee schedules based on the Wealth Advisor's management of the Advisory Account or the client's agreement with Goldman Sachs Ayco on a particular advisory strategy.

Corporate Partner programs may also include alternative fee arrangements, where the Corporate Partner may provide certain of its products or services, or marketing or other benefits to Goldman Sachs Ayco or its affiliates pursuant to an arrangement whereby Goldman Sachs Ayco provides its services to Corporate Partner members or participants at discounted or waived fees. This can occur where, for example, a Corporate Partner provides Goldman Sachs Ayco or its affiliates with advertising or access to Corporate Partner members or participants (e.g., athletes or other talent), including through events sponsored by the Corporate Partner. Services may be provided to Community-Based Partners on a fee waived or pro-bono basis, or at significantly reduced rates.

Some Goldman Sachs Ayco relationships may benefit from "householding." Householding is an aggregation process that may help clients negotiate a lower advisory fee rate by combining the amounts in client's household program accounts to achieve higher account values thereby reducing their fee to a rate lower than available to an individual program account. Householding of related program accounts does not authorize others in a client's household to conduct transactions in a client's individual account. Eligibility of Retirement Accounts for householding is subject to compliance with applicable regulatory requirements.

## **Fees for Financial Planning**

### ***Financial Planning Fees***

Goldman Sachs Ayco typically receives an annual Financial Planning fee. Such fee is payable, in whole or in part, by the client, a Corporate Partner, or, in some cases, a third party pursuant to an arrangement with the client or a Corporate Partner (e.g., third-party trustee). The general range for Goldman Sachs Ayco's annual individual Financial Planning fee is between \$2,500 and \$100,000. This range accounts for various distribution channels and types of services offered and will vary depending on the client's individual circumstances and needs. Goldman Sachs Ayco may add a 15% surcharge for services provided by Goldman Sachs Ayco's West Coast office. In addition, additional charges may be imposed related to state specific circumstances. When clients are charged for Financial Planning, fees for the cost of certain non-investment advisory services (e.g., tax preparation) may be included. Typically, Financial Planning fees are payable on a semi-annual basis in advance. In certain limited circumstances, Goldman Sachs Ayco offers Financial Planning on an hourly basis (typically between \$280 and \$600 an hour). Certain Goldman Sachs Ayco clients who maintain investment accounts with Goldman Sachs Ayco and only receive investment planning as their Financial Planning service (clients in Personal Wealth and certain clients in Executive Wealth) do not typically pay a separate fee for this service. However, typically for clients who receive both Financial Planning and Investment Management services, the fees for these services are charged separately. *See Fees for Investment Management Services – Investment Management Fees below.*

For the Personal Planning service, Financial Planning fees are typically charged semi-annually in advance. The fees are negotiated and can vary for many reasons, including taking into account the scope and size of the relationship and services provided to the Corporate Partner. The fee generally ranges from \$2,500 to \$5,000 per year but can be more or less per client or can be waived. If services in addition to Financial Planning are requested by a client or a Corporate Partner, additional fees will be charged and will vary depending on the services selected and client's individual circumstances and needs. Negotiated rates or fee waivers, if applicable, made available through Corporate Partner relationships are generally not available if an individual client is no longer affiliated with a Corporate Partner.

Financial Planning fees are typically higher for Private Family Office clients, and generally require a minimum annual fee of \$125,000. In addition, certain new Private Family Office clients pay a one-time integration fee that typically ranges between \$10,000 and \$25,000, which includes data collection and reporting set up. The Private Family Office intends to introduce an asset-based fee for its services in the future, which is expected to be billed in arrears. On a limited basis clients may be able to engage the Private Family Office for more limited services, and in such cases the clients generally will be charged on a per services basis.

A variety of pricing structures are available for Financial Wellness programs including a combination of one or more of the following: a price per eligible program participant, a flat fee and a utilization-based model. Pricing is program-dependent based on Corporate Partner size, program design and resource requirements.

Fees for eligible program participants generally range from \$25 to \$250 annually, but fees may be adjusted based on the particular circumstances. Goldman Sachs Ayco will also negotiate alternative fee arrangements for telephonic Financial Wellness programs that are based upon a platform access fee and specified number of calls anticipated over a certain period of time and depend upon a number of factors including the eligible population, scope of topics addressed, and timing of the program, with call blocks generally ranging from \$25,000 to \$200,000. For utilization-based programs, price per participant will typically range from \$750- \$1,000 per year. Program management fees may also apply. Minimum fees and fee ranges are charged based upon: (i) number of eligible participants; (ii) volume of calls; (iii) usage rates; (iv) scope of services; or (v) other negotiated factors. Goldman Sachs Ayco will also negotiate flat fee arrangements for Financial Wellness Services, a specified number of seminar days, and associated travel and living expenses.

Program fees for specific life event programs and services such as SurvivorSupport® or TransitionalSupport® (e.g., services tailored to serious illness or death of individual client or client's family member) range from \$750 to \$7,500 per client. In addition, certain programs, if provided on a standalone basis, such as retirement readiness, may be billed at a flat rate that typically has a minimum fee of \$50,000.

In addition to individual Financial Planning fees, certain Corporate Partners pay fees on a one-time or recurring basis that will vary depending on program complexity and configuration requirements. Such program fees can include: (i) an annual account maintenance fee that covers collection and analysis of the Corporate Partner's benefits and compensation plans for the purpose of counseling individuals participating in the Goldman Sachs Ayco program; (ii) fees for direct access to certain services offered by Goldman Sachs Ayco's benefits specialist team; and (iii) ongoing administration fees for the Goldman Sachs Ayco program. Goldman Sachs Ayco may also negotiate alternative flat fee arrangements with Corporate Partners for bundled services, including Financial Wellness, Personal Planning and/or Executive Wealth.

Seminar fees vary depending upon the duration of the program, delivery method (live or recorded webinars), the number of eligible participants, and the customization of the program itself. Goldman Sachs Ayco's seminar fee ranges from \$1,000 to \$4,000 per session.

Arrangements through Corporate Partners generally differ from individual arrangements and can include negotiated fee waivers or reduced fees for Investment Management services. *See Negotiated Fees* above.

### **Billing Fee Adjustments, Pre-paid Fees, and Refunds**

Billing arrangements related to Financial Planning, program, and seminar fees (as applicable) are negotiable. Clients and/or third parties responsible for payment for services (e.g., Corporate Partners) may be billed directly, and/or the client may authorize the payment of fees directly in writing from certain eligible investment accounts. Payment of fees from a client's investment account will impact the overall investment return relative to such account. Unless otherwise agreed to in writing and as specifically noted below, upon termination of a Financial Planning relationship before prepaid services are rendered, Goldman Sachs Ayco will refund such portion of the fee that has been prepaid but remains unearned.

Except as negotiated between Goldman Sachs Ayco and Corporate Partners, fees payable to Goldman Sachs Ayco in connection with Financial Wellness programs are non-refundable after the earlier of (i) the initial telephonic or digital interaction with a client; or (ii) the Financial Wellness program or seminar is otherwise developed or implemented.

Financial Planning, program, and seminar fees (as applicable) may be adjusted automatically by terms mutually agreed upon by Goldman Sachs Ayco and the client and/or third party responsible for payment for services (e.g., Corporate Partners). Examples of automatic adjustment include increases to Financial Planning and certain program fees (e.g., the annual account maintenance fee, if applicable) based on an increase in the Consumer Price Index ("CPI") for the services industry. Goldman Sachs Ayco also reserves the right to adjust fees in the event of extraordinary circumstances. In such cases, the client and/or third party responsible for payment for services will be notified of any such proposed adjustment.

Corporate Partners are responsible for determining the amount of income to impute to individual executives and participants, if any. Goldman Sachs Ayco does not provide any advice in this regard.

### **Other Fees and Expenses Incurred in Connection with Advisory Services**

Financial Planning fees only cover Financial Planning and do not cover any other services, accounts, or products that clients obtain from Goldman Sachs Ayco or its affiliates provided that the cost of certain non-investment advisory services (e.g. tax preparation) may be included when clients are charged for Financial Planning. Unless otherwise agreed to in writing, clients who receive Investment Management services through Goldman Sachs Ayco will pay additional fees and expenses in connection with such services. Those fees and expenses are described below. Clients who receive Investment Management services through affiliates will also pay separate fees and expenses for those services, which are described in the affiliate's ADV Part 2A brochure and in any applicable fee schedules or agreements.

### **Fees for Investment Management Services**

#### ***Investment Management Fees***

Clients generally compensate Goldman Sachs Ayco for its Investment Management services through the payment of an advisory fee that is calculated as a percentage of assets in the Advisory Account. Goldman Sachs Ayco offers a strategy-based fee model and a Comprehensive Pricing Program ("CPP"), which is a comprehensive fee model. Not all fee models are offered to all clients and there may be differences depending on the custodian the client selects. Clients must agree in writing to their fee model. Before agreeing to a pricing model, clients should take into consideration factors such as their financial needs and circumstances, investment objectives, services provided under the particular model, client preference, the size of the account, client customization of investment guidelines, and any other relevant factors. Certain account fees and expenses will be more or less expensive depending on the pricing model chosen.

Clients generally pay Execution Charges (as defined below) in addition to paying advisory fees. Depending upon the custodian they select, Clients will also pay custodian specific fees (if any) for custody, sub-advisory services, administrative services and consolidated reporting, as well as underlying mutual fund, ETF, and private investment fund fees and expenses, as described below. Certain clients receive different reports and may pay additional fees for such reporting.

As described in more detail below, clients will pay commissions, commission equivalents, mark-ups, mark-downs and spreads in addition to paying advisory fees. GS&Co. may waive commissions and mark-ups/markdowns to which it is otherwise entitled for transactions, including in certain equity and fixed income strategies managed by Advisory Personnel or Goldman Sachs Ayco may not otherwise charge clients for such fees. During the time that any such waiver is in effect, Goldman Sachs Ayco will continue to receive the investment advisory fees charged for the underlying investments, as well as the spreads and other compensation described in this Item 5, Fees and Compensation. The waiver by Goldman Sachs Ayco is not intended to affect the nature of the investment advice provided. Goldman Sachs Ayco may, in its discretion, elect to charge (or reinstate) commissions and mark-ups/mark-downs at any time. For clients

enrolled in CPP (as defined below), these fees are generally waived, with the exception of trader assisted executions.

*Comprehensive Pricing Program.* Clients with CPP will generally pay, as applicable, (i) an annual advisory fee that compensates Goldman Sachs Ayco for providing investment advisory services; (ii) fees that compensate the Managers of each Managed Strategy in the client's account ("Managed Strategy Fees"); and (iii) custody and Execution Charges (as defined below). Except as discussed below, the maximum advisory fee for CPP is generally 1.50%. The advisory fee is charged at an annualized rate as agreed in the fee schedule in the application that a client submits to open their Advisory Account, as amended from time to time in writing. Generally, CPP has certain diversification requirements and is more appropriate for clients who will invest across a number of asset classes rather than investing in one or two Managed Strategies. Whether a client will pay more or less with a CPP pricing model or a strategy-based advisory fee model depends on a number of factors, including the services provided, client preference, size of the client's account, the client's particular financial needs and circumstances and the fees charged. The strategy-based pricing model generally provides for lower fee rates on certain asset classes versus others, so that a client whose investments are primarily in such lower fee asset classes may have fees that are lower than those of another client who participated in CPP who may have a similar asset allocation.

For Clients with CPP, the Managed Strategy Fee for Separately Managed Accounts managed by an affiliate is currently waived. Goldman Sachs Ayco intends to introduce a minimum fee for clients that have elected CPP and whose fee for assets under management falls below a certain threshold, which may exceed 1.50% on assets under management in the Advisory Account. Any minimum fee will be set forth in the client's fee schedule or other agreement. The minimum account fee charge will appear on the client's statement for the month in which the fee is charged.

Managed Strategy Fees, if applicable, begin accruing in Advisory Accounts that agree to CPP when assets in an Advisory Account are allocated to a Managed Strategy. The description of Managed Strategy Fees herein is meant to provide a general understanding of how Managed Strategy Fees are charged. The terms of a particular Managed Strategy Fee charged by a portfolio manager are subject to the terms of each portfolio manager's brochure. The advisory fee for advice on certain types of arrangements will be billed directly to the client or debited from another account for the client. For Separately Managed Accounts where Affiliated Manager serves as manager, Managed Strategy Fees are waived. Managed Strategy Fees are disclosed to clients in the Goldman Sachs Ayco Portfolio Manager Fee Summary available at <https://goldman.com>, or available to clients upon request to their Wealth Advisor.

*Strategy-based fees.* For Advisory Accounts (except for Retirement Accounts) that custody at Fidelity clients generally pay strategy-based investment advisory fees that are set forth on the fee schedule attached as Appendix A based on assets under management in the particular strategy.

Clients who elect GS&Co. custody agree to a specific fee for each Managed Strategy or if they choose to participate in the Discretionary Management Selection ("DMS") program, will agree to a fee schedule based on the sub-asset class classification of each strategy.

Absent special circumstances, the fees set forth in the Appendices represent the current maximum advisory fees for Advisory Accounts. The actual advisory fee paid by each client is set forth on the applicable fee schedule agreed to by the client and may vary from those in the fee schedules herein. A client may pay more or less than other clients invested in similar strategies or products.

From time to time for DMS, Goldman Sachs reclassifies Managed Strategies from one sub-asset class to another sub-asset class. In these instances, clients who have elected to participate in the DMS program may experience a change in the fee rate depending on the nature of the sub-asset class reclassification. Upon notice to the client of a reclassification, if the fee rate associated with the new sub-asset class classification differs (higher or lower) from the fee rate associated with the previous sub-asset class classification, the client's fee rate on the strategy will increase or decrease accordingly so long as the client has a fee schedule on file for that sub-asset class. If a strategy is reclassified and a client in the DMS program has not previously agreed to the new sub-asset class as part of the program, the client must agree



to include the new sub-asset class and related fee in the relevant program to maintain their investment in the strategy. Clients who have elected not to participate in the DMS program will not experience a change in the fee rate (higher or lower) as they agree to fees for each Managed Strategy and not to fees for sub-asset classes. The applicable fee applied to the account pursuant to the fee schedule is determined at the time of initial investment. Notwithstanding different fee tiers for asset ranges set forth in the pertinent fee schedule, fees are not adjusted in connection with any subsequent increases or decreases in investment size for existing strategies, unless specifically negotiated. The foregoing will also apply to those clients who continue to participate in the Verbal Manager Selection program that Goldman Sachs Ayco no longer offers.

Goldman Sachs Ayco charges a custody fee for certain accounts in the strategy-based pricing model that do not also pay a separate counseling fee for operational and administrative support for Advisory Accounts. The custody fee is generally based on the client's relationship with GS&Co. and the amount of assets under management. The amount of the custody fee appears on the client's statement for the month in which the fee is charged.

For ATAS clients, the advisory fee charged by Goldman Sachs Ayco generally ranges from 0.180% to 1.650% of trust assets under management, depending on the amount of assets under management and the investment strategy. Goldman Sachs Ayco reserves the right to charge ATAS clients a minimum annual investment advisory fee even where doing so results in a fee that exceeds 1.650%. Corporate trustees also charge a fee for their trustee and administrative services and provide their own fee schedules. The trustee fees charged by corporate trustees to ATAS clients are determined by the corporate trustees and, unless otherwise indicated to clients, generally range from 0.210% to 0.650% of assets under management, depending on the corporate trustee selected and the amount of assets under management.

*Retirement Account Fees.* With respect to Retirement Accounts, Goldman Sachs Ayco's ability to collect certain fees and other compensation (including certain fees described in *Underlying Fund Fees and Pooled Investment Vehicle Fees*, and *Compensation for the Sale of Securities and Other Investments* below), to engage in certain transactions (including principal trades) and provide certain services is limited by the Retirement Regulations. Notwithstanding the below, the actual fees that a client will be charged are set forth in the client's applicable fee schedule and other documentation governing the investment.

Currently in CPP, affiliated mutual funds, money market funds and ETFs are not available to Retirement Accounts. If they become available, Retirement Accounts will not be charged both the affiliated Managed Strategy Fee and a Goldman Sachs Ayco advisory fee.

For Retirement Accounts in the Managed Platform clients generally execute separate fee schedules for each strategy and are charged the same advisory fee for all strategies with a maximum advisory fee of 1.50%.

*Calculation and Deduction of Fees.* Advisory fees paid by clients for Advisory Accounts are generally charged quarterly in arrears based on the average market value of the assets in the account during the previous quarter. However, from time to time there may be certain Advisory Accounts that custody with Fidelity and are billed quarterly in advance based on previously negotiated billing arrangements. Fees are prorated and due upon termination or for partial periods. See *Terminated Accounts* below for a description of adjustments for terminated accounts.

For Advisory Accounts for which Fidelity acts as custodian, clients generally authorize Goldman Sachs Ayco to direct Fidelity to have their fees and expenses debited from their Advisory Account for credit to Goldman Sachs Ayco and its affiliates, as applicable. Cash and cash equivalents are generally included in the advisory fee calculation for Goldman Sachs Ayco clients whose accounts are maintained by Fidelity as custodian. The average month-end values are adjusted for significant cash flows (contributions and withdrawals).

For Advisory Accounts with GS&Co. custody, average market value is generally determined using averaged end-of-day quantity and end-of-day market prices for each security and advisory fees are automatically

deducted from the client's Advisory Account unless otherwise agreed between the client and GS&Co in writing.

### ***Transaction Fees***

Depending on the strategy or investment selected, clients will pay transaction fees and execution charges, including commissions, commission equivalents, mark-ups, mark-downs and spreads, unless waived by GS&Co. or a third party (collectively, "Execution Charges"). Generally, clients will be responsible for payment of all Execution Charges arising from transactions effected for client accounts to either third parties if a third party is providing execution services or GS&Co. if GS&Co. is providing execution services (other than for wrap accounts). Commission schedules vary depending on the custodian and clients may pay more or less in Execution Charges depending on the custodian they select, including when the same strategies are offered through multiple custodians. Additionally, compensation paid to Goldman Sachs Ayco and Wealth Advisors based on Execution Charges differs depending on the custodian selected by the client. For example, Goldman Sachs Ayco and Wealth Advisors receive compensation related to GS&Co. Execution Charges for Advisory Accounts with GS&Co. custody but are not compensated based on Fidelity Execution Charges for Advisory Accounts for which Fidelity is custodian.

Descriptions of typical types of Execution Charges are provided below, however, the custodian reserves the right to charge fees in addition to what is described below including trade away fees and fees related to specific investments such as mutual funds and Alternative Investments. For a complete list of transaction fees that may apply to Advisory Accounts, clients should review their customer agreements with the applicable custodian. Additionally, from time to time, Execution Charges are waived by the broker-dealer. Strategies for Goldman Sachs Ayco clients in which Execution Charges are waived by the broker-dealer are subject to the fee schedules set forth herein. When Goldman Sachs Ayco waives this fee, Goldman Sachs Ayco is less likely to negotiate below its standard advisory fee schedule. Clients may be able to obtain the same investment advisory and brokerage services that are offered for strategies where Execution Charges are waived separately through Goldman Sachs Ayco or other firms, and the cost of obtaining the services separately may be more or less than the investment advisory fees charged for the strategies where Execution Charges are waived by Goldman Sachs Ayco depending on the anticipated trading activity.

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

	ups/mark-downs are included in transactions involving fixed income securities, structured investments and currencies.
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Transaction fees are charged by the broker-dealer executing the transactions for client accounts. Clients will be responsible for payment of all commissions (and commission equivalents), transfer fees, registration costs, taxes and any other costs and transaction-related expenses and fees arising from transactions effected for client accounts, including markups, markdowns, and spreads on principal transactions, auction fees, fees charged for specified securities transactions on exchanges and in the over-the-counter markets, American Depositary Receipt execution costs (such as conversion or creation fees, foreign exchange costs and foreign tax charges), debit balances and margin interest, certain odd-lot differentials, transfer taxes, electronic fund and wire transfer fees, fees in connection with trustee and other services rendered by custodian, fees on NASDAQ trades, certain costs associated with trading in foreign securities and other property, and any other charges mandated by law or otherwise agreed to by the client and Goldman Sachs Ayco or custodian unless the client has enrolled in a wrap fee program where the wrap fees cover these costs; certain fees in connection with trust accounting, or the establishment, administration, or termination of Retirement Accounts or other fees in connection with the provision of services by the Retirement Account trustee or custodian, as applicable. The custody, brokerage, and other expenses clients are charged by the custodian will be different from those incurred by clients that use a different custodian. Commissions will be reflected on the confirmations clients receive for such trades. Execution charges in connection with any trades in fixed income securities will be included in the net price shown (but not separately itemized unless required under applicable law) on client confirmations for such trades. Goldman Sachs Ayco does not reduce its advisory fees to offset Execution Charges except to the extent required by applicable law.

Advisory Accounts that use GS&Co. as custodian who pay Execution Charges will do so at rates determined by GS&Co. These rates may be negotiated, and clients may pay more or less in Execution Charges than similar clients for identical transactions, including those effected through Fidelity. Execution Charges paid by similar clients may differ depending on the particular circumstances of the client, including the size of the relationship and required service levels. When GS&Co. executes a trade through a third-party broker-dealer, any applicable Execution Charges issued by the third-party broker-dealer will be charged to the client. GS&Co. generally charges clients commissions according to agreed upon commission schedules. However, there may be circumstances in which GS&Co. charges commissions for investments or transactions that are not covered by the commission schedule. GS&Co. retains the right to waive commissions and mark-ups/mark-downs for certain clients, for execution channels (e.g. electronic executions) or for investment strategies in its discretion. GS&Co. retains the right to discontinue any such waivers at any time upon notice to clients. GS&Co. generally executes transactions in certain non-U.S. equities and pooled investment vehicles, including ETFs, on a principal basis and charges a commission equivalent for such transactions.

Goldman Sachs executes a significant volume of fixed income trades through third-party broker-dealers and executes certain fixed income trades for certain strategies on an agency basis ("Agency Trading Option"). In some cases, acquiring an investment through a third-party broker-dealer will result in fees and Execution Charges that are different from those charged by GS&Co. for the same product and will be higher or lower. In the case of the Agency Trading Option, clients are generally charged an explicit commission that is disclosed on their trade confirmations. In limited circumstances for Advisory Accounts with GS&Co. custody (other than Retirement Accounts), including structured notes, GS&Co. will execute transactions on a principal basis and charge a mark-up/mark-down that appears as part of the net price confirmed to the client. GS&Co. will trade as principal (to the extent permitted by law) in order to provide eligible clients with access to new issues subject to applicable best execution obligations. Fixed income trades for Goldman Sachs Ayco Retirement Accounts are solely executed through the Agency Trading Option.

For Advisory Accounts for which Fidelity is custodian, clients should expect to pay Execution Charges, which are in addition to the advisory fees charged by Goldman Sachs Ayco. Goldman Sachs Ayco and its affiliates do not share in Execution Charges imposed by Fidelity and clients may pay more or less than similar clients charged for identical transactions executed at GS&Co. Fidelity may offer discounted commission rates to their employees who are advisory clients of Goldman Sachs Ayco, or waive commissions or Execution Charges altogether, in their sole discretion.

If Goldman Sachs Ayco and/or Goldman Sachs provide services to Advisory Accounts that have separate fees or costs not included in the advisory fee, then Goldman Sachs Ayco and Goldman Sachs (as applicable) will be entitled to retain such amounts and they will not offset any other fees or compensation, unless expressly agreed.

GS&Co., like any other broker-dealer executing a transaction, has commercial interests in transactions that should be expected to diverge from the interests of Advisory Accounts, such as obtaining favorable rates on Execution Charges. As described in *Item 11 – Participation or Interest in Client Transactions and Personal Trading*, Wealth Advisors receive referral or brokerage compensation, if eligible, in connection with transactions effected for Advisory Accounts custodied with GS&Co. For information about Goldman Sachs Ayco's brokerage practices, please refer to *Item 12 – Brokerage Practices*.

### ***Custody, Administration and Other Fees***

Custody fees, administration fees and all other fees charged by service providers providing services relating to Advisory Accounts are generally levied by the custodian, the administrator or other service providers for the Advisory Account. While fees charged by service providers providing services relating to Advisory Accounts are generally not included in the advisory fees payable to Goldman Sachs Ayco, Goldman Sachs Ayco may receive a portion of this revenue. An Advisory Account (and fund investors indirectly) will generally bear such expenses unless provided otherwise in the applicable Investment Management agreement. Generally, clients may be charged the following fees from their account custodian(s) or executing broker: charges for transactions with respect to assets not executed through the custodian; short term redemption costs; costs charged to shareholders of mutual funds and ETFs by the fund manager; odd-lot differentials; American Depositary Receipt costs; costs associated with exchanging currencies; or other costs required by law. Additionally, the client will be charged for non-standard service fees incurred as a result of any special requests made by the client, such as overnight courier or wiring fees. Custodians may also charge clients account transfer and/or termination fees.

Custodial transaction fees (for transactions executed through the custodian's broker-dealer) will be paid by the client or by Goldman Sachs Ayco as negotiated and stated in the client's agreement with the account custodian. Custodians charge clients other fees, beyond transaction fees. If applicable, the additional fees charged to clients by the custodian include, but are not limited to, fees related to custodial and clearing agent services, maintenance of portfolio accounting systems, preparation and mailing of client statements, account processing, systematic withdrawals, redemptions, terminations, account transfers, Retirement Account custodial services, or maintenance of a client inquiry system.

Depending on the custodian relationship, and/or the account type, additional expenses charged to an Advisory Account, either directly or indirectly through a Manager, investment adviser or vendor, could 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 (including 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) fees and expenses of directors, trustees, or independent general partners;

(vii) technology expenses, including news and quotation services;

(viii) insurance premiums (where insurance covers numerous Advisory Accounts, each participating Advisory Account is responsible for a share of the premiums);

(ix) 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 Goldman Sachs Ayco or its affiliates to the extent such compliance relates to an Advisory Account's activities;

(x) fees payable to Goldman Sachs Ayco or its affiliates for loan servicing, tax services provided by Goldman Sachs Ayco or its affiliates to Advisory Accounts, which represent an allocable portion of overhead costs of the departments providing such services and which is typically determined by Goldman Sachs Ayco 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;

(xi) costs and expenses incurred by certain Advisory Accounts in connection with any activities or meetings of special committees or councils with respect to such Advisory Accounts; and

(xii) any other reasonable expenses authorized by the applicable governing documents, or that are reasonably necessary or appropriate in connection with managing an Advisory Account. Administrative costs for Retirement Accounts and any platform (technology) fees are paid directly by the client, unless other arrangements have been made.

Additionally, a transaction cost is charged by the SEC to sellers of securities that are traded on stock exchanges and subsequently assessed to clients. These fees are required by Section 31(b) of the Securities Exchange Act of 1934 and are charged to recover the fees associated with the government's supervision and regulation of the securities markets and securities professionals.

Clients that custody their Advisory Accounts with Fidelity generally pay fees to Fidelity for operational and administrative support, such as account closeout fees and 990-T service fees, as applicable, including the other fees identified above and elsewhere in this Brochure or as otherwise included in a client's agreements with Fidelity. Goldman Sachs Ayco does not share in these fees.

When a custody fee is charged by Goldman Sachs the amount of the custody fee varies based on the client's relationship with GS&Co. and the amount of assets under management. The amount of the custody fee appears on the client's statement for the month in which the fee is charged. Additional administrative fees for Retirement Accounts are charged by unaffiliated third-party service providers.

### **Other Fees**

#### ***Servicing and Similar Fees***

With respect to certain Advisory Accounts, the applicable governing documents may provide for fees to be paid to Goldman Sachs Ayco 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. More information about administrative and other fees paid to third-party service providers is provided in other sections within this *Item 5*.

### ***Fees for Securities and Other Investments Purchased Through Brokerage Accounts***

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

### **Consolidated Reporting Services**

In certain circumstances, clients pay an additional fee to GS&Co. for reporting on assets held away from GS&Co. at unaffiliated custodians, as well as assets custodied with GS&Co. GS&Co. retains the right, in its discretion, to waive fees for consolidated reporting for certain clients based upon criteria, such as assets under management.

### ***Underlying Fund Fees and Pooled Investment Vehicle Fees***

Advisory Account assets invested in certain funds (including U.S. and non-U.S. investment companies as well as other pooled investment vehicles, including collective trusts, ETFs, closed-end funds, business development companies, private investment funds, special purpose acquisition vehicles, and operating companies) pay all fees and expenses applicable to an investment in the funds, including fixed fees, asset-based fees, performance-based fees, carried interest, incentive allocation, and other compensation, fees, expenses and transaction charges payable to the managers in consideration of the managers' services to the funds and fees paid for advisory, administration, distribution, shareholder servicing, subaccounting, custody subtransfer agency, and other related services, or "12b-1" fees. Fund fees and expenses are described in the relevant fund prospectuses and are paid by the funds but are ultimately borne by clients as shareholders in the funds. If the fund is an affiliated fund, all or a portion of these fees are generally paid to Goldman Sachs as described in *Item 10 – Other Material Relationships with Affiliated Entities*. These fees and expenses are generally in addition to the advisory fees (if any) each Advisory Account pays to Goldman Sachs Ayco and any applicable Execution Charges. Goldman Sachs Ayco may determine to waive advisory fees on assets where the investments generate additional fees for Goldman Sachs. In other circumstances advisory fees will be waived if required by applicable law. The custodians (or their broker-dealers) make available mutual fund share classes on their platforms at their sole discretion. Different mutual funds with similar investment policies, and different share classes within those funds, will have different expense levels. Generally, a fund or share class with a lower minimum investment requirement has higher expenses, and therefore a lower return, than a fund or share class with a higher minimum investment requirement. The share classes made available by the various the custodians (or their broker-dealers) and which Goldman Sachs Ayco selects for clients' accounts will not necessarily be the lowest cost share classes for which clients might be eligible or that might otherwise be available if clients invested in mutual funds through another firm or through the mutual funds directly. In addition, a manager of a private investment fund typically receives deal fees, sponsor fees, monitoring fees or other similar fees for services provided to portfolio companies. The fees and expenses imposed by a private investment fund may offset trading profits and, therefore, reduce returns. An investor in a fund-of-funds vehicle also bears a proportionate share of the fees and expenses of each underlying investment fund. These fees and expenses generally differ depending on the class of shares or other interests purchased.

Mutual fund and ETF fees and expenses will result in a client paying multiple fees with respect to mutual funds and ETFs held in an Advisory Account and clients may be able to obtain these services elsewhere at a lower cost. For example, if a client were to purchase a mutual fund or ETF directly in a brokerage account, the client would not pay an advisory fee to Goldman Sachs Ayco. Currently, for Advisory Accounts that agree to a strategy-based pricing model, affiliated mutual funds are not subject to Goldman Sachs Ayco's advisory fees but may be subject to various other fees and expenses paid to the service providers of each affiliated mutual fund, some of which are affiliates of Goldman Sachs Ayco. It should be expected

that these affiliates, as well as Goldman Sachs Ayco and eligible Wealth Advisors, will receive compensation with respect to such fees. For additional information on compensation earned for the sale of these products, please see below and *Item 10 – Other Financial Industry Activities and Affiliations*.

Goldman Sachs 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 funds, private credit funds, real estate funds and business development companies). Goldman Sachs fees for such services are based on structure, investment process, and other factors. Goldman Sachs generally receives a management fee for management of non-private investment funds and an incentive fee or allocation (which may take the form of a carried interest and be received by an affiliate of GS&Co.) from each private investment fund and business development company (other than certain categories of private investment funds, including XIG 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 can 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 receive fee reductions of all or a portion of the management fee (and/or incentive fee or allocation) attributable to an investment in a fee free class of a pooled investment vehicle and pay negotiated fees outside of the pooled investment vehicle, which may be based on a separate fee schedule agreed upon by Goldman Sachs and the applicable investor. Certain of Goldman Sachs' fee structures create an incentive for it 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. Goldman Sachs may receive similar fees from other types of vehicles (e.g., securitization vehicles) with respect to the advisory services Goldman Sachs provides to such vehicles.

Certain investors that are invested in pooled investment vehicles pay higher or lower fees or are subject to higher or lower incentive allocations than similarly situated investors that are invested in the same pooled investment vehicle. Amounts vary as a result of negotiations, discussions and/or factors that 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 as otherwise agreed with specific investors in writing. Fees and allocations charged to investors may differ depending on the class of shares or other interests purchased.

Generally, compensation received by Goldman Sachs related to various services provided to pooled investment vehicles is retained by Goldman Sachs. Except to the extent required by applicable law, Goldman Sachs Ayco and its affiliates are not required to offset such compensation against fees and expenses the client otherwise owes Goldman Sachs. To the extent Goldman Sachs decides to offset any compensation, Goldman Sachs does so in its sole and absolute discretion and the methods used to calculate any such amounts when they are applied to any client fees and expenses may be different from the calculations used to determine the amount of compensation Goldman Sachs receives. Specifically, for accounts other than Retirement Accounts, any offset amount may be higher or lower than the actual amount Goldman Sachs receives from any pooled investment vehicle.

Goldman Sachs makes mutual fund share classes available on its platform at its sole discretion. Goldman Sachs will normally make available on its platform, to the extent permitted by law, a share class of a mutual fund that pays additional compensation to Goldman Sachs, including fees, for providing services (such as investment advisory, administration, transfer agency, distribution, and shareholder services) to the mutual fund. The additional compensation that Goldman Sachs receives normally varies depending on the mutual fund and share class made available, and is paid from the fund, the sponsor or the adviser to the extent permitted by applicable law. Although the additional compensation that Goldman Sachs receives (and corresponding expense to a client) can vary by mutual fund and share class, any such fees (and corresponding expense) typically will not exceed .35%. When selecting a share class of a mutual fund to offer on its platform, Goldman Sachs has a conflict of interest when its selection of a more expensive share class or recommendation of a more expensive mutual fund results in greater compensation to Goldman Sachs. Goldman Sachs addresses this conflict through a combination of disclosure to clients and through

Goldman Sachs' policies and procedures and related controls designed to ensure that the fees it charges to clients are fair and reasonable.

Different mutual funds with similar investment policies, and different share classes within those funds, have different expense levels. A fund or share class with a lower minimum investment requirement may have higher expenses, and therefore a lower return, than a fund or share class with a higher minimum investment requirement. Goldman Sachs may offer a single share class for each mutual fund it makes available on its platform at any given time, even if a mutual fund has multiple share classes for which Goldman Sachs clients are eligible. Goldman Sachs will not necessarily make available the lowest cost share class of a mutual fund. As a result, the share class of a mutual fund offered by Goldman Sachs can have higher expenses (including because of compensation paid to Goldman Sachs as discussed above), and therefore lower returns, than other share classes of that mutual fund for which a client is eligible or that might otherwise be available if a client invested in the mutual fund through a third party or through the mutual fund directly. When determining the reasonableness of any fees and expenses paid to Goldman Sachs, a client should consider both the fees and expenses that Goldman Sachs charges the Advisory Account and any indirect fees and expenses charged in connection with any investment in share classes of mutual funds that bear expenses greater than other share classes those for which a client is otherwise eligible.

Information about the mutual funds and share classes that are available through Goldman Sachs, including their investment policies, restrictions, charges, and expenses, is contained in the mutual funds' prospectuses. Goldman Sachs may also establish and change in its sole discretion and at any time the different investment minimums and/or other requirements that will apply to the availability of mutual fund and share classes for an account based upon a variety of factors, including a client's overall relationship with Goldman Sachs, type of account, legal or regulatory restrictions, or any other factors relevant to the relationship.

#### ***Alternative Investment Fees***

As described in *Item 4*, Goldman Sachs Ayco may recommend that a client invest a portion of the client's assets as permitted in an Alternative Investment, based on the individual client's risk tolerance and objectives. Actual fees paid to the Alternative Investment fund are disclosed in the private placement memorandum ("PPM"), a supplement to the PPM or in a prospectus of the Alternative Investment fund. In some cases for affiliated Alternative Investments, the management fee paid to the fund manager may be discounted or waived.

If appropriate Goldman Sachs Ayco will recommend Alternative Investments for brokerage accounts (that are not Retirement Accounts) and is paid a commission for the sale of such products.

The Alternative Investment platform provider may receive from the investment manager compensation based on platform and management costs, and or revenue derived for serving as introducing broker for certain platform funds.

Except as described below, even if such investments are held in an advisory account, Goldman Sachs Ayco does not exercise discretion over Alternative Investments. Unless otherwise specified in writing, clients are responsible for initially executing any documents required to be completed by the investment manager and for continuously maintaining any subsequent documentation required after the initial investment is made. See *Item 4 - Alternative Investments* for more information about Alternative Investment recommendations.

Goldman Sachs Ayco clients may be given the opportunity to participate in Alternatives Portfolio Services ("APS"), an Alternative Investment fund strategy managed within GS&Co. Fees for APS Advisory Accounts are initially calculated based on the total amount(s) committed to each Alternative Investment fund as part of the APS account, commencing on the date of each individual commitment to an Alternative Investment fund and continuing until the end of the fifth year following such date. Following the initial five year period, fees are thereafter based on the market value of each investment in the APS account and will be calculated



and payable quarterly in arrears based on the average market value of the Alternative Investments in the account.

### ***Terminated Accounts***

If Goldman Sachs Ayco's services are terminated by written notice by either party and the advisory fee was charged in arrears, fees will be prorated and due upon termination or for partial periods as applicable. If the advisory fee was paid in advance, Goldman Sachs Ayco will conduct an analysis of services provided to determine whether any pre-paid costs were unearned, and any such unearned pre-paid costs will be refunded to the client on a pro rata basis.

In the case of Advisory Accounts with GS&Co. custody, upon termination of an account Goldman Sachs Ayco may in its discretion transfer assets in the account to a brokerage account subject to the fees as agreed in any GS&Co. customer agreement. In the case of Advisory Accounts for which Fidelity is custodian, after Goldman Sachs Ayco terminates an account, an Advisory Account will become a self-directed brokerage account subject to fees as agreed in any Fidelity brokerage agreement within the timeframe set forth in the client's account agreements.

### ***Compensation for the Sale of Securities and Other Investment Products***

Goldman Sachs Ayco and Wealth Advisors receive compensation based upon revenues generated from Financial Planning and from client accounts including asset management fees, commissions and other revenues related to the purchase and sale of securities (including Goldman Sachs managed funds), banking products and other investments and services to clients. Such compensation creates a conflict of interest that gives Goldman Sachs Ayco and certain Wealth Advisors an incentive to recommend securities, banking products and other investments or services based upon the compensation received. Fees are higher for some products or services than others, and the compensation paid to Goldman Sachs Ayco and certain Wealth Advisors is greater in certain cases. Clients are not entitled to receive any portion of such additional compensation. The amount of compensation paid to Wealth Advisors will be more or less depending on many factors, including the Managed Strategy selected, the length of time clients' assets remain under management, and the client's fee arrangement. Moreover, the timing of compensation to Wealth Advisors differs as between investment products and annuities. With respect to Retirement Accounts, Wealth Advisors receive the same compensation regardless of the Managed Strategy selected. Not all clients are eligible for or offered all products. Further, Wealth Advisors who transfer from one affiliate to another or joined the adviser via acquisition may continue to receive compensation under the same terms that they did prior to the transfer and such terms may differ from the compensation arrangements of other advisors. In addition to the information contained in this Brochure, other conflicts of interest, if any, are disclosed in strategy and transaction specific documents provided to clients from time to time and in separate agreements, including agreements for Investment Management services.

As discussed above, Goldman Sachs may receive fees in connection with the sale of mutual funds including "12b-1" fees or other compensation from affiliates of a mutual fund in connection with the sale of those products. Goldman Sachs Ayco's selection or recommendation of securities and other investment products where Goldman Sachs shares in the fees and profits would result in additional compensation to Goldman Sachs. Clients are not entitled to receive any portion of such additional compensation. In such arrangements, compensation to Goldman Sachs generally increases as the amount of assets invested by clients in such securities and other investment products increases. This creates an incentive for Goldman Sachs Ayco to recommend or select investment products that are advised, managed or sponsored by Goldman Sachs. Goldman Sachs Ayco limits the conflicts of interest associated with selecting between the Third-Party Funds and affiliated mutual funds by seeking to implement a compensation structure where the compensation paid to Wealth Advisors does not vary based on whether the Advisory Account invests in a Third-Party Fund or an affiliated fund in the same asset class.

Goldman Sachs also maintains a variety of banking, financial, or service relationships with regard to securities and other investments, including relationships with their principal underwriters, investment advisers, sponsors, or other service providers. These relationships include acting as a broker or a dealer,

engaging in foreign exchange transactions or directing the sale of securities or other financial instruments. In some instances, investment managers of particular investment products, or their affiliates, have relationships with Goldman Sachs, including serving as an investment manager in programs sponsored by Goldman Sachs. As a result, Goldman Sachs Ayco has an incentive to recommend these securities and other investment products. Goldman Sachs Ayco also has a financial incentive to allocate Advisory Account assets to securities issued, managed, or issued and managed, by Goldman Sachs, including Affiliated Managers and accounts managed by Ayco PMG ("Affiliated Products"), rather than to separate accounts or mutual funds managed, sponsored, advised or issued by investment managers or organizations not affiliated with Goldman Sachs ("External Products").

Goldman Sachs Ayco has an incentive to allocate the assets of Advisory Accounts to Affiliated Products or recommend (as applicable and permissible) 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 Goldman Sachs Ayco to select or recommend (as applicable and permissible) certain Affiliated Products over other Affiliated Products. Correspondingly, Goldman Sachs Ayco is 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. Goldman Sachs Ayco has adopted policies and procedures to mitigate certain conflicts of interest. For example, all personnel of Goldman Sachs are subject to policies and procedures regarding confidential and proprietary information, information barriers, private investments, outside business activities and personal trading. In addition, Goldman Sachs generally reviews each product and the related compensation and seeks to structure compensation arrangements in ways that seek to further mitigate conflicts of interest. For example, Wealth Advisors generally earn the same compensation across internal and external funds that are equivalent in style, risk and expected performance. No assurance can be made, however, that any of Goldman Sachs Ayco's current policies and procedures, or any policies and procedures that are established by Goldman Sachs Ayco in the future will have their desired effect.

Unless otherwise required by applicable law, neither Goldman Sachs nor Goldman Sachs Ayco will be required to share any fees, allocations, compensation, remuneration or other benefits received in connection with an Advisory Account with the client or offset such fees, allocations, compensation, remuneration and other benefits against fees and expenses the client otherwise owes Goldman Sachs unless required by law.

Clients may allocate assets to Separately Managed Accounts managed by Advisory Personnel or an affiliate or to wrap fee accounts, that is, accounts for which the client's advisory fee covers all fees or charges of sponsor (which will be GS&Co. if the client elects the program sponsored by GS&Co.), including Execution Charges and custodial and administrative charges. Wrap fee accounts are managed by Affiliated Managers or Unaffiliated Managers.

The advisory fee paid for Separately Managed Accounts to Goldman Sachs Ayco or an affiliate does not include Execution Charges, custodial or other fees, which instead are paid separately by the client. If the wrap fee or the investment advisory fee charged to strategies where Execution Charges are currently waived is not priced to account for the total cost of Execution Charges expected to be generated in a traditional separate account, the client may pay more for the traditional separate account. The amount of compensation received by Goldman Sachs Ayco in connection with a "wrap fee" account advised by Goldman Sachs Ayco may differ from the compensation received by Goldman Sachs Ayco in connection with a traditional separate account also advised by Goldman Sachs Ayco or Advisory Accounts investing in strategies where Execution Charges are currently waived. Any such differentials in compensation create a financial incentive on the part of Goldman Sachs Ayco and the Advisory Personnel to recommend or, if applicable, select one advisory program, Manager, asset class or investment strategy over another.

In some cases a wrap fee charged by Goldman Sachs Ayco typically will be greater than the fees that are charged for a different advisory program offered by Goldman Sachs Ayco that does not include costs for execution, custody or other services utilized by the client. Clients may be able to obtain some or all of the services offered through Goldman Sachs Ayco's wrap program separately from Goldman Sachs Ayco or from other firms, and the cost of obtaining the services separately may be more or less than the wrap fee. Factors that bear on the cost of the wrap fee in relation to the cost of the same services purchased separately include the range of investment strategies and Managers selected, anticipated trading activity and the range of custodial, reporting and other ancillary services that are available. Clients should also understand that the combination of the wrap program services may not be available separately and certain Managers might not be willing or able to provide their services or particular investment strategies outside of the wrap because of minimum account sizes or other factors.

In addition to the disclosures contained in this Brochure, other conflicts of interest are disclosed in strategy and transaction specific documents provided to clients from time to time and in Goldman Sachs Ayco's Investment Management agreement with the client.

Goldman Sachs Ayco's affiliated broker-dealer, Mercer Allied, and their affiliated insurance agencies, ASA and ASIA, receive insurance commissions and other compensation from insurers for the distribution of insurance policies and annuities, including Variable Products, which inure to the benefit of Goldman Sachs Ayco. Commissions and other compensation are paid to ASA, ASIA and Mercer by insurance companies for the placement and distribution of insurance and annuity products. These commissions and other compensation are paid to ASA, ASIA and Mercer Allied for acting as a retail distributor, wholesale distributor, or both. Other compensation from the insurance companies might also include various incentives in addition to standard commissions or referral fees, including contingent commissions, and other awards and bonuses, such as trips, expense allowances, marketing allowances, training and education. Incentive or contingent compensation is based upon a variety of factors including the level of aggregated premiums, client retention, revenue growth, overall profitability, or other performance measures pre-established by insurance companies. This incentive or contingent compensation is not tied to any individual transaction. Wealth Advisors licensed as insurance agents receive referral fees when they refer clients to internal insurance teams, subject to applicable law. Compensation to licensed Wealth Advisors will vary based on the insurance or annuity product type selected. As compared to managed investment strategies available through Goldman Sachs Ayco or its affiliates, the amount of compensation to Wealth Advisors is more or less depending on many factors including the strategy selected and the length of time assets remain under management. Moreover, the timing of compensation to Wealth Advisors differs as between investment products and annuities. Such compensation creates a conflict of interest that gives Goldman Sachs Ayco and such Wealth Advisors an incentive to recommend insurance policies and annuities based on the compensation received.

Where Goldman Sachs Ayco refers clients to affiliates, including GS&Co., GSAM and ASA in connection with certain services, it receives referral fees subject to applicable law and compensates its eligible Wealth Advisors who make such referrals. These Wealth Advisors will also receive referral payments for insurance contracts.

Wealth Advisors who participate in compensation plans are compensated based on revenues generated by Financial Planning and client accounts, including advisory fees, commissions and other revenues related to the purchase and sale of securities, insurance and banking products, and fees associated with other products as applicable. Such compensation creates an incentive for Wealth Advisors to recommend certain investments or pricing models based on the compensation received. Fees are higher for some investments and services, and the compensation directly or indirectly paid to Wealth Advisors is greater in certain cases. Certain Wealth Advisors are eligible for additional compensation based upon revenue generated by client accounts and growth in client assets. Some Wealth Advisors receive a salary and a discretionary bonus. No matter which compensation plan applies at a given time, Wealth Advisors' compensation varies according to the level of fees they charge (including whether Advisory Accounts are set up as wrap fee or non-wrap fee accounts), and they are motivated to charge higher fees and other charges in order to earn greater compensation.

Certain eligible Wealth Advisors who retire from Goldman Sachs Ayco may also continue to collect a percentage of revenue generated from client accounts or other fees for a period of time after retiring from the firm in accordance with Goldman Sachs Ayco's internal policies, the terms of the applicable agreement between Goldman Sachs Ayco and the Wealth Advisor, and applicable law.

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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### **Performance-Based Fees**

Goldman Sachs Ayco does not charge performance-based fees. Client investments in certain Alternative Investments offered by Goldman Sachs, such as private funds, are subject to performance fees assessed by those investment managers. Goldman Sachs Ayco receives an allocation for performance fees for such Alternative Investments managed by its affiliates, including GSAM.

### **Side-by-Side Management of Advisory Accounts: Allocation of Opportunities**

Goldman Sachs Ayco manages or advises 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 seek to make or sell investments in the same securities or other instruments, sectors or strategies. This creates conflicts of interest, particularly in circumstances, if any, where the availability or liquidity of investment opportunities is limited, including, without limitation, in local and emerging markets and high yield securities. To address these conflicts of interest, Goldman Sachs Ayco has developed policies and procedures that provide that Goldman Sachs Ayco Personnel making portfolio decisions for Advisory Accounts will make investment decisions for, and implement investments among, Advisory Accounts consistent with Goldman Sachs Ayco's fiduciary obligations. *See Item 11 - Allocation of Investment Opportunities*

### **Provision of Portfolio Information to Model Portfolio Advisers.**

Goldman Sachs Ayco provides model portfolios based on ISG strategic allocations for its own use and 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." Goldman Sachs Ayco does not act as a fiduciary where it solely provides the model portfolios. Goldman Sachs Ayco generally relies on electronic systems and third-party platforms to provide execution services for Model Portfolios for its own clients and in general will attempt to provide implementation instructions or model updates at about the same time. However, trades on behalf of accounts that commence trading after the others may be subject to price movements caused by the earlier trades, particularly with orders that are large in relation to the security's trading volume. 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, the dissemination of information regarding model portfolios or any updates thereto to different Model Portfolio Advisers at different times as described below, or for other reasons that cause orders to be placed at different times, including if the Model Portfolio Adviser uses different execution methods or service providers. Any delay in the communication or receipt of information regarding, or 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. See also Item 12, Aggregation of Trades, for information regarding the allocation of securities relating to orders that are executed on an aggregated basis. Goldman Sachs Ayco may (but need not) delay communicating information regarding model portfolios or any updates thereto to Model Portfolio Advisers until after Advisory Accounts have commenced trading. In addition, there may be circumstances outside of Goldman Sachs Ayco's control that 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 affiliates, if any, who make execution decisions for certain 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 affiliate personnel who make execution decisions for certain Model Portfolio Accounts, will act upon such recommendations before other Advisory Accounts have commenced trading based on such recommendations. Goldman Sachs Ayco has the ability to implement at any time a policy to rotate which Model Portfolio Accounts receive information regarding model portfolios or any updates thereto. When Goldman Sachs Ayco provides model portfolio information to third parties or retains a third-party service provider to assist in the delivery of model portfolios to certain Model Portfolio Accounts, such third parties may have their own policies and practices for effecting trades, which may be similar to, or different from, Goldman Sachs Ayco's practices and applicable policies and it should be expected that such trades will be made subsequent to trades that are not effected through a third-party. Notwithstanding any applicable trade policies, there can be no assurance that a particular Model Portfolio Account will not be disadvantaged relative to other Model Portfolio Accounts during a particular period of time or over the life of the particular Model Portfolio Account.

## **ITEM 7 – TYPES OF CLIENTS**

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Goldman Sachs Ayco clients primarily include high net-worth individuals. On a more limited basis Goldman Sachs Ayco clients include privately held corporations, partnerships or limited liability companies, trusts, estates, charitable organizations and other institutional investors.

### **Financial Planning**

Financial Planning is typically provided to individuals who enter into Financial Planning agreements directly with Goldman Sachs Ayco or receive Financial Planning through programs sponsored by Corporate Partners or through such other arrangements as approved in writing by Goldman Sachs Ayco. On a limited basis, Goldman Sachs Ayco provides Financial Planning directly to trusts pursuant to customer agreements entered into directly by the trust.

### **Investment Management**

Goldman Sachs Ayco generally provides Investment Management to individuals, high net worth individuals, who invest directly, as individuals, or through private investment vehicles, such as privately held corporations, partnerships or limited liability companies; profit sharing plans; trusts; estates; endowments; public charities; private foundations; and charitable organizations. Goldman Sachs Ayco may provide Investment Management services to institutional clients and charitable organizations, including the Ayco Charitable Foundation, a 501(c)(3) public charity and to ICS Advisory Accounts.

### ***Account Requirements for Advisory Accounts***

To open or maintain an Advisory Account, clients are required to sign an Investment Management Agreement that, among other things, describes the nature of the Investment Management authority granted to Goldman Sachs Ayco. The agreements may be different depending on a number of factors including the products and services for which the client may be contracting and Goldman Sachs Ayco and/or custodian that the client selects. Clients select an investment objective for all accounts held in the same name to identify their investment goals and risk tolerance for the account holder's portfolio on the platform of the custodian selected by the client.

Generally, Goldman Sachs Ayco has no account minimums when it has been engaged for discretionary account management. However, certain investment strategies available to Goldman Sachs Ayco clients have required minimums for invested assets and are subject to minimum annual fees as detailed in the Appendices. In addition, Personal Wealth generally requires clients to have assets under management with Goldman Sachs Ayco of at least \$1,000,000 to receive Investment Management services. ICS generally requires institutional clients to have assets under management with Goldman Sachs Ayco of at least

\$2,000,000 to receive Investment Management services. Goldman Sachs Ayco may waive or lower account minimums in its sole discretion.

Various investment advisers, including Managers, to whom Goldman Sachs Ayco refers clients also impose various minimum dollar values of assets as a condition for opening or maintaining accounts that may be negotiated in the discretion of the Managers.

Account minimums are reviewed periodically and are subject to change. Upon giving notice to Goldman Sachs Ayco, or by contacting their account custodian directly, clients may make additions to or withdrawals from their Advisory Accounts. If at any time the client's account is less than the account minimum and/or household size designated, the Investment Management agreement is subject to termination by Goldman Sachs Ayco after formal written notice is provided to the client. It should be expected that asset withdrawals impede the achievement of a client's investment objectives or goals. Account minimums are imposed for various reasons including, but not limited to, the diminishing impact on the smaller allocations within a broadly diversified portfolio, the impact of transaction costs on a smaller portfolio's performance, the impact of a smaller portfolio's transaction costs on the total expense to manage the portfolio, and limitations on securities that are available for purchase for smaller dollar amounts.

When a Financial Planning client or a Related Party elects to also receive Investment Management services through Goldman Sachs Ayco, Wealth Advisors are responsible for analyzing the financial needs of each particular client and determining the suitability of the Investment Management services. Under delegated authority from an affiliate, Goldman Sachs Ayco manages accounts of its affiliates' clients and will receive all or a portion of the fee or other compensation the client pays such affiliate for such services, or the client may pay Goldman Sachs Ayco directly. In such cases, the client will have entered into an agreement with an affiliate and not Goldman Sachs Ayco, but Goldman Sachs Ayco has responsibility for analyzing the financial needs, and determining that the Investment Management services are suitable, for that client.

Generally, Investment Management or Financial Planning services provided by Goldman Sachs Ayco are limited to clients that are United States citizens or residents, or otherwise subject to United States tax laws. Goldman Sachs Ayco's services may be limited for, or altogether unavailable to, clients, individuals, or entities that are not United States citizens or that reside outside the United States.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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### **Significant Investment Strategies, Methods of Analysis and Material Risks**

Advisory Accounts managed by Wealth Advisors invest in multiple asset classes. Different Wealth Advisors may use different tools, analysis and other inputs to advise Financial Planning clients or manage Advisory Accounts. Wealth Advisors generally recommend or select strategic and tactical asset allocation models or securities recommendations prepared by ISG. See below for further description of "Legacy External Products." These strategic or tactical models are generally implemented through internally and externally managed products, including funds and separate accounts. However, there is no guarantee that the actual performance of any Advisory Account will, in fact, track these recommendations. In the event the models or research cease to be published at any time, an Advisory Account will need to be managed differently. Certain investment selections generally available when GS&Co. is custodian may not be available to all clients.

Goldman Sachs Ayco has access to research, research lists or a variety of other investment analysis and tools. Certain of these tools and analyses may be made available to Goldman Sachs Ayco by its affiliates. For non-Retirement Accounts, Wealth Advisors may recommend or purchase mutual funds and ETFs for which Goldman Sachs Ayco's affiliates act as investment adviser, as well as certain unaffiliated mutual funds and ETFs reviewed and approved by XIG. Manager selection and ongoing due diligence of certain unaffiliated mutual funds and ETFs that are recommended by Wealth Advisors are performed by the XIG Long Only Group.

When managing Advisory Accounts or making recommendations, Wealth Advisors consider among other things, different client characteristics, including investment objectives, risk tolerance, investment time horizon and financial circumstances. As a result, the management of, or recommendation to, Advisory Accounts or Financial Planning clients with similar investment strategies will differ when different methodologies, asset allocation implementation and client investment goals are employed. The frequency and timing of transactions in Advisory Accounts vary significantly, and certain investment strategies, such as index strategies, trade infrequently. Other strategies are tactical and adjust depending on micro- and macro-economic indicators. When there is significant trading activity, there is a potential that a wash sale is generated, negating the taxable advantage of realizing investment losses from sale of securities. Other strategies attempt to improve the taxable consequence of the assets invested, using tax loss harvesting and other tax management strategies. When deploying tax loss harvesting and other tax management strategies, Goldman Sachs Ayco does not guarantee the ability to reduce the taxable consequence from managing assets. Such tax loss harvesting trades are subject to Goldman Sachs Ayco's policies regarding minimum size of trade, timing and format of the request. As part of this policy Goldman Sachs Ayco will limit, depending on strategy, the maximum percentage of an account's total market value permitted to be traded for tax loss realization. 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, it should be expected that there may be a significant delay between a tax loss harvesting request and its execution, and requests received relatively later in the tax year will not be executed before year end. In addition, because Goldman Sachs Ayco is only responsible for the particular assets in its managed portfolio, there is no guarantee that the tax loss harvesting trades will not result in ultimate tax losses for the client because the client will need to look across its entire portfolio to determine any tax losses or liabilities. Further, attempts to reduce the taxable consequence of a portfolio may cause a disparity in the performance of the Advisory Account where, for example, certain assets are not sold when they might have been sold if taxes were not considered. Clients are urged to work with their Wealth Advisors to help choose the investment strategy that best meets their goals and objectives. Selection of a portfolio that is not directly aligned with the risk tolerance associated with a client's information can have implications for performance and realizing the client's financial objectives.

### ***Asset Allocation Models***

In formulating asset allocation advice, Wealth Advisors rely on strategic and tactical asset allocation models prepared by third parties or by Goldman Sachs Ayco's affiliates, including models prepared by ISG. However, there is no guarantee that any client's portfolio will, in fact, track these models. Depending on individual clients' circumstances or instructions, portfolios may be subject to concentration risk; that is the increased risk of loss associated with not having a diversified portfolio (*i.e.*, investments concentrated in a geographic region, industry sector or issuer are more likely to experience greater loss due to an adverse economic, business or political development affecting the region, sector or issuer than an account that is diversified and therefore has less overall exposure to a particular region, sector or issuer).

### ***Ayco PMG***

Ayco PMG manages strategies investing in particular asset classes and investments, including, but not limited to, equities, mutual funds, fixed income, and ETFs. Depending on the strategy selected, there may be embedded leverage in the options, futures and other securities. *See Item 4 –Investment Management Services; Advisory Services Provided by Ayco PMG* for more information. Ayco PMG uses a variety of analyses and risk management tools to monitor changing conditions, liquidity and volatility in the market.

### ***Structured Investment Strategies***

GS&Co. offers structured investment strategies managed by a dedicated Portfolio Management Team. These strategies consist primarily of structured instruments, such as structured notes and warrants, which are issued by unaffiliated, third-party issuers and offered and sold pursuant to a registration statement filed with the SEC or in a transaction exempt from registration under the Securities Act of 1933, as amended. The primary objective of these strategies is to gain underlying exposure to defined securities by building a

portfolio of structured investments with varying terms and diversified credit exposures. The Portfolio Management Team invests in structured investments issued by third-party issuers available to GS&Co. at the time, and may also invest directly in the referenced asset(s) or underlying exposure (*i.e.*, the index or ETF) for a period of time in an effort to maintain the exposure intended by the strategies. The Portfolio Management Team selects investments issued by a particular third-party issuer for a variety of reasons, including to provide diversified credit exposures, due to capacity constraint reasons or in an effort to facilitate client requests, but may, at times, be limited in its ability to do so. The terms and risks of each structured investment vary materially depending on the credit-worthiness of the issuer, the nature of the referenced asset and the maturity of the instrument, among other factors.

### ***Goldman Sachs Option Advisory Services (“GOAS”) Strategies***

GS&Co. offers a number of actively managed option strategies involving listed and/or over-the-counter (“OTC”) call and/or put options, including collars and put spread collars managed by a dedicated portfolio management team, to clients. The structured investment strategies generally involve selling and buying options. Certain strategies may involve management of equity positions without options for a period of time or on an ongoing basis. Depending on the client's objectives and parameters and the GOAS strategy selected, the strategy may be designed to generate yield through upfront premiums received from the sale of the options (which may cap upside when selling calls or may introduce downside risk when selling puts) or may be designed to reduce the volatility of the underlier of such options. The GOAS team uses a variety of analyses and risk management tools to monitor changing conditions, liquidity and volatility in the options market.

### ***Research Lists – Mutual Funds and ETFs***

When providing Investment Management, Wealth Advisors have access to research, research lists or a variety of other investment analysis tools made available by Goldman Sachs Ayco's affiliates, including GS&Co. and GSAM. For non-Retirement Accounts, Wealth Advisors may recommend mutual funds and ETFs for which Goldman Sachs Ayco's affiliates act as an investment adviser, as well as certain unaffiliated ETFs reviewed and approved by XIG. Manager selection and ongoing due diligence of certain unaffiliated mutual funds and ETFs that are recommended by Wealth Advisors are performed by the XIG Long Only Group, which is part of XIG. Such due diligence generally includes, but is not limited to, on-site meetings, analytics related to historical performance, reference calls and risk reviews. With respect to Legacy External Products (as defined below), please see *General Risks Applicable to Advisory Accounts - Differences in Diligence Process Relating to External Products and Affiliates Products* below.

### ***Retirement Accounts and Financial Planning***

As explained above in *Item 4 – Investment Management Services*, Goldman Sachs Ayco's Financial Planning only provides general information and education and does not provide investment advice or recommendations to Retirement Accounts or otherwise act as a fiduciary under the Retirement Regulations. As part of its Financial Planning, Goldman Sachs Ayco does not provide investment advice or make investment recommendations for IRAs, tax-qualified Retirement Accounts, including whether to invest in investment companies for which affiliated persons of Goldman Sachs Ayco serve as adviser, sub-adviser, and/or distributor and receive fees for the services provided. Any investment decisions will be the sole responsibility of the clients and no information provided by Goldman Sachs Ayco should be considered in making any such investment decisions, unless Goldman Sachs Ayco otherwise agrees in writing. If a client is presented with allocation materials in which Goldman Sachs only has one vehicle available and that vehicle is identified, clients should understand that other investments may also be appropriate for that client and available through Goldman Sachs or other financial institutions. There are a number of factors, including cost and tax efficiency, clients should consider in determining how to invest Retirement Account assets.

With respect to Retirement Accounts, Wealth Advisors provide recommendations or investment advice or exercise discretion, as part of investment advisory or Investment Management services only where Goldman Sachs Ayco agrees in writing to do so with respect to the particular account.



If a client maintains both Retirement Accounts and other accounts (that are not Retirement Accounts) any advice or recommendations made by Goldman Sachs Ayco for an account that is not a Retirement Account does not apply to and should not be used by the client for any decision with respect to a Retirement Account, which often present different considerations.

### ***Single Stock and Bond Positions***

As part of its Financial Planning, Goldman Sachs Ayco may provide recommendations to clients concerning participation in corporate benefit plans and changes in investment elections under their corporate benefit plans, however, Wealth Advisors generally do not make single stock or bond recommendations with respect to positions held within such corporate benefit plans. With respect to a client's single stock or bond positions, investment services provided by Wealth Advisors are generally limited to addressing asset allocation issues, and do not include any other investment advice related thereto.

### ***Variable Subaccounts***

In reviewing Variable Products that it makes available to clients, Mercer Allied generally reviews issuing insurance companies' credit rating, competitiveness of product, client service resources and carriers' general processes for manager selection of Variable Subaccounts.

In general, any assessment as to whether a particular Variable Subaccount fits within a client's investment objectives and must be determined solely by the client and Goldman Sachs Ayco generally does not have discretion to allocate premiums on behalf of clients. See *Item 4 – Advisory Business – Other Offerings – Fixed and Variable Annuities*. Inclusion of any Variable Subaccounts in any model portfolio(s) is based on the information provided by the issuing carrier and/or third-party database providers and Goldman Sachs Ayco has not verified the accuracy or completeness of any information provided by or about the Variable Subaccount. Performance of any Variable Product will be impacted by the performance of the Variable Subaccounts selected by the client. Past performance of Variable Subaccounts may not be indicative of future results. Variable Products have inherent risks, will fluctuate in value, incur losses based on the performance of selected financial indices or sub-accounts, are suitable only as long-term investments, and should not be viewed as short-term trading vehicles. Clients should carefully review the prospectus and other offering documents for more information on variable annuities.

Clients should understand that all investment strategies and the investments made when implementing those investment strategies involve risk of loss and clients should be prepared to bear the loss of assets invested and, in the case of uncovered option strategies, beyond the amount invested. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a client's investments fluctuates due to market conditions and other factors. The investment decisions and recommendations made and the actions taken for clients' accounts are subject to various market, liquidity, currency, economic and political risks, and will not necessarily be profitable. It should be expected that the types of risks to which a client's account is subject, and the degree to which any particular risks impact an account, will change over time depending on various factors, including the investment strategies, investment techniques and asset classes utilized by the account, the timing of the account's investments, prevailing market and economic conditions, reputational considerations, and the occurrence of adverse social, political, regulatory or other developments. Past performance of accounts is not indicative of future performance.

### **General Risks Applicable to Advisory Accounts**

This Brochure does not include every potential risk associated with an investment strategy or all of the risks applicable to advisory services generally, a particular Advisory Account, or in connection with recommendations made by Goldman Sachs Ayco. Rather, it is a general description of the nature and risks of investing and of the strategies and securities and other financial instruments in which Advisory Accounts may invest.

In addition to the foregoing risks, the following risks should be considered before deciding on any investment or investment strategy for an Advisory Account.

- *Alternative Investment Risk* - Alternative Investments (1) involve a high degree of risk, (2) often engage in leveraging and other speculative investment practices that increase the risk of investment loss, (3) can be highly illiquid with extended lock-up periods where assets may not be sold, (4) may lack a secondary market to purchase shares that investors care to redeem, (5) are not required to provide periodic pricing or valuation information to investors, (6) sometimes involve complex tax structures and delays in distributing important tax information, (7) are not subject to the same regulatory requirements as publicly traded securities, (8) often charge high fees which offset any trading profits, and (9) in many cases execute investments which are not transparent and are known only to the investment manager. The performance of Alternative Investments can be volatile. An investor could lose all or a substantial amount of his or her investment. Often, Alternative Investment managers have total trading authority over their funds or accounts. The use of a single manager applying generally similar trading programs could mean lack of diversification and, consequently, higher risk. There is often no secondary market for an investor's interest in Alternative Investments, including hedge funds and managed futures, and none is expected to develop. Even when there is a secondary market, it is often a small group of investors willing to purchase the Alternative Investment, typically resulting in a discount on the sale of the asset, versus the actual value of the underlying assets. There may be restrictions on transferring interests in any Alternative Investment. Alternative Investments may execute some portion of their trades on non-U.S. exchanges. Investing in foreign markets generally entails risks that differ from those associated with investments in U.S. markets.
- *Artificial Intelligence Risk* – Goldman Sachs Ayco, its affiliates, its third-party vendors, clients, or counterparties may develop or incorporate artificial intelligence (“AI”) technology in certain business processes, services or products. AI models are highly complex and may produce output or take action that is incorrect, that result in the release of private, confidential or proprietary information, that reflect biases including in the data on which they are trained, infringe on the intellectual property rights of others, or that is otherwise harmful. Additionally, there is no guarantee that the use of these quantitative models will result in outperformance of an investment relative to the market or relevant benchmark. The U.S. and global legal and regulatory environment relating to AI is uncertain and rapidly evolving, and could require changes in Goldman Sachs Ayco's implementation of AI technology and increase compliance costs and the risk of non-compliance. Further, Goldman Sachs Ayco may rely on AI models developed by third-parties, and may have limited visibility over the accuracy and completeness of such models. Any of these risks could adversely affect Goldman Sachs Ayco, its affiliates or Advisory Accounts. Goldman Sachs Ayco is also exposed to risks arising from the use of AI technologies by bad actors to commit fraud and misappropriate funds and to facilitate cyberattacks.
- *Asset Allocation and Rebalancing Risk* – The risk that an Advisory Account's assets are out of balance with the target allocation. Any rebalancing of such assets may be infrequent and limited by several factors and, even if achieved, may have an adverse effect on the performance of the Advisory Account's assets.
- *Additional Risks Related to Portfolio Construction Services* – Certain strategies are composed of a selection of mutual funds and have a primary objective of capital growth in a low volatility (relative to equities) and diversified manner when compared to core equity and bond markets. These strategies may invest in alternative mutual funds that use investment strategies that differ from more traditional investment and trading strategies typical in the mutual fund industry. Compared to a traditional mutual fund, an alternative fund may hold more non-traditional investments and employ more complex trading strategies. Examples include hedging and leveraging through derivatives, short selling and “opportunistic” strategies that change with market conditions as various opportunities present themselves. It should be expected that Goldman Sachs Ayco will utilize these strategies in Advisory Accounts and that the timing of transactions entered into or recommended

based on models or other strategies, including for Advisory Accounts, may negatively impact Advisory Accounts or benefit certain other Accounts, including other Advisory Accounts or accounts at our affiliates. For example, Ayco PMG may implement an investment decision or strategy for certain Advisory Accounts ahead of, contemporaneously with, or behind the implementation of similar investment decisions or strategies for other Advisory Accounts, (whether or not the investment decisions emanate from the same analysis or other information) that could result, due to market impact, in liquidity constraints or other factors, in certain Advisory Accounts receiving less favorable investment or trading results or incurring increased costs.

- *Bankruptcy Risk* – The risk that a company in which an Advisory Account invests becomes involved in a bankruptcy or other reorganization or liquidation proceeding.
- *Call Options Risk* – The risk of significant losses including the risk of losses equal to or greater than the premium paid/received in a relatively short period of time. 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 call option assumes the risk of the appreciation of the security underlying the option, which will negatively impact the performance of the call option selling strategy. If the underlying security appreciates above the option strike price, when the option is exercised against the seller, the seller of the call option will be required to deliver the underlying asset at the strike price and forego any appreciation that could have been realized if the asset were liquidated at the current market price. The seller (writer) of the option may close out an existing option position before it is exercised by paying the cost to close out the position, which will generally be higher than the original premium received. The seller may also determine to roll the existing option position by closing out the position and replacing it with a new option. The options seller will need to pay the cost to close out the existing position and the premium received from the sale of the new option will likely be less than the amount paid to close out the original position. The options seller will bear the full amount of any cost to close out an existing position. Sales of shares underlying options positions to meet settlement obligations to close out an options position on a roll or otherwise may result in tax consequences, including the realization of tax gains or losses.
- *Capital Markets Risk* – The risk that a client will not receive distributions or experiences a significant loss in the value of its investment if the issuer cannot obtain funding in the capital markets.
- *Cash Management Risk* – Where Goldman Sachs Ayco invests some of an Advisory Account's assets temporarily in money market funds or other similar types of investments, an Advisory Account may be prevented from achieving its investment objectives during such time.
- *Commodity Risk* – The risk that a client will experience losses because the issuer has direct exposure to a commodity that has experienced a sudden change in value.
- *Concentration Risk* – The increased risk of loss associated with not having a diversified portfolio (*i.e.*, Advisory Accounts concentrated in a relatively small number of issuers, asset classes, a geographic region or industry sector or issuer are more likely to experience greater loss due to an adverse economic, business or political development affecting the region, sector or issuer than an account that is diversified and therefore has less overall exposure to a particular region, sector or issuer).
- *Conflicts of Interest*—Goldman Sachs and Goldman Sachs Ayco's activities, relationships and dealings create conflicts of interest with advisory accounts in ways that have the potential to disadvantage the advisory accounts and/or benefit Goldman Sachs Ayco.

- *Consolidated Reporting Risk* – The risk that information (including valuation) regarding advisory accounts not custodied at GS&Co. may not be accurate as GS&Co. does not perform diligence on or independently verify the accuracy of the custodian's information or the source information; such information is provided as a courtesy. This risk is greater when there is more volatility in an asset class.
- *Corporate Event Risk* – The risk that 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 are not profitable due to transaction failure.
- *Correlation Risk* – With regard to options, the risk that the underlying equity portfolio does not correlate to or track closely with the selected benchmark (which may be an index, ETF or basket) on which the options positions are based, and as a result, the option strategy performance may vary substantially from the performance of the portfolio for any period of time. For example, when writing call options on an index, the value of the index may appreciate while the value of the equity portfolio declines in value. This may result in losses on both the option positions and the equity portfolio. With regard to structured investments, the risk that the performance of the structured investment held in a client's account underperforms or differs from the market, or prior to maturity, performs differently than the payment at maturity formula due to changes in factors influencing the structured investments, including equity performance and/or changes in credit spreads, implied volatility, interest rates and/or dividends.
- *Counterparty Risk* – The risk of loss associated with a counterparty's inability to fulfill its contractual obligations. Strategies that include foreign exchange forward transactions are subject to the credit risk of the counterparty on those transactions.
- *Credit Ratings Risk* – The risk that an Advisory Account uses credit ratings to evaluate securities even though such credit ratings might not fully reflect the true risks of an investment.
- *Credit/Default Risk* – The risk of loss arising from a borrower's failure to repay a loan or otherwise meet a contractual obligation. A strategy will be exposed to the credit risk of the counterparties with which, or the brokers, dealers, and exchanges through which, it deals, whether it engages in exchange-traded or off-exchange transactions.
- *Credit Diversification Risk* – The risk that the credit diversification of the strategy is limited due to the lack of availability of structured investments from one or more issuers at a given time.
- *Credit Risk/Priority of Claim* – Magnification of credit risk with preferred and hybrid securities due to their payoff structure. If an issuer goes into bankruptcy all other debt holders are paid first and then preferred holders are paid.
- *Currency Risk* – The risk of loss due to changes in currency exchange rates and exchange control regulations. Currency exchange rates can be volatile, particularly during times of political or economic uncertainty. For example, to the extent that non-U.S. dollar investments are unhedged, the value of an Advisory Account's net assets will fluctuate with U.S. dollar exchange rates and with price changes of its investments in the various local markets and currencies.
- *Cybersecurity Risk* – The risk of actual and attempted cyber-attacks, including denial-of-service attacks, harm to technology infrastructure and data from misappropriation or corruption, and reputation harm. Due to Goldman Sachs' interconnectivity with third-party vendors, central agents, exchanges, clearing houses and other financial institutions, Goldman Sachs (including Advisory Personnel), and thus indirectly the Advisory Accounts, could be adversely impacted if any of them is subject to a successful cyber-attack or other information security event. Although Goldman Sachs takes protective measures and endeavors to modify them as circumstances warrant, its computer systems, software and networks are vulnerable to unauthorized access, misuse, computer viruses

or other malicious code and other events that could have a security impact or render Goldman Sachs unable to transact business on behalf of Advisory Accounts.

- *Data Sources / Third Party Risk* – The risk that information from third-party data sources to which Goldman Sachs Ayco subscribes is incorrect. While Goldman Sachs Ayco obtains data and information from third party sources that it considers to be reliable, Goldman Sachs Ayco does not warrant or guarantee the accuracy and/or completeness of any data or information provided by these sources. Goldman Sachs Ayco has controls for certain data, which considers the representations of such third parties regarding the provision of the data in compliance with applicable laws; however, failure of a data source, such as an index provider, to provide the data on which Goldman Sachs Ayco relies may have a negative impact on the performance of an advisory account.
- *Delegation of Receipt of Communications Risk* – To the extent that clients confer Goldman Sachs Ayco with authority to exercise investment discretion over their accounts and receive prospectuses and other shareholder communications on their behalf, there is risk of client complaints or dissatisfaction with certain investments where clients no longer receive such prospectuses or issuer-related materials directly, even where such materials can be accessed via the issuer's website or by request from Goldman Sachs Ayco. Prospectuses and issuer-related materials contain important information and detailed descriptions of additional fees and expenses, investment minimums, risk factors and conflicts of interest disclosures, as well as client's rights, responsibilities and liabilities with respect to such investments.
- *Depletion Risk* – The risk that, because trusts are not structured to replenish assets through acquisitions or exploration as the assets are depleted, the capacity of the trust to pay distributions will diminish over time and this may be reflected in a lower stock price and the eventual dissolution of the trust. This risk could be offset by technological gains that reduce production costs or increase supply.
- *Depository Receipt Risk* – The risk that depository receipts may not reflect the return a GOAS Account would realize if the GOAS Account actually owned the relevant securities underlying the depository receipts. Should a GOAS Account acquire depository receipts through banks that do not have a contractual relationship with the issuer of the underlying security to issue and service such depository receipts, there may be an increased possibility that the GOAS Account would not become aware of and be able to respond to corporate actions such as stock splits or rights offerings involving the issuer in a timely manner. In addition, certain fees and other expenses may apply to transactions in depository receipts, including fees associated with foreign currency conversion, creation fees charged by third parties and foreign tax charges.
- *Derivative Investment Risk* – The risk of loss as a result of investments in potentially illiquid derivative instruments, failure of the counterparty to perform its contractual obligations, or the risks arising from margin requirements and related leverage factors associated with such transactions.
- *Differences in Due Diligence Process Relating to External Products and Affiliated Products* – Various teams within Goldman Sachs Ayco and other affiliated entities review External Products and Affiliated Products before they are made available. Certain factors, such as operational and reputational risks, as well as conflicts of interest, are considered in connection with both Affiliated Products and External Products. The focus of certain reviews, however, differs depending on whether the product is an Affiliated Product or an External Product. Such differences may cause Advisory Personnel to select or recommend an Affiliated Product that they would not have otherwise selected or recommended (e.g., due to underperformance) had the same due diligence process applicable to External Products been utilized for the Affiliated Product. For more information regarding the conflicts of interest in this regard, see *Item 11 - Affiliated Products / External Products*. To the extent Goldman Sachs Ayco provides any recommendations regarding

Variable Subaccounts, the diligence for such Variable Subaccounts is not as robust as the diligence performed by XIG.

- *Emerging Markets and Growth Markets Risks* – Investing in emerging and growth markets entails social, economic, technological, political and regulatory risks not usually associated with investing in developed markets.
- *Environmental, Social, and Sustainability Impact Considerations* – Goldman Sachs Ayco has the discretion to take into account ESG considerations and political, media and reputational considerations relating thereto, resulting in Goldman Sachs Ayco making or recommending investments when it would otherwise have not 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, Goldman Sachs Ayco may determine not to take such considerations into account, or to take such considerations into account but not 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. Goldman Sachs Ayco 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. Goldman Sachs Ayco may rely on third-party service providers in determining, from an ESG perspective, what investments to exclude from its selection or recommendation based on such service providers' categorization of the types of companies, industries, or sectors, as the case may be, that should potentially be excluded from investment. There can be no assurance that the list of categories as determined by Goldman Sachs Ayco and/or third-party service providers is complete or that the securities restricted as a result of such categorization represents all of the securities that might otherwise be restricted in connection therewith, and such categories or the securities restricted thereunder may change from time to time.
- *Environmental Risk* – The risk of loss as a result of statutes, rules and regulations relating to environmental protection negatively impacting the business of the issuers.
- *Equity and Equity-Related Securities and Instruments Risk* — The risk that the value of common stocks of U.S. and non-U.S. issuers is affected by factors specific to the issuer, the issuer's industry and the risk that stock prices historically rise and fall in periodic cycles.
- *ESG Definitional Risk* – The risk that another party disagrees on differences in interpretations of what it means for a company to be an environmental and/or social impact investment. There are significant differences in interpretations of what it means for a company to be an environmental and/or social impact investment, and Goldman Sachs' interpretations may differ from others' interpretations. There is a risk that issuers self-label an issuance Green (or Social, Sustainable, or any other type of impact-related adjective) without adhering to the Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, or other commonly followed market guidance. There exists no binding third-party authority to certify all Green, Social, Sustainable, or other labeled issuance at this time. To the extent that there is a Green label on a security bond, Goldman Sachs relies on such issuer's determination and does not opine on the accuracy of labeling.
- *ESG Government Funding/Subsidy Risk* – The risk that the success of certain environmental and social impact investments depends on government funding, tax credits, or other public or private sector subsidies, which are not guaranteed over the life of the investment.
- *ESG/Impact Investment Return Risk* – The risk that environmental and/or social impact investments do not provide as favorable returns or protection of capital as other investments, or are more concentrated in certain sectors than investments that do not have the intention of generating

measurable social and environmental impact, which means that ESG securities generate lower returns than non-ESG securities.

- *ESG Selection Return Risk* – The risk that there are lower financial returns as a result of taking into account the potential environmental and/or social impact when making decisions regarding the selection, management and disposal of investments, which means that a portfolio containing only ESG securities will generate lower returns than a portfolio of securities selected without regard to ESG criteria.
- *ETF Risk* – The risk that ETFs fail to accurately track the market segment or index that underlies their 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 trade at a premium or a discount to their net asset value; (ii) an active trading market for an ETF's shares are not developed or 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. These securities carry certain specific risks to investors. Leveraged ETF shares typically represent interest in a portfolio of securities that track an underlying benchmark or index and seek to deliver multiples of the performance of the index or benchmark. An inverse ETF seeks to deliver the opposite of the performance of the index or benchmark it tracks. Like traditional ETFs, some leveraged and inverse ETFs track broad indices, some are sector-specific, and others are linked to commodities, currencies, or some other benchmark. To accomplish their objectives, leveraged and inverse ETFs pursue a range of investment strategies using swaps, futures contracts, and other derivative instruments. Most leveraged and inverse ETFs "reset" daily, meaning that they are designed to achieve their stated objectives daily. Their performance over longer periods of time, over weeks or months or years, can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period. This effect can be magnified in volatile markets and thus poses substantial risk for an investor.
- *Exercise Risk* – The risk of loss associated with the early exercise of an option, which could result in the underlying stock position being called away or having to cash settle the option prior to expiration. All options, whether those with American style or European style exercise features are exposed to the fluctuation in the market price of the underlier. There is no guarantee that an option will expire or be exercised at the optimal time, considering the price movements in the underlier during the time the option is held in a portfolio.
- *Fixed Income Securities Risk* – Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations and to price volatility.
- *Foreign-Currency-Denominated Security Risk* – The risk that foreign-currency-denominated securities that settle in a different currency are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of, or income derived from, the investment. Securities such as ADRs/GDRs, the values of which are influenced by foreign currencies, effectively assume currency risk.
- *Frequent Trading and Portfolio Turnover Rate Risks* – High turnover and frequent trading in an Advisory Account could result in, among other things, higher transaction costs and adverse tax consequences.
- *Geopolitical Risk* – Investing inherently involves the risk of potential adverse impacts from geopolitical events. Geopolitical risks can range from diplomatic conflicts to military confrontations, including war. These events can lead to instability in a country or region, disrupt global trade, increase energy prices and contribute to broader inflationary pressure, and can adversely affect global markets and economies.

- *Hypothetical Performance and Projected Returns Risk* – The risk arising from reliance in making an investment decision on performance of a portfolio not necessarily achieved by any particular investor. Projected returns are hypothetical, do not reflect actual investment results, and are not guarantees of future results. Such projected performance is subject to a number of limitations and assumptions designed to determine the probability or likelihood of a particular investment outcome based on a range of possible outcomes. It is possible that any of those assumptions will prove not to be accurate. In addition, performance of a model portfolio, other portfolios, or a client's Advisory Account may differ materially from investment gains and avoidance of investment losses projected, described, or otherwise referenced in forward-looking statements and the projected returns associated with any portfolio may not materialize.
- *Index/Tracking Error Risks* – The risk that the performance of an Advisory Account or Variable Subaccount that tracks an index does not match, and varies substantially from, the index for any period of time and is negatively impacted by any errors in the index, including as a result of an Advisory Account's or Variable Subaccount'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, the Variable Subaccount and/or Goldman Sachs, reputational considerations or other reasons. Where an index consists of relatively few securities or issuers, it should be expected that tracking error will be heightened at times when an Advisory Account or Variable Subaccount is limited by restrictions on investments that the Advisory Account or Variable Subaccount may make.
- *Inflation Risks* – The U.S. and other economies have experienced higher-than-normal inflation rates, and it remains uncertain whether substantial inflation in the U.S. and other economies will be sustained over an extended period of time or have a significant adverse effect on the U.S. and other economies. Inflation rates can fluctuate rapidly as a result of various factors, including unexpected shifts in the domestic or global economy and economic policy changes. An advisory account's investments might not keep pace with inflation, which can result in losses to investors and negative effects on economies and financial markets.
- *Interest Rate Risk* – The risk that interest rates fluctuate significantly, causing price volatility with respect to securities or instruments held by an Advisory Account. Interest rate risk includes the risk of loss as a result of the decrease in the value of fixed income securities due to interest rate increases. Long-term fixed income securities will normally have more price volatility because of interest rate risk than short-term fixed income securities. Risks associated with changing interest rates can have unpredictable effects on the markets and Advisory Accounts.
- *Investment Style Risk* – The risk that an Advisory Account outperforms or underperforms other accounts that invest in similar asset classes but employ different investment styles.
- *Investments in Certain Multi-Adviser Structures* – Where an underlying fund allocates assets 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, Goldman Sachs 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.
- *IPOs/New Issue Risk* – The risk that initial public offerings ("IPOs") and new issues are subject to market risk and fluctuate considerably due to factors such as the absence of a prior public market, unseasoned trading, the small number of shares or bonds available for trading and limited information about the company's business model, growth potential and other criteria used to evaluate its investment prospects.
- *Lack of Control Over Investments* – The risk that Advisory Personnel do not always have complete or even partial control over decisions affecting an investment. For example, if Advisory Personnel, when acting in an advisory capacity, acquire investments that represent minority positions in a debt tranche where third-party investors control amendments or waivers or enforcement. In addition,



administrative agents may be appointed under certain facilities in which an Advisory Account invests that have discretion over certain decisions on behalf of the investors, including the Advisory Account.

- *Liquidity Risk* – The risk that an Advisory Account is not able to monetize investments and must hold to maturity or obtain a lower price for investments either because those investments have become less liquid or illiquid in response to market developments, including adverse investor perceptions. This includes Alternative Investments such as hedge funds, funds of hedge funds, private equity funds, funds of private equity funds, private credit funds and real estate funds. It should be expected that these risks will be more pronounced in connection with an Advisory Account's investments in securities of issuers located in emerging market countries.
- *Low Trading Volume Risk* – The risk that a client is not able to monetize his/her investment or will have to do so at a loss as a result of generally lower trading volumes of the securities compared to other types of securities or financial instruments.
- *Market/Volatility Risk* – The risk that the value of the assets in which an Advisory Account invests decreases (potentially dramatically) in response to the prospects of individual companies, particular industry sectors or governments, changes in interest rates, regional or global pandemics, and national and international political and economic events due to increasingly interconnected global economies and financial markets.
- *Master Limited Partnership ("MLP") Risk* – Certain strategies may invest in MLPs which are limited partnerships that issue publicly traded investment units. The partnership structure of MLPs and other factors give rise to unique tax treatment and investment risks. Risks associated with investing in MLPs include, but are not limited to, price sensitivity, negative correlations with rising interest rates, reliance on capital markets for access to equity and debt financing, varying tax restrictions and liabilities, limited voting rights for MLP unit holders and potential exposure to legal liability based on the rights of MLP unit holders or compliance with state partnership laws.
- *Model Risk* – Where the management of an Advisory Account by Goldman Sachs Ayco includes the use of various proprietary quantitative or investment models. It should be expected that there may be deficiencies in the design or operation of these models, including as a result of shortcomings or failures of processes, people or systems. Investments selected using models may perform differently than expected as a result of the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, 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 Goldman Sachs. Certain of these events or circumstances are 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 is 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 investment managers may amplify losses. There is no guarantee that the use of these models will result in effective investment decisions for an Advisory Account.

- *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 will be circumstances in which Advisory Accounts bear such fees at only the Advisory Account level, or only the Adviser level).
- *Non-Hedging Currency Risk* – The risk that volatility in currency exchange rates produce significant losses to an Advisory Account that has purchased or sold currencies through the use of forward contracts or other instruments.
- *Non-U.S. Custody Risk* – The risk that Advisory Accounts that invest in foreign securities can 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 from time to time place limitations on an Advisory Account's ability to recover its assets if a non-U.S. custodian enters bankruptcy. These risks are generally more pronounced in connection with an Advisory Account's investments in securities of issuers located in emerging market countries.
- *Non-U.S. Securities Risk* – The heightened risk of loss as a result of more or less non-U.S. government regulation, less public information, less liquidity, risk of nationalization or expropriation or assets and greater volatility in the countries of domicile of the issuers of the securities and/or the jurisdiction in which these securities are traded. These risks and costs are generally greater in connection with an Advisory Account's investment in securities of issuers located in emerging market countries.
- *Odd Lot Liquidity Risk* – The risk that the strategy purchases odd lots which are generally less liquid. Clients looking to sell prior to maturity in order to withdraw funds should expect to experience weak or no bids and be forced to hold bonds to maturity or to sell at unfavorable prices.
- *Open-End & Closed-End Mutual Fund Risk* – Advisory Accounts may invest in open-end mutual funds, and to a lesser extent, closed-end mutual funds, as well as ETFs. Open-end mutual funds and closed-end mutual funds have different risk characteristics. Shares of an open-end fund are purchased directly from the fund whereas closed-end fund shares are purchased and sold in the market, typically on a recognized stock exchange. Therefore, shares of a closed-end fund, when available, can be traded during the day at any time and shares in an open-end fund can be purchased from or sold back to the fund only at the end of the trading day. In addition, the price per share of a closed-end mutual fund is determined by the market whereas the price per share of an open-end fund will vary in direct proportion to the fund net asset value or "NAV." Both open-end mutual funds and closed-end funds may own unlisted securities and use leverage to enhance returns. Furthermore, both open-end and closed-end fund underlying fund holdings are reported with a lag. It should be expected that when underlying mutual fund holdings change rapidly fund performance will differ from expectations. Different mutual funds with similar investment policies, and different share classes within those funds will have different expense levels.
- *Operational Risk* – The risk of loss arising from shortcomings or failures in internal processes or systems of Goldman Sachs, another custodian or third-party service provider, external events impacting those systems and human error. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents such as major system failures. Advisory Accounts trade instruments where operational risk is heightened due to such instruments' complexity.
- *Options Close-out Risk* – The risk of losses associated with the inability to close out of existing positions if those options were to become unavailable, including because regulatory agencies may impose exercise restrictions that may prevent the holder of an option from realizing value. Options trading is a speculative investment activity that involves a high degree of risk of loss beyond the

value of the underlying securities investment. Transaction costs may be significant in option strategies that require multiple purchases and sales of options.

- *Options Risk* – To the extent Advisory Accounts invest in options, they will be subject to the risks described above in connection with GOAS strategies.
- *OTC Risk* – The risk that when a GOAS Account invests in securities through instruments traded on OTC markets, there may be less governmental regulation and supervision of the OTC markets than of organized exchanges or other similar trading platforms. Additionally, a GOAS Account may take a credit risk with regard to parties with which it trades through OTC transactions and also may bear the risk of payment, margin, settlement and other performance defaults. Lack of liquidity in OTC markets may make one or more of the investments in a GOAS Account more difficult to dispose of and to value, and, therefore, may result in the strategy being less liquid than other strategies that do not invest in securities through OTC markets. 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.
- *Private Equity Managed Accounts* – As noted above, these advisory accounts will bear liquidity risk since all of the investment will have no active secondary market liquidity and to the extent any investments can be resold, such resales will be at a discount and to a limited universe of eligible investors.
- *Put Options Risk* – The seller (writer) of a put option which is covered (*i.e.*, the writer has cash to cover the full strike notional of the option) assumes the risk of a decrease in the market price of the underlying security below the strike price of the option less the premium received, and gives up the opportunity for gain above the premium received. 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 and gives up the opportunity for gain above the premium received. A put writing strategy may significantly underperform a stand-alone equity position if the stock appreciates/depreciates very rapidly or is more volatile than anticipated by the market. With an ongoing put writing strategy, losses may also exceed the notional amount of the strategy over time. A seller (writer) of a put writing strategy assumes the risk that the underlying security drops in value and, as a result of exercise by the purchaser of the option, the seller (writer) of the put option may be required to purchase the underlier of the option at a price above the current market price or deliver cash to cash settle an option where the value of the underlier is lower than the strike price. It may not be possible to trade out of the options in the portfolio prior to their maturity, and even if it is possible, there are transaction costs, which may be significant. If the seller (writer) of an uncovered put option is assigned on an open option position that has been exercised, the seller (writer) may be required to liquidate assets to satisfy the settlement obligations. If the market moves against uncovered put options positions, additional securities and other assets will be required as margin, on short notice, in order to maintain the put option positions, or options positions for which there is a margin deficiency will be liquidated, most likely at a loss and the seller (writer) will be liable for any resulting deficit. The risk of uncovered options is potentially unlimited and a seller (writer) of put options may sustain a loss of all assets posted as margin.
- *Real Estate Risk* – Real estate investments involve additional risks not typically associated with other asset classes, such as sensitivities to temporary or permanent reductions in property values for the geographic region(s) represented. Real estate investments (both through public and private markets) are also subject to changes in broader macroeconomic conditions, such as interest rates.
- *Regulatory Restrictions Applicable to Goldman Sachs* – From time to time, the activities of Affiliated Products are 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, outperform Affiliated Products.

- *Requirement to Perform* – When entering into forward, spot or option contracts, or swaps, an Advisory Account must be able to perform its obligations under the contract.
- *Risks Associated with Investments in Affiliated Products* – Advisory Personnel will review as potential investments for an Advisory Account such universe of products as they determine in their sole discretion, and it should be expected that the universe of products Advisory Personnel determine to review will be limited for certain reasons, including: (i) because one or more External Products have not been reviewed or approved by the XIG Long Only Group, which is part of the XIG group within GSAM; (ii) because of administrative or practical considerations, such as time constraints; or (iii) for other reasons determined by Advisory Personnel. If Advisory Personnel select or recommend an Affiliated Product for an Advisory Account, they will not have canvassed the universe of available External Products and, in such circumstances, there may be one or more External Products that are more appropriate than the Affiliated Product(s) selected or recommended by the Advisory Personnel, including from the standpoint of the factors Advisory Personnel have taken into consideration. Affiliated Products generally will not be subject to the same types of operational and other reviews performed with respect to External Products. In some circumstances no External Products may be available for certain asset classes when GS&Co. is custodian for clients. Goldman Sachs' decision to offer funds or separate accounts, including internal or external options, is driven by a variety of factors, including the availability of high quality managers, investment minimums, the relative cost of funds as compared to separate accounts, as well as internal as compared to external costs, the access to Affiliated Managers for discussions with clients as well as Advisory Personnel, the potential for performance differential between internal and external products, the specialized nature of certain products, and the ability to customize for clients based on their particular needs and circumstances. Where authorized and if a product is available, Advisory Personnel are able to select or recommend for the Advisory Account both Affiliated Products and External Products for particular asset classes or strategies within the Advisory Account. As described below, conflicts of interest arise in situations in which Advisory Personnel are permitted to allocate investments to both Affiliated Products and External Products. The differing fee arrangements that apply to investments by Advisory Accounts in Affiliated Products as compared to External Products create a preference for the selection or recommendation of Affiliated Products over External Products.
- *Risks Related to the Discontinuance of Interbank Offered Rates, in Particular LIBOR* - The discontinuation of or transition from various interbank offered reference rates, including the London Interbank Offered Rate ("LIBOR"), poses risk of holding various types of securities and other investments referencing such rates, including but not limited to risk of illiquidity, changes in performance benchmarks, rate increases, operational complexities and valuation measurements that may adversely affect performance. The most popular U.S. Dollar LIBOR reference rates ceased to be representative on June 30, 2023. While financial regulators and industry working groups have suggested various alternative reference rates, such as the Secured Overnight Financing Rate ("SOFR") in the case of U.S. Dollar LIBOR, the process for amending certain existing contracts or instruments to transition away from LIBOR and other interbank offered rates ("IBORs") remains incomplete. Advisory Accounts that hold instruments that are valued using LIBOR rates or other IBORs may be adversely affected as a result.
- *Risks Related to SOFR* - SOFR is intended to be a broad measure of the cost of borrowing funds overnight in transactions that are collateralized by U.S. Treasury securities. SOFR is calculated based on transaction-level repo data collected from various sources. For each trading day, SOFR is calculated as a volume-weighted median rate derived from such data.

SOFR is calculated and published by the Federal Reserve Bank of New York ("FRBNY"). If data from a given source required by the FRBNY to calculate SOFR is unavailable for any day,

then the most recently available data for that segment will be used, with certain adjustments. If errors are discovered in the transaction data or the calculations underlying SOFR after its initial publication on a given day, SOFR may be republished at a later time that day. Rate revisions will be effected only on the day of initial publication and will be republished only if the change in the rate exceeds one basis point.

Because SOFR is a financing rate based on overnight secured funding transactions, it differs fundamentally from LIBOR. LIBOR is intended to be an unsecured rate that represents interbank funding costs for different short-term maturities or tenors. It is a forward-looking rate reflecting expectations regarding interest rates for the applicable tenor. Thus, LIBOR is intended to be sensitive, in certain respects, to bank credit risk and to term interest rate risk. In contrast, SOFR is a secured overnight rate reflecting the credit of U.S. Treasury securities as collateral. Thus, it is largely insensitive to credit-risk considerations and to short-term interest rate risks. SOFR is a transaction-based rate, and it has been more volatile than other benchmark or market rates, such as three-month LIBOR, during certain periods. For these reasons, among others, there is no assurance that SOFR, or rates derived from SOFR, will perform in the same or similar way as LIBOR would have performed at any time, and there is no assurance that SOFR-based rates will be a suitable substitute for LIBOR. SOFR has a limited history, having been first published in April 2018. The future performance of SOFR, and SOFR-based reference rates, cannot be predicted based on SOFR's history or otherwise. Levels of SOFR in the future, including following the discontinuation of LIBOR, may bear little or no relation to historical levels of SOFR, LIBOR or other rates.

- *Risks Related to Selection by Advisory Personnel of Affiliated Products versus External Products* - Advisory Personnel determine which products to select or recommend to clients. When considering potential investment products for a particular Advisory Account, Advisory Personnel give different weights to different factors depending on the nature of the client and on whether their review is for an Affiliated Product or for an External Product. There is a risk that consideration of such factors will not be applied consistently over time or by particular Advisory Personnel across all Accounts or across different products and will play a greater role in the review of certain strategies or products while others play no role at all, and that the factors will change from time to time. Advisory Personnel generally do not review the entire universe of External Products appropriate for an Advisory Account. As a result, you should expect that there could be one or more External Products that would be a more appropriate addition to the Advisory Account than the investment product selected by such Advisory Personnel. Such External Products may outperform the investment product selected for the Advisory Account. *See Item 11 – Affiliated Products / External Products.*
- *Secondary Market/Limited Liquidity Risk* – The risk that the secondary market for one or more of the underlying structured investments is limited due to a particular issuer exposure, volatility of a referenced asset or for other reasons. This lack of liquidity in the secondary market may make one or more of the underlying investments more difficult to dispose of and to value, and, therefore, may result in the strategy being less liquid than other strategies and could negatively impact secondary market valuations of the structured investment.
- *Sector Concentration* – Most preferred and hybrid securities are issued by financial firms and banks. By investing in preferred securities, one can have an inadvertent concentration in one's portfolio to financial firms or the financial sector as a whole.
- *Short Duration Fixed-Income Strategies* – The risk that the strategy focused on maintaining fixed-income securities of short duration will earn less income and, during periods of declining interest rates will provide lower total returns, than longer duration strategies. Although any rise in interest rates is likely to cause the prices of debt obligations to fall, the comparatively short duration utilized in connection with such a strategy is generally intended to keep the value of such securities within a relatively narrow range.

- *Sizing Risk* – The risk that options strategies are not appropriately sized for a particular risk profile. Although the risks of investing in an options strategy remain the same regardless of the size of the investment, appropriate sizing can reduce the proportional impact of such risks relative to a client's larger portfolio.
- *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.
- *Tactical Tilts* – Where Advisory Personnel use tactical investment ideas derived from short-term market views ("Tactical Tilts") for Advisory Accounts material risks exist. 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, Goldman Sachs Ayco and its affiliates may implement a Tactical Tilt, invest in an affiliated fund that invests in Tactical Tilts, or unwind a position for its client accounts or on its own behalf before Advisory Personnel do on behalf of Advisory Accounts, or implement a Tactical Tilt that is different from the Tactical Tilt implemented by Advisory Personnel on behalf of Advisory Accounts, which could have an adverse effect on Advisory Accounts and result in poorer performance by Advisory Accounts than by Goldman Sachs Ayco or other client accounts. In addition, unless otherwise agreed in writing, Advisory Personnel monitor an Advisory Account's Tactical Tilt positions only on a periodic basis. Therefore, changes in market conditions and other factors may result in substantial losses to an Advisory Account, and no assurance can be given that a Tactical Tilt position will be unwound before the Advisory Account suffers losses. The use of Tactical Tilts also includes the risk of reliance on models.
- *Target Ranges and Rebalancing Risks* – To the extent a client designates target allocations or target ranges within an Advisory Account in connection with particular asset classes, 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 Advisory Personnel of the Advisory Account's assets may have an adverse effect on the performance of the Advisory Account's assets. For example, when the Advisory Account's assets are allocated away from an over-performing investment product and allocated to an under-performing investment product, such rebalancing 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 asset 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. For information regarding conflicts of interest in connection with Affiliated Products and External Products, *see Item 11 - Affiliated Products / External Products*.
- *Tax Exempt Risk* – The risk that the tax exempt status of municipal securities will change or be removed completely which would negatively impact the value of municipal bonds.
- *Tax-Managed Investment Risk* – 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. It should be expected that the tax-managed strategy will result in adverse tax consequences including, but not limited to, wash sales. Data used for portfolio management may be incomplete and will not include information regarding positions held or transactions executed outside of the Advisory

Account, including other Advisory Accounts managed by Goldman Sachs Ayco. Any after-tax performance information provided is dependent on data available to Goldman Sachs Ayco and the calculation methodology applied and should not be used for tax reporting purposes.

- *Tax, Legal and Regulatory Risks* – The risk of loss due to increased costs and reduced investment and trading opportunities resulting from unanticipated legal, tax and regulatory changes, including the risk that the current tax treatment of securities could change in a manner that would have adverse consequences for existing investors. Pursuant to the Bank Holding Company Act (“BHCA”), with respect to Advisory Accounts that are commingled funds in connection with which an affiliate of Goldman Sachs Ayco 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. There may also be changes in applicable law governing Retirement Plans that may drive certain changes to available products and services. In addition, the California Consumer Privacy Act (the “CCPA”) imposes privacy compliance obligations with regard to the personal information of California residents. Other states may, in the future, impose similar privacy compliance obligations. Increased regulatory oversight may also impose additional compliance and administrative obligations on Goldman Sachs Ayco and its affiliates, including, without limitation, responding to investigations and implementing new policies and procedures. Additional information regarding such matters is also available in the current public SEC filings made by Goldman Sachs Ayco and its affiliates.
- *Term of Investment* – Preferred and hybrid securities usually have long maturities (often 30 years or longer) or even no maturity date at all, meaning they can remain outstanding in perpetuity. They generally are “callable,” *i.e.*, they can be retired prior to maturity under specified terms of the bond indenture; however, this is an option of the issuer.
- *Trading Restriction Risk* – The risk that temporary or permanent trading restrictions may be imposed on securities (including ADRs, American Depositary Shares (“ADS”), ETFs, US common stocks, exchange traded derivatives, or other securities) or options in a client’s GOAS account. In such instances, the security or option may remain in the GOAS Account and become worthless or create exposure in the GOAS account that may have a significant cost to a client.
- *Underlying Portfolios Market Risk* – The risk that certain equity portfolios underlying options positions may have losses that are greater than gains in the value of the options positions in the strategy, or that losses on the option positions will occur at the same time as losses in the value of the underlying equity positions of a strategy. In addition, certain instruments, including exchange-listed and OTC put and call options, may not be liquid in all circumstances. As a result, in volatile markets, a customer may not be able to close out of some transactions without incurring losses substantially greater than the initial deposit.
- *Underperformance Risk* – The risk the structured investment underperforms the underlying investments due to reasons such as the payout feature of one or more investments and the fact that such structured investments do not receive dividends.

- *U.S. Treasury Securities Risk* – Securities backed by the U.S. Treasury or the full faith and credit of the U.S. 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.
- *Variable Annuity Risk* – The Variable Subaccount are selected by the sponsor of the variable annuity and may be limited in number when compared to investment options available through GS&Co. or a third party or Goldman Sachs Ayco may decide not to exercise discretion on, or make recommendations related to, certain Variable Subaccounts available due to regulatory restrictions or Goldman Sachs policy or practice. In attempting to implement a model investment portfolio consistent with the client's agreed investment strategy, the performance of the client's variable annuity may be different than the performance of the client's other assets invested to achieve the same investment strategy because of the different investment options available through the variable annuity as compared to when GS&Co. and Fidelity acts as custodian.

## **ITEM 9 – DISCIPLINARY INFORMATION**

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In the ordinary course of their businesses, Goldman Sachs Ayco and its management persons have in the past been, and it should be expected that in the future Goldman Sachs Ayco and its management persons will be, subject to periodic audits, examinations, claims, litigation, formal and informal regulatory inquiries, requests for information, subpoenas, employment-related matters, disputes, investigations, and legal or regulatory proceedings involving the SEC, other regulatory authorities, or private parties. Such audits, investigations, and proceedings have the potential to result in findings, conclusions, settlements, charges or various forms of sanctions against Goldman Sachs Ayco or its management persons, as well as Goldman Sachs and other Goldman Sachs personnel, including fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions that increase the exposure of the Advisory Accounts, Goldman Sachs Ayco and Goldman Sachs to potential liabilities and to legal, compliance and other related costs. In addition, such actions or proceedings may involve claims of strict liability or similar risks against Advisory Accounts in certain jurisdictions or in connection with certain types of activities. For information relating to other Goldman Sachs affiliated entities, please visit [www.gs.com](http://www.gs.com) and refer to the public filings of GS Group. Additional information about Goldman Sachs Ayco's advisory affiliates is contained in Part 1 of the Goldman Sachs Ayco Form ADV.

There are no reportable material legal or disciplinary events related to Goldman Sachs Ayco.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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

Goldman Sachs Ayco uses, suggests and recommends its own services or the services of Goldman Sachs in connection with its advisory businesses. Goldman Sachs Ayco shares resources with or delegates certain of its trading, advisory and other activities for advisory clients to affiliated entities, and portfolio management functions may be shared or moved between Affiliated Managers. The particular services involved will depend on the types of services offered by the affiliate. The arrangements involve sharing or joint compensation, or separate compensation, subject to the requirements of applicable law. Particular relationships include, but are not limited to, those discussed below. Goldman Sachs Ayco's affiliates will retain any compensation when providing investment services to, or in connection with investment activities of, Advisory Accounts, subject to applicable law. Compensation takes the form of referral payments, commissions, mark-ups, mark-downs, service fees or other commission equivalents. Advisory Accounts will not be entitled to any such compensation retained by Goldman Sachs Ayco's affiliates.

#### ***Broker-Dealer***

Goldman Sachs Ayco's affiliates, Mercer Allied and GS&Co., are registered with the SEC as broker-dealers. Certain of Goldman Sachs Ayco's management persons and employees are registered representatives of



GS&Co. and/or Mercer Allied to the extent necessary or appropriate to perform their responsibilities. When acting as a registered representative, these individuals offer brokerage services and receive commissions for those brokerage transactions. Brokerage services provided by a registered representative are different from advisory services offered through Goldman Sachs Ayco. Because of the potential for the Wealth Advisors to generate a commission separate from, or in addition to fees charged by Goldman Sachs Ayco, Wealth Advisors are incentivized to refer clients for investment in brokerage products based on the potential compensation rather than considering the client's interest. This conflict is mitigated by the broker-dealers' oversight of brokerage products and sales activity of its registered representatives as well as Mercer Allied, GS&Co. and its registered representatives' obligation to act in a retail client's best interest. Further, clients are under no obligation to conduct brokerage services through the broker-dealer which the Wealth Advisors are associated with as a registered representative.

Goldman Sachs Ayco suggests and recommends that advisory clients use the securities, futures execution or custody services offered by their affiliates, including, but not limited to, GS&Co. and GS&Co. have overlapping officers, personnel and share office space and certain expenses. Goldman Sachs Ayco's affiliates, including GS&Co., receive compensation when acting as a broker-dealer executing transactions for Advisory Accounts.

Goldman Sachs Ayco's broker-dealer affiliates that provide custodial services benefit from the use of free credit balances (i.e., cash) in Advisory Accounts, subject to the limitation set forth in SEC Rule 15c3-3 under the U.S. Securities Exchange Act of 1934, as amended. Goldman Sachs Ayco receives recordkeeping, administrative and support services from GS&Co. or its affiliates. Goldman Sachs Ayco obtains research ideas, analyses, reports and other services (including distribution services) from its affiliates.

Advisory Accounts will generally execute all transactions through GS&Co. or Fidelity as custodian as further described in *Item 12 – Broker-Dealer Selection and Directed Brokerage*. Subject to client consent, as required by applicable law, GS&Co. or its affiliates may engage in principal transactions with Advisory Accounts that are not Retirement Accounts with GS&Co. as custodian. Goldman Sachs typically earns Execution Charges in connection with transactions executed as agent or principal. Clients will pay these charges in addition to the advisory fee paid to Goldman Sachs Ayco or its affiliates except as described in *Item 5 – Fees and Compensation*. Goldman Sachs will likely share all or a portion of any Execution Charges with its affiliates, including Goldman Sachs Ayco and their Wealth Advisors. For accounts offered through Goldman Sachs Ayco, but managed by GSAM, transactions are executed according to GSAM's policies and procedures regarding execution of trades. For additional information about principal trading, see *Item 11 – Participation or Interest in Client Transactions and Personal Trading*.

Goldman Sachs has ownership interests in trading networks, securities or derivatives indices, trading tools, and/or settlement systems. Goldman Sachs also holds ownership interests in, and Goldman Sachs personnel sit on the boards of directors of, national securities exchanges, electronic communication networks, alternative trading systems and other similar execution or trading systems or venues (collectively, "Market Centers"). Goldman Sachs may be deemed to control one or more of such Market Centers based on its levels of ownership and its representation on the board of directors of such Market Centers. As of the date hereof, Goldman Sachs held ownership interests in the following Market Centers: (i) Members Exchange, (ii) GS Sigma X<sup>2</sup>, (iii) PureStream, and (iv) Marquee. Goldman Sachs may acquire ownership interests in other Market Centers (or increase ownership in the Market Centers listed above) in the future.

Consistent with its duty to seek best execution for Advisory Accounts, Goldman Sachs Ayco will, from time to time, directly or indirectly, place trades for Advisory Accounts through such Market Centers. In such cases, Goldman Sachs receives an indirect economic benefit based upon its ownership interests in Market Centers. In addition, Goldman Sachs receives fees, cash credits, rebates, discounts or other benefits from Market Centers to which it, as broker, routes order flow based on the aggregate trading volume generated by Goldman Sachs (including volume not associated with client orders) and the type of order flow routed, and certain Market Centers, such as many exchanges, provide rebates or charge fees based on whether routed orders contribute to, or extract liquidity from, the Market Center. Discounts or rebates received by Goldman Sachs from a Market Center during any time period may differ from the fees paid by Goldman Sachs to the Market Center during that time period. The amount of such discounts or rebates varies, but

generally does not exceed \$0.004 per share or \$1.00 per contract for listed options. Further, the U.S. listed options exchanges sponsor marketing fee programs through which registered market-makers will receive payments from the exchanges based upon their market making status and/or as a result of their designation as a “preferenced” market maker by an exchange member with respect to certain options orders. Goldman Sachs Ayco’s affiliates will receive payments from “preferenced” registered market makers related to these exchange-sponsored marketing fee programs. The amount of such payments varies, but generally does not exceed \$0.70 per contract. Goldman Sachs Ayco will place trades for an Advisory Account through such Market Centers only if Goldman Sachs Ayco reasonably believes that such trades are in the best interest of the Advisory Account and that the requirements of applicable law have been satisfied. As discussed in further detail in *Item 12 –Brokerage Practices*, Goldman Sachs Ayco places trades with unaffiliated broker-dealers in accordance with its best execution policies and procedures.

In the event assets of an Advisory Account are treated as “plan assets” subject to ERISA, the use of Market Centers to place trades on behalf of such Advisory Account may, absent an exemption, be treated as a prohibited transaction under ERISA. However, Goldman Sachs Ayco may place trades through Market Centers provided that such trades are executed in accordance with the exemption under Section 408(b)(16) of ERISA. In addition, Goldman Sachs Ayco is required to obtain authorization from any Advisory Account whose assets are treated as “plan assets” in order to place transactions on behalf of such Advisory Account using a Market Center in which Goldman Sachs has an ownership interest. Furthermore, there may be limitations or restrictions on the use of Market Centers (including, without limitation, for purposes of complying with law and otherwise).

Through Goldman Sachs’s trading on or membership to various trading platforms or venues or interactions with certain service providers (including depositaries and messaging platforms), Goldman Sachs and its affiliates may receive interests, shares or other economic benefits from such service providers.

Mercer Allied primarily distributes Variable Products. In reviewing Variable Products that it makes available to clients, Mercer Allied generally reviews issuing insurance companies’ credit rating, competitiveness of product, client service resources and general processes for manager selection for Variable Subaccounts. Goldman Sachs Ayco generally does not presently provide advice on or recommendations of individual Variable Subaccounts. See *Item 4 – Advisory Business – Other Offerings – Fixed and Variable Annuities*. In no case do Mercer Allied or Goldman Sachs Ayco determine what Variable Subaccount options are made available by insurance companies. Variable Subaccounts are not custodied at Goldman Sachs. Goldman Sachs Ayco does not have discretion to allocate premiums on behalf of policy owners and any assessment as to whether a particular Variable Subaccount fits within the annuity owner’s investment objectives or any decision to allocate additional premiums to a particular Variable Subaccount must be determined solely by the policy owner. Implementation of a model portfolio using any Variable Subaccounts is based on the information provided by the issuing carrier and/or third-party database providers and Goldman Sachs Ayco has not verified the accuracy or completeness of any performance or other information provided by or about the Variable Subaccount. Performance of a Variable Product may be adversely impacted if the policy owner does not allocate a Variable Product to one of more Variable Subaccounts. Past performance of Variable Subaccounts may not be indicative of future results.

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

Goldman Sachs Ayco and certain of its affiliates, including GSAM, act in an advisory or sub-advisory capacity with respect to Separately Managed Accounts and private investment funds and in other capacities, including as trustee, managing member, adviser, administrator and/or distributor to a variety of U.S. and non-U.S. investment companies (including Variable Subaccounts that are structured as registered investment companies) as well as other pooled investment vehicles, including collective trusts, ETFs, closed-end funds, business development companies, private investment funds, special purpose acquisition vehicles, and operating companies. Certain Goldman Sachs personnel are also directors, trustees and/or officers of these investment companies and other pooled investment vehicles. Goldman Sachs Ayco and its affiliates, in their capacities as advisers or sub-advisers to these investment companies or pooled vehicles, including ETFs (collectively, “Funds”), will receive management or advisory fees in connection with their advisory roles. Although such fees are generally paid by the Funds, the costs are ultimately borne

by clients as shareholders. These fees will be in addition to any advisory fees or other fees agreed between the client and Goldman Sachs for investment advisory and brokerage services. Clients of Goldman Sachs Ayco and its affiliates may invest in these investment companies and other pooled investment vehicles offered by Goldman Sachs. For Funds where Goldman Sachs Ayco or its affiliates applies an advisory fee, the fee that will apply is generally the same for both affiliated Funds and Third-Party Funds and clients may pay more or less than the index oriented fee depending on the agreed upon fee schedule. For additional information on compensation earned for the sale of these products, see *Item 5 – Fees and Compensation*.

### **Other Investment Advisers**

Goldman Sachs Ayco has investment advisory affiliates in and outside of the United States that are registered with the SEC as investment advisers. These affiliates include, but are not limited to: GS&Co., GSAM, Goldman Sachs Asset Management International (“GSAMI”), RocaTon, Goldman Sachs Hedge Fund Strategies LLC (“HFS”), and GS Investment Strategies, LLC (“GSIS”). Goldman Sachs Ayco and its affiliates have or intend to have co-advisory or sub-advisory relationships with their investment advisory affiliates, as required for proper management of particular Advisory Accounts and in accordance with applicable law. Goldman Sachs Ayco and its affiliates will receive compensation in connection with such relationships. For additional information on compensation earned when clients select other investment advisers, see *Receipt of Compensation from Investment Advisers*, below. Where permissible by law, Goldman Sachs Ayco and its investment advisory affiliates share resources in connection with providing investment advisory services, including credit analysis, execution services and trade support.

Goldman Sachs Ayco’s personnel recommend the investment advisory services of their affiliates, including GS&Co. and GSAM to their clients. Goldman Sachs Ayco, and Wealth Advisors who make referrals and participate in Goldman Sachs Ayco’s compensation plans, receive compensation for referring clients to such affiliates, and vice versa. Where Goldman Sachs Ayco refers clients to affiliated advisers, including, but not limited to, GS&Co., GSAM, GSAMI, and RocaTon, in connection with certain services it receives referral fees subject to applicable law and compensates its employees for such referrals. From time to time, Goldman Sachs Ayco also refers clients to certain unaffiliated advisers. In each of these cases, the investment adviser (including GS&Co.) pays Goldman Sachs Ayco a portion of the advisory fee charged to the client.

Manager selection and ongoing due diligence of unaffiliated mutual funds and ETFs used in strategies managed by Goldman Sachs Ayco are performed by XIG.

Clients may be offered access to advisory services through GS&Co., GSAM, GSAMI, RocaTon or other affiliated advisers. Affiliated advisers manage accounts according to different strategies and can apply different criteria to the same or similar products (including, but not limited to, equities and fixed income securities). For instance, in the case of advisory accounts holding municipal bonds, affiliated advisers may apply different credit criteria (including different minimum credit ratings, sector restrictions), offer different portfolio structures (for example laddered, barbelled or customized, maturity limitations or portfolio duration), and have different minimum account size requirements. Additionally, GS&Co. executes trades through itself as well as third parties and may participate in underwritings, whereas GSAM and GSAMI generally only place trades through third parties. Since each affiliated adviser’s investment decisions is made independently, it should be expected that GSAM and/or GSAMI is buying while Goldman Sachs Ayco’s clients are selling, or vice versa. Therefore, it is possible that accounts managed by GSAM or GSAMI could sustain losses during periods in which accounts managed by Goldman Sachs Ayco achieve significant profits.

Subject to applicable law, Goldman Sachs Ayco has the discretion to delegate all or a portion of its advisory or other functions (including placing trades on behalf of Advisory Accounts) to any affiliated adviser that is registered with the SEC or to any of its non-US affiliated advisers. Goldman Sachs Ayco may also move or share portfolio management between affiliated advisers. This might include the movement of managers from Goldman Sachs Ayco to an affiliated adviser or the transfer of management of the portfolio to a management team within an affiliated adviser. Clients will be notified of any such movements or transfers of portfolio management in advance.

A copy of the brochures of GS&Co., GSAM, GSAMI or other affiliated advisers is available on the SEC's website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) and will be provided to clients or prospective clients upon request. Clients that want more information about any of these affiliates should contact Goldman Sachs Ayco.

### ***Financial Planner***

Goldman Sachs Ayco provides Financial Planning services, Investment Management, financial education and other services primarily to employees, members or participants of Corporate Partners or Community-Based Partners.

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

GS&Co. and certain of its affiliates are registered with the CFTC as a FCM, CPO, SD or CTA. These affiliates include GSAM, GSAMI, HFS, and GSIS. If permitted by law and applicable regulation, Goldman Sachs Ayco may buy or sell futures on behalf of its Advisory Accounts through itself or its CFTC-registered affiliates and these affiliates will receive commissions.

### ***Banking or Thrift Institution***

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

Goldman Sachs Bank USA ("GS Bank") is a Federal Deposit Insurance Corporation ("FDIC") insured, New York State chartered Federal Reserve member bank. GS Bank accepts brokered and omnibus deposits, lends to individuals and corporate clients, transacts in certain derivatives, and provides securities lending, custody and hedge fund administration services. GS Bank offers Securities-Based Loans to certain clients of Goldman Sachs Ayco. GS Bank benefits from the use of Securities-Based Loans by charging interest on those loans. Goldman Sachs Ayco and certain Advisory Personnel will receive compensation for referring clients to GS Bank for such loans. These loans are not made on an advised basis but are solely self-directed. Such referrals create a conflict between the interests of clients and the interests of Goldman Sachs Ayco and its Advisory Personnel since Goldman Sachs Ayco and certain Advisory Personnel have an economic interest in the loans. Such compensation is in addition to compensation Goldman Sachs Ayco and certain Advisory Personnel receive from the advisory fee charged by Goldman Sachs Ayco for providing advisory services to the Advisory Accounts pledged as collateral for the loans. Borrowing against securities is not suitable for all investors. Sufficient collateral must be maintained to support a loan and to take advances. It should be expected that if there is a decline in the value of a client's collateral assets, including as a result of markets going down in value, clients will be required to deposit more securities or funds to maintain the level needed to avoid a maintenance call or pay down the line of credit and that GS Bank will sell some or all of a client's securities without prior notice to maintain the account at the required levels. GS Bank can increase a client's collateral maintenance requirements at any time without notice. Additionally, GS Bank has no obligation to fund the line and can change the client's interest rate or demand full or partial repayment at any time.

GS Bank offers deposit sweeps to Goldman Sachs Ayco clients, where free credit balances are swept into GS Bank on an omnibus basis. The Goldman Sachs Bank Deposit ("Bank Deposit") operates as a cash sweep account for clients for whom the Bank Deposit has been designated as the sweep option for available cash. The Bank Deposit earns positive interest or incurs negative interest on the daily balance at a variable interest rate. GS Bank benefits from the use of cash swept from Advisory Accounts. GS&Co. establishes, maintains and keeps the books and records for the Bank Deposit and provides other related services. Goldman Sachs Ayco's clients may also open separate savings accounts and certificates of deposit to which different interest rates may apply. In particular, clients may open direct accounts at GS Bank at rates that may be higher than rates for the deposit sweep. The level of service for direct accounts at GS Bank differs from what is offered through sweep accounts.

*Trust Companies.* GSTC and GSTD provide personal trust and estate administration and related services to certain of Goldman Sachs Ayco's clients. GS&Co. and its affiliates, including Goldman Sachs Ayco, provide a variety of services to GSTC and GSTD, including investment advisory, sub-advisory, brokerage, distribution, marketing, operational, infrastructure, financial, auditing, and administrative services. Goldman Sachs will receive fees from GSTC and GSTD according to the fee schedules agreed upon between the parties in arm's-length service agreements. Goldman Sachs Ayco recommends that clients appoint GSTC or GSTD as a trustee.

### ***Insurance Company or Agency***

Goldman Sachs Ayco's affiliate, ASA (and previously ASIA) engages in the insurance agency business for purposes of selling, brokering and co-brokering, including, but not limited to, life insurance policies and annuity contracts (both fixed and variable) and long-term care and disability insurance contracts for separate compensation. ASA and ASIA also provide agent of record servicing of insurance contracts. ASA and ASIA participate or participated in the distribution of insurance securities through an insurance networking agreement with Mercer Allied. Commissions are paid to ASA, ASIA and Mercer Allied by insurance companies for the placement and distribution of insurance and annuity products. These commissions are paid to ASA, ASIA or Mercer Allied for acting as an insurance producer, retail distributor and/or wholesale distributor. In addition, compensation from the insurance companies might also include various incentives in addition to standard commissions or referral fees, including contingent commissions, and other awards and bonuses, such as trips, expense allowances, marketing allowances, training and education. Incentive or contingent compensation is based upon a variety of factors including the level of aggregated premiums, client retention, revenue growth, overall profitability, or other performance measures pre-established by insurance companies. This incentive or contingent compensation is not tied to any individual transaction. In limited circumstances, ASA, ASIA or Mercer Allied receive compensation from insurance companies in the form of servicing or distribution fees for these products.

Different compensation arrangements are in place for ASA, ASIA, Mercer Allied and their affiliates and individual Wealth Advisors for the same or similar insurance products depending on the relationship between the insurance company and agency that sold the insurance product, and the affiliate and Wealth Advisors. If Wealth Advisors can refer a client to any of ASA, Mercer Allied or to any third party for the purchase of an insurance product, these different compensation arrangements create a conflict of interest.

Advisory clients are not obligated to use Goldman Sachs Ayco's affiliated persons to purchase insurance or annuities. Certain appropriately licensed Wealth Advisors are appointed as agents of the issuing insurer.

Goldman Sachs Ayco compensates certain licensed Wealth Advisors and make payments as directed by GS&Co. to such personnel of GS&Co., for referring clients to ASA. In some instances, Wealth Advisors are not compensated directly for such referrals but the referral may contribute to overall company profitability which could impact any discretionary bonus paid to such Wealth Advisors. The compensation received by Goldman Sachs Ayco and such personnel varies and is dependent on the insurance company and product purchased. Such compensation creates a conflict of interest that gives Goldman Sachs Ayco and such Wealth Advisors and GS&Co. personnel an incentive to recommend such insurance policies and annuities, based on the compensation received.

Recommendations to purchase or exchange insurance products are made by Goldman Sachs Ayco's personnel solely in their capacity as licensed insurance agents or, in the case of variable annuities or variable insurance products, in their capacity as registered representatives of Mercer Allied and such recommendation does not result in an investment advisory relationship with Goldman Sachs Ayco or any affiliate, and Goldman Sachs Ayco nor any affiliate has a corresponding fiduciary duty with respect to such clients with respect to such recommendation. Goldman Sachs Ayco's affiliates do not use any separate investment advisory agreement when distributing insurance. See *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss* above for a description of services related to Variable Subaccounts.

Certain life insurance policies and annuity contracts, including Variable Products, offer an allocation option reflecting the performance of an Index (defined below) sponsored by or otherwise supported by Goldman

Sachs Ayco's affiliates. Goldman Sachs Ayco's affiliates receive compensation if any portion of the policy or contract's account value is allocated to that option. Such compensation is not paid to Goldman Sachs Ayco, Mercer Allied, ASA, ASIA or any Wealth Advisor.

ASA and ASIA continue to provide agent of record services to certain policy owners, including those who have terminated their financial management services or Advisory Accounts. However, such agent of record services are primarily administrative, and do not include any fiduciary advice, including investment advice or education related to separate accounts underlying Variable Products or otherwise. Goldman Sachs Ayco, ASA and ASIA have overlapping officers and share office space and expenses.

### ***Sponsor or Syndicator of Limited Partnerships***

Goldman Sachs creates and/or distributes unregistered privately placed vehicles in which clients invest and for which it receives fees.

### ***Trustee Activities***

Goldman Sachs Ayco and Wealth Advisors generally will not assume a position of trust for a client or client account, such as being named executor or trustee for a client account, or holding power of attorney on a client's behalf. This exclusion does not include accounts for clients who are family members of the Wealth Advisors; in which case the Wealth Advisors will serve as trustee for a family member's account.

### ***Management Persons; Policies and Procedures***

Certain of Goldman Sachs Ayco's management persons also hold positions, as applicable, with one or more Goldman Sachs Ayco affiliates. In these positions, where they have certain responsibilities with respect to the business of these affiliates it should be expected that they receive compensation based, in part, upon the profitability of these affiliates. Consequently, in carrying out their roles at Goldman Sachs Ayco and these affiliates, the management persons are subject to the same or similar conflicts of interest that exist between Goldman Sachs Ayco and these affiliates.

Goldman Sachs Ayco has adopted a variety of restrictions, policies, procedures, and disclosures designed to address conflicts that arise between Goldman Sachs Ayco, its management persons and its affiliates. These policies and procedures include: information barriers designed to prevent the flow of information between Goldman Sachs Ayco, its personnel and certain other affiliates; policies and procedures relating to brokerage selection, trading with affiliates or investing in products managed or sponsored by affiliates; and allocation and trade sequencing policies applicable to Advisory Accounts and Accounts (defined below). No assurance can be made that any of Goldman Sachs Ayco's current policies and procedures, or any policies and procedures that are established by Goldman Sachs Ayco 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 Indices and ETFs***

From time to time, Goldman Sachs develops, co-develops, owns and operates stock market and other indices (each, an "Index") based on investment and trading strategies it has developed or co-developed with a third party. Goldman Sachs 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 Goldman Sachs 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 Indices. Periodically, Goldman Sachs Ayco manages Advisory Accounts that invest in the GSAM ETFs. The operation of the Indices, the GSAM ETFs and Advisory Accounts in this manner gives rise to conflicts of interest.

Goldman Sachs has adopted policies and procedures that are designed to address the conflicts of interest that arise in connection with Goldman Sachs' operation of the Indices, the GSAM ETFs and the Advisory Accounts. Goldman Sachs has established certain information barriers and other policies designed to address the sharing of information between different businesses within Goldman Sachs, including with respect to personnel responsible for maintaining the Indices and those involved in decision-making for the ETFs. In addition, as described in *Item 11* below, Goldman Sachs Ayco has adopted a code of ethics.

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

Goldman Sachs Ayco may select or recommend that clients allocate assets to one or more accounts or funds managed by one or more (i) Affiliated Managers; or (ii) Unaffiliated Managers, as each is defined in *Item 4 – Investment Management Services* above. The ability to recommend both Affiliated Managers and Unaffiliated Managers creates conflicts for Goldman Sachs Ayco and could impact its decisions regarding manager selection when affiliation is considered by Goldman Sachs Ayco, among other factors, in deciding whether to make Managers available to clients, to increase client investments with Managers, and to retain or withdraw client investments from Managers. Goldman Sachs Ayco receives compensation in connection with clients' investments in and selection of such Managers, and such compensation creates a conflict of interest.

For example, Goldman Sachs receives various forms of compensation, including fees, commissions, payments, rebates, remuneration, services or other benefits (including benefits relating to investment and business relationships of Goldman Sachs) from Unaffiliated Managers and their affiliates. Therefore, investments by Advisory Accounts with Unaffiliated Managers (where Goldman Sachs participates in the fee and/or profit sharing arrangement or other interest in the equity or profits of Unaffiliated Managers) will result in additional compensation to Goldman Sachs. Subject to applicable law, (and excluding Retirement Accounts), the amount of such compensation, including fees, commissions, payments, rebates, remuneration, services or other benefits to Goldman Sachs, or the value of Goldman Sachs' interests in the Unaffiliated Managers or their businesses, varies by Unaffiliated Manager and can be greater if Goldman Sachs Ayco selects or recommends certain Unaffiliated Managers over other Unaffiliated Managers.

The compensation Goldman Sachs receives (either directly from Unaffiliated Managers or in the form of fees or allocations payable by client accounts) generally increases as the amount of assets that Managers manage increases. Except to the extent required by applicable law, Goldman Sachs Ayco may not account to a client for or offset any compensation received by Goldman Sachs against fees and expenses the client otherwise owes Goldman Sachs.

Because Goldman Sachs will, on an overall basis, receive higher fees, compensation and other benefits if client assets are allocated to Affiliated Managers, including Accounts or investment funds managed by Goldman Sachs, such as GSAM and GSAMI, Goldman Sachs Ayco has an incentive to allocate the assets of Advisory Accounts to Affiliated Managers. For particular asset classes or investment strategies, Goldman Sachs Ayco's advisory program may not have Unaffiliated Managers, or may have fewer Unaffiliated Managers than Affiliated Managers; accordingly, any allocations to such an asset class or investment strategy will more likely be made to Affiliated Managers, including GSAM or GSAMI.

You can expect that Goldman Sachs and its personnel will have interests in Managers or their affiliates, or have business relationships or act as counterparties with Unaffiliated Managers of their affiliates, including, for example, in its prime brokerage, trade execution and investment banking businesses. Goldman Sachs Ayco will be incentivized to make available, allocate assets to, and refrain from withdrawing assets from Unaffiliated Managers whose principals or employees are clients of Goldman Sachs Ayco. In addition, Goldman Sachs has investments in selected Managers or their affiliates.

From time to time, Goldman Sachs receives notice of, or offers to participate in, investment opportunities from Unaffiliated Managers or their affiliates. Unaffiliated Managers or their affiliates offer Goldman Sachs investment opportunities for various reasons including Goldman Sachs' use of the services provided by Unaffiliated Managers and their affiliates for Goldman Sachs and client investments. Such opportunities will

generally not be required to be allocated to Advisory Accounts. Therefore, investment (or continued investment) by particular Advisory Accounts with Unaffiliated Managers may result in additional investment opportunities to Goldman Sachs or other Accounts.

In addition, the fee structure of certain Advisory Accounts (other than Retirement Accounts) where Goldman Sachs Ayco must compensate Managers from the fee it receives from the client provides an incentive for Goldman Sachs Ayco to recommend or select Managers with lower compensation levels including Managers that discount their fees based on aggregate Account size or other relationships in order to increase the net fee to Goldman Sachs Ayco instead of recommending or selecting other Managers that might also be appropriate for the Advisory Accounts. Except for Retirement Accounts, it should be expected that the amount of the fee retained by Goldman Sachs will be affected by Goldman Sachs' business relationships and the size of Accounts other than a particular Advisory Account, and will directly or indirectly benefit Goldman Sachs and other client accounts. Clients are not entitled to receive any portion of such benefits received by Goldman Sachs or other client accounts.

Goldman Sachs Ayco addresses these conflicts of interest in a manner that is consistent with its fiduciary duties. In particular, Goldman Sachs Ayco limits the conflicts of interest associated with selecting between the Third-Party Funds and affiliated mutual funds by seeking to implement a compensation structure where the compensation paid to Wealth Advisors does not vary based on whether the Advisory Account invests in a Third-Party Fund or an affiliated fund in the same asset class.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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Goldman Sachs Ayco has adopted a Code of Ethics ("Code") under Rule 204A-1 of the Advisers Act designed to provide that Wealth Advisors, and certain additional personnel who support Goldman Sachs Ayco 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 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 also take positions that are the same as, different from, or made at different times than, positions taken (directly or indirectly) for Advisory Accounts. Goldman Sachs Ayco provides a copy of the Code to clients or prospective clients upon request.

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

### **Participation or Interest in Client Transactions**

Goldman Sachs is a worldwide, full-service investment banking, broker-dealer, asset management and financial services organization and a major participant in global financial markets. As such, Goldman Sachs provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments, and individuals. Goldman Sachs acts as broker-dealer, investment adviser, investment banker, underwriter, research provider, administrator, financier, adviser, market maker, trader, prime broker, derivatives dealer, clearing agent, lender, counterparty, agent, principal, distributor, investor, or in other commercial capacities for accounts or companies or affiliated or unaffiliated funds in which certain Advisory Accounts have an interest. In those and other capacities, Goldman Sachs advises and deals with clients and third parties in all markets and transactions and purchases, sells, holds, and recommends a broad array of investments, including securities, derivatives,



loans, commodities, currencies, credit default swaps, indices, baskets, and other financial instruments and products for its own accounts and for the accounts of clients and of its personnel (such Goldman Sachs or other client accounts, relationships, and products, including Advisory Accounts, collectively, the "Accounts"). In addition, Goldman Sachs has direct and indirect interests in the global fixed income, currency, commodity, equities, bank loan, and other markets. Goldman Sachs invests certain Advisory Accounts in products and strategies sponsored, managed, or advised by Goldman Sachs or in which Goldman Sachs has an interest, either directly or indirectly, or otherwise restricts Advisory Accounts from making such investments, as further described herein. In this regard, it should be expected that Goldman Sachs' activities and dealings with other clients and third parties affect Advisory Accounts in ways that disadvantage Advisory Accounts and/or benefit Goldman Sachs or other clients (including Advisory Accounts). The following are descriptions of certain conflicts of interest and potential conflicts of interest that are associated with the financial or other interests that Goldman Sachs has in advising or dealing with other clients (including other Advisory Accounts) or third parties or in acting on its own behalf.

### ***Goldman Sachs Acting in Multiple Commercial Capacities***

Goldman Sachs faces conflicts of interest in providing and selecting services for Advisory Accounts because Goldman Sachs provides many services and has many commercial relationships with companies and affiliated and unaffiliated funds (or their applicable personnel). In this regard, a company in which an Advisory Account has an interest may hire Goldman Sachs to provide underwriting, merger advisory, distribution, other financial advisory, placement agency, foreign currency hedging, research, asset management services, brokerage services or other services to the company. In addition, Goldman Sachs sponsors, manages, advises and provides services to affiliated funds (or their personnel) in which Advisory Accounts invest and advises or provides services to unaffiliated funds (or their personnel) in which Advisory Accounts invest. In connection with such commercial relationships and services, Goldman Sachs receives fees, compensation, and remuneration that should be expected to be substantial, as well as other benefits. For example, providing such services enhances Goldman Sachs' relationships with various parties, facilitates additional business development and enables Goldman Sachs to obtain additional business and/or generate additional revenue. Advisory Accounts will not be entitled to compensation related to any such benefit to businesses of Goldman Sachs, including Goldman Sachs Ayco. In addition, such relationships can have an adverse impact on Advisory Accounts, including, for example, by restricting potential investment opportunities, as described below, incentivizing Goldman Sachs to take or refrain from taking certain actions on behalf of Advisory Accounts when doing so would be adverse to such business relationships, and/or influencing Goldman Sachs' selection or recommendation of certain investment products and/or strategies over others. *See also Allocation of Investment Opportunities below.*

In connection with providing such services, it should be expected that Goldman Sachs will take commercial steps in its own interest, or advise the parties to which it is providing services, or take other actions. Such actions may benefit Goldman Sachs. For example, Goldman Sachs is incentivized to 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 Goldman Sachs Ayco) or in which Goldman Sachs, its personnel, 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. Similarly, certain Advisory Accounts acquire securities or indebtedness of a company affiliated with Goldman Sachs directly or indirectly through syndicate or secondary market purchases, or 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, its personnel, 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 also be incentivized to provide products or services to the employees, members or participants of certain Corporate Partners at much lower or fee-waived rates because of certain tangible or intangible benefits Goldman Sachs may receive or other relationships Goldman Sachs may have with such Corporate Partner. Such lower or fee-waived rates are not made available to other clients.

Providing such services may also have an adverse effect on Advisory Accounts. For example, Goldman Sachs makes loans to and enters into margin, asset-based or other credit facilities or similar transactions with, clients, companies, individuals, or Managers or their affiliates that are 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 are public or private companies, or founders, officers, or shareholders in companies in which Goldman Sachs, funds managed by Goldman Sachs, or Advisory Accounts or other Accounts directly or indirectly invest, and such loans may be secured by securities of such companies, which may be the same as, or pari passu with or more senior or junior to, interests held (directly or indirectly) by Goldman Sachs, funds managed by Goldman Sachs, Advisory Accounts or other Accounts. In connection with its rights as lender, Goldman Sachs acts to protect its own commercial interest and takes 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 will adversely affect Advisory Accounts if, for example, a large position in securities is liquidated, among the other potential adverse consequences, the value of such security declines rapidly and Advisory Accounts holding (directly or indirectly) such security in turn decline in value or are 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 clients, 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 *Investments in and Advice Regarding Different Parts of an Issuer's Capital Structure*.

Actions taken or advised to be taken by Goldman Sachs in connection with other types of services and transactions can also result in adverse consequences for Advisory Accounts. For example, if Goldman Sachs advises a company to make changes to its capital structure the result would be a reduction in the value or priority of a security held by Advisory Accounts. For more information in this regard, see *Investments in and Advice Regarding Different Parts of an Issuer's Capital Structure* below. In addition, underwriters, and placement agents or managers of IPOs, including GS&Co., often require clients who hold privately placed securities of a company to execute a lock-up agreement prior to such company's IPO restricting the resale of the securities for a period of time before and following the IPO. As a result, Goldman Sachs Ayco will be restricted from selling the securities in such clients' Advisory Accounts at a more favorable price.

Certain Goldman Sachs' activities on behalf of its clients generally also restrict investment opportunities that are otherwise 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 are potential investment opportunities for Advisory Accounts. There are circumstances under 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 represents certain creditor or debtor companies in proceedings under Chapter 11 of the U.S. Bankruptcy Code (and equivalent non-U.S. bankruptcy laws). From time to time, Goldman Sachs serves on creditor or equity committees. It should be expected that these actions, for which Goldman Sachs may be compensated, will limit or preclude the flexibility that the Advisory Account otherwise has to buy or sell securities issued by those companies. Please also refer to "Firm Policies, Regulatory Restrictions and Certain Other Factors Affecting Advisory Accounts."

In addition, Goldman Sachs gathers information in the course of such other activities and relationships about companies in which a client holds or may in the future hold an interest. In the event that Goldman Sachs is consulted in connection with opportunities with respect to these companies, Goldman Sachs shall have no obligation to disclose such information, any other non-public information which is otherwise subject to an obligation of confidence to another person, or the fact that Goldman Sachs is in possession of such information, to the client or to use such information on the client's behalf. As a result of actual or potential conflicts, Goldman Sachs may not be able to provide a client with information or certain services with respect to a particular opportunity. See also *Considerations Relating to Information Held by Goldman Sachs* below.

### ***Conflicts Related to Lending and Loan Syndication***

Goldman Sachs operates in the debt markets, including the leveraged finance markets, and is an active arranger of senior and mezzanine financings in the syndicated loan market and the high yield market for financing acquisitions, recapitalizations and other transactions. It should be expected that where an Advisory Account invests in transactions in which Goldman Sachs acts as arranger, Goldman Sachs receives fees in connection with these financings. In certain instances, an Advisory Account can purchase loans and/or debt securities and receive representations and warranties directly from the borrower, while in other instances, an Advisory Account will need to rely on a private placement memorandum from Goldman Sachs or others, and purchase such loans and/or debt securities at different times and/or terms than other purchasers of such loans. When an Advisory Account purchases such loans from Goldman Sachs and Goldman Sachs receives a fee from a borrower or an issuer for placing such loans and/or debt securities with an Advisory Account, certain conflicts of interest arise.

### ***Differing Advice and Competing Interests***

It should be expected that advice given to, or investment decisions made or other actions taken for, one or more Advisory Accounts will compete with, affect, differ from, conflict with, or involve timing different from, advice given to or investment decisions made for other Accounts (including Advisory Accounts). Goldman Sachs, 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. In this regard, it should be expected that Goldman Sachs makes investment decisions for such Accounts that are different from the investment decisions made for Advisory Accounts and that adversely impact Advisory Accounts, as described below. In addition, Goldman Sachs, the clients it advises, and its personnel engage (or consider engaging) in commercial arrangements or transactions with Accounts, and/or compete for commercial arrangements or transactions or invest in the same types of companies, assets, securities and other instruments, as particular Advisory Accounts. Such arrangements, transactions or investments adversely affect such Advisory Accounts by, for example, limiting clients' ability to engage in such activity or by effecting the pricing or terms of such arrangements, transactions or investments. Moreover, a particular Advisory Account on the one hand, and Goldman Sachs, its personnel, or other Accounts (including other Advisory Accounts) on the other hand, may vote differently on, or take or refrain from taking different actions with respect to, the same security, which disadvantages the Advisory Account. Where Goldman Sachs receives greater fees or other compensation from such Accounts than it does from the particular Advisory Accounts, Goldman Sachs, including through Goldman Sachs Ayco, will be incentivized to favor such other Accounts.

It should be expected that other Accounts (including other Advisory Accounts) engage in a strategy while an Advisory Account 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). For example, if an Advisory Account buys a security, and Goldman Sachs or a Goldman Sachs client establishes a short position in that same security or in similar securities, any such short position may result in the impairment of the price of the security that the Advisory Account holds or could be designed to profit from a decline in the price of the security. An Advisory Account could similarly be adversely impacted if it establishes a short position, following which Goldman Sachs or a Goldman Sachs client takes a long position in the same security or in similar securities. Similarly, where Goldman Sachs is engaged to provide advice to a client that is considering entering into a transaction with a particular Advisory Account, and Goldman Sachs advises the client not to pursue the transaction with the particular Advisory Account, or otherwise in connection with a potential transaction provides advice to the client this will be adverse to the particular Advisory Account.

Clients may be offered access to advisory services through several different Goldman Sachs businesses (including through Goldman Sachs Ayco, GS&Co., and GSAM). Different advisory businesses within Goldman Sachs manage Advisory Accounts according to different strategies and apply different criteria to the same or similar strategies and have differing investment views in respect of an issuer or a security or other investment. Similarly, Advisory Personnel can have differing or opposite investment views with respect to an issuer or a security, and as a result some or all of the positions Advisory Personnel take with

respect to an Advisory Account will be inconsistent with, or adverse to, the interests and activities of Advisory Accounts advised by other Advisory Personnel. Moreover, research, analyses or viewpoints will be available to clients or potential clients at different times. Goldman Sachs will not have any obligation to make available to Advisory Accounts any research or analysis at any particular time or prior to its public dissemination.

The timing of transactions entered into or recommended by Goldman Sachs, on behalf of itself or its clients, including Advisory Accounts, can negatively impact Advisory Accounts or benefit certain other Accounts, including other Advisory Accounts. For example, if Goldman Sachs implements an investment decision or strategy for certain Advisory Accounts ahead of, contemporaneously with, or behind the implementation of similar investment decisions or strategies for Advisory Accounts, (whether or not the investment decisions emanate from the same research analysis or other information) such action could result, due to market impact, in liquidity constraints or other factors, in certain Advisory Accounts receiving less favorable investment or trading results or incurring increased costs. Similarly, if Goldman Sachs implements an investment decision or strategy that results in a purchase (or sale) of security for one Advisory Account such action can increase the value of such security already held by another Advisory Account (or decrease the value of such security that such other Advisory Account intends to purchase), thereby benefitting such other Advisory Account.

The terms of an investment formed to facilitate investment by personnel of Goldman Sachs are typically different from, and more favorable than, those by a third-party investor in such investment. For example, it should be expected that investors in such an investment generally are not subject to management fees or performance-based compensation, share in the performance-based compensation, will not have their commitments pledged under a subscription facility, and will receive capital calls, distributions and information regarding investments at different times than third-party investors. It should be expected that, to the extent permitted by law, certain investors in such investment will be provided leverage by Goldman Sachs. In the event of a substantial decline in the value of such investments, the leverage provided to employees can render 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 will offer to purchase, redeem, or liquidate the interests held by one or more investors (potentially on terms advantageous to such investors) or to release one or more investors from their obligations to fund capital commitments without offering third-party investors the same or a similar opportunity.

Certain Wealth Advisors have accounts managed by Goldman Sachs Ayco and/or invest in the same securities that are recommended to clients or held in client accounts. Wealth Advisors also hold securities and are able to trade for their own accounts contrary to financial guidance provided to clients. If Wealth Advisors have hired Goldman Sachs Ayco to manage their accounts on a discretionary basis, those accounts are traded along with other client accounts and are not given any different or special treatment.

### ***Conflicts Relating to the Provision of Model Portfolios***

Ayco PMG provides model portfolios to certain Managers, broker-dealers or other financial intermediaries that 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 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). Model portfolios provided by Ayco PMG are informed by the strategic allocation framework of ISG. Such model portfolios may differ from, and may experience different performance than, model portfolios offered by affiliates of Goldman Sachs Ayco. If a model portfolio includes ETFs or mutual funds, in selecting such products for inclusion in a model portfolio, for certain models Ayco PMG will 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 Ayco PMG 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, Ayco PMG may

consider certain External Products in its discretion, although Ayco PMG will not canvas the universe of External Products. Notwithstanding the foregoing, for certain model portfolios, Ayco PMG may consider only External Products. Ayco PMG 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 Ayco PMG 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, the size of the External Product, tracking error relative to the benchmark index, performance and liquidity profile (e.g., market capitalization and average daily trading volume) and transaction costs, among other factors. *See Affiliated Products/External Products* below. Goldman Sachs Ayco is generally entitled to compensation for making model portfolios available to Advisers, broker-dealers, other financial intermediaries or their clients. In addition, Goldman Sachs Ayco and/or its affiliates will benefit from the subscription by clients in Affiliated Products because Goldman Sachs (including Goldman Sachs Ayco) will generally receive compensation in connection with the management of Affiliated Funds included in a model portfolio. Goldman Sachs Ayco is 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 conflicts and risks similar to those described above in this *Item 10 - Affiliated Products/External Products*. Certain model portfolio recipients will not have had the chance to evaluate or act upon information communicated by Ayco PMG 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.*

### ***Allocation of Investment Opportunities***

Goldman Sachs Ayco and its Advisory Personnel manage multiple Advisory Accounts, including Advisory Accounts in which Goldman Sachs and its personnel have an interest, and clients pay different fees based on a client's particular circumstances, including the size of the relationship and required service levels. This creates an incentive to allocate investments with limited availability to the Advisory Accounts for which Goldman Sachs Ayco and its Advisory Personnel receive higher fees. Such investments may include local emerging markets securities, high yield securities, fixed-income securities, interests in Alternative Investment funds, MLPs, and initial public offerings and new issues.

To help address conflicts regarding allocations among multiple Advisory Accounts, Goldman Sachs has adopted allocation policies and procedures that provide that Advisory Personnel allocate investment opportunities among Advisory Accounts consistent with their fiduciary obligations. In some cases, these policies and procedures result in the pro rata allocation (on a basis determined by Goldman Sachs Ayco) of limited opportunities across eligible Advisory Accounts. In other cases, the allocations reflect the consideration of numerous other factors, including, but not limited to, those described below. The allocation methodology varies based on the type of investment opportunity. In some cases, Advisory Accounts managed by different teams of Advisory Personnel are generally viewed separately for allocation purposes.

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

There will be some instances where certain Advisory Accounts receive an allocation while others do not or where preferential allocations are given to clients with a proven interest or expertise in a certain sector, company or industry. In addition, Wealth Advisors, as part of their investment style, choose not to participate in IPOs for any clients, or choose to offer participation to only a small group of clients based upon criteria, such as assets under management, or choose to adopt another methodology. From time to time, Goldman Sachs Ayco will make allocations to certain Advisory Accounts before other Advisory Accounts based on a rotational system designed to preclude the favoring of any one Advisory Account over another.

As a result, 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 (including an investment opportunity sourced by or available from GSAM or affiliates of GSAM) 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). In addition, due to regulatory or other considerations, the receipt of an investment opportunity by certain Advisory Accounts may restrict or limit the ability of other Advisory Accounts to receive an allocation of the same opportunity. The application of these considerations may cause differences in the performance of different Advisory Accounts that employ the same or similar strategies.

Certain Advisory Accounts may be unable to participate directly in particular types of investment opportunities (including those sourced by or available from GSAM or affiliates of GSAM), such as certain types of loans, due to the nature and/or size of the Advisory Accounts, or limitations or prohibitions in applicable loan or transaction documentation. In addition, certain Advisory Accounts may be limited due to the timing or specific nature of the particular investment opportunity. Such Advisory Accounts may only be able to access such investment opportunities indirectly through an investment in an Advisory Account that is a pooled investment vehicle, which investment would result in additional management fees and/or performance-based compensation paid to GSAM.

In certain cases, one or more funds or other Advisory Accounts ("Primary Vehicles") 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, and including investments sourced by or available from GSAM or affiliates of GSAM) 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. For example, access to such strategies or types of investments may only be available to certain Advisory Account clients through an investment in a Primary Vehicle, which investment would result in additional management fees and/or performance-based compensation paid to GSAM. In addition, other Accounts (including Accounts in which Goldman Sachs and personnel of Goldman Sachs have an interest) 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 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.

Further, Goldman Sachs Ayco or its affiliates, under limited circumstances, use model portfolios and research or research lists, including those provided by GSAM or third parties, when managing Advisory Accounts. Certain Advisory Accounts have the opportunity to evaluate or act upon recommendations (including recommendations in model portfolios) before other Advisory Accounts, including those advised by the same adviser providing the recommendations and other personnel may have already begun to trade based upon the recommendations. As a result, trades ultimately placed on behalf of Advisory Accounts based upon such recommendations are subject to price movements, orders that are large in relation to the

security's trading volume. In these circumstances, it should be expected that the Advisory Accounts receiving prices for transactions will be less favorable than the prices for transactions obtained for other clients of the adviser. This could occur because of time zone differences or other reasons that cause orders to be placed at different times. In addition, model portfolios available through Goldman Sachs affiliates might not be available through Goldman Sachs Ayco, and vice versa, and might experience different performance than other model portfolios. See *Differing Advice and Competing Interests* above. See also *Item 12 - Aggregation of Trades and Allocation of Securities or Proceeds* for information regarding the allocation of securities or proceeds relating to orders that are executed on an aggregated basis.

From time to time, some or all Advisory Accounts are offered investment opportunities that are made available through Goldman Sachs businesses outside of Goldman Sachs Ayco, including, for example, interests in real estate and other private investments. In this regard, a conflict of interest will exist to the extent that Goldman Sachs controls or otherwise influences the terms and pricing of such investments and/or receives fees or other benefits in connection therewith. Please see *Goldman Sachs Acting in Multiple Commercial Capacities* above. Notwithstanding the foregoing, Goldman Sachs businesses outside of Goldman Sachs Ayco are under no obligation or other duty to provide investment opportunities to any Advisory Accounts, and generally are not expected to do so. It should be expected that opportunities not allocated (or not fully allocated) to Advisory Accounts will be undertaken by Goldman Sachs, including for Goldman Sachs Accounts, accounts held by its personnel, or accounts held by other clients or third parties. See *"Differing Advice and Competing Interests"* above.

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

When permitted by applicable law and Goldman Sachs Ayco's policy, Goldman Sachs Ayco, acting on behalf of its Advisory Accounts (for example, taxable fixed income and municipal bond fixed income and structured investment strategies), can enter into transactions in securities and other instruments with or through Goldman Sachs or in Affiliated Products (but is under no obligation or other duty to), and cause Advisory Accounts to engage in principal transactions, cross transactions and agency cross transactions. There are conflicts of interest associated with these transactions that could limit Goldman Sachs Ayco's decision to engage in these transactions for Advisory Accounts. In certain circumstances, such as when Goldman Sachs is the only participant, or one of a few participants, in a particular market, or is one of the largest such participants, such limitations will 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. A principal transaction occurs if Goldman Sachs Ayco, on behalf of an Advisory Account, engages in a transaction in securities or other instruments with Goldman Sachs or in Affiliated Products acting as principal. In certain circumstances, Goldman Sachs will, to the extent permitted by applicable law, purchase or sell securities on behalf of an Advisory Account as a "riskless principal." Goldman Sachs will generally earn compensation (such as a spread or mark-up) in connection with principal transactions. A cross transaction occurs when Goldman Sachs Ayco causes an Advisory Account to buy securities or other instruments from, or sell securities or other instruments to, another Advisory Account or an advisory client Account of a Goldman Sachs affiliate, and Goldman Sachs does not receive a commission from the transaction. An agency cross transaction occurs when Goldman Sachs acts as broker for an Advisory Account on one side of the transaction and a brokerage account or another Advisory Account on the other side of the transaction in connection with the purchase or sale of securities by the Advisory Account, and Goldman Sachs receives a commission from the transaction. Goldman Sachs Ayco may (but is under no obligation to) cause Advisory Accounts to engage in cross and agency cross transactions. In addition, Goldman Sachs serves as clearing agent for other Goldman Sachs clients that act as counterparty to trades for Advisory Accounts and will earn a fee for these services. See *Goldman Sachs Acting in Multiple Commercial Capacities*.

Goldman Sachs will have a potentially conflicting division of loyalties and responsibilities to the parties to principal, cross and agency cross transactions, including with respect to a decision to enter into such transaction as well as with respect to valuation, pricing and other terms. Goldman Sachs Ayco has adopted 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 transactions. Cross transactions may

disproportionately benefit some Advisory Accounts relative to other Advisory Accounts due to the relative amount of market savings obtained by the Advisory Accounts. Principal, cross or agency cross transactions are effected in accordance with fiduciary requirements and applicable law (which include providing disclosure and obtaining client consent, where required). Performance may differ for clients who do not consent to principal trades. Clients may revoke consent to agency cross transactions at any time by written notice to Goldman Sachs Ayco, as applicable, and any such revocation will be effective once Goldman Sachs Ayco has received and has had a reasonable time to act on it.

### ***Affiliated Products/External Products***

GS&Co. makes available a range of investment products, including both Affiliated Products and External Products. There may be, however, certain asset classes for which no External Products are made available. The decision to offer Affiliated Products or External Products is affected by a variety of factors, including, but not limited to, the availability of managers or number of managers GS&Co. considers that offer particular strategies, products' investment objectives and performance track records, products' capacity to accept new clients, investor concentration, product terms (including investment minimums, management fees, and expenses), access to Managers as well as Wealth Advisors or other personnel of Goldman Sachs for discussion with clients, and the specialized nature of the products or strategies.

The universe of products that are made available to Advisory Accounts (including those Advisory Accounts that invest in Multi-Asset Class or Customized Multi-Asset Class Portfolios) is limited for certain reasons, including, for example, (i) because one or more External Products have not been reviewed or approved for investment; (ii) as a result of internal informational barriers that restrict access to certain information regarding Affiliated Products, as described below; or (iii) for administrative, practical or other considerations. As a result, there may be one or more products that could have otherwise been selected or recommended but for such limitations, and such other products may be more appropriate or have superior historical returns than the investment product selected or recommended for the Advisory Account.

In determining which External Products to review for inclusion for Advisory Accounts custodied at GS&Co., Goldman Sachs sources managers and/or investment opportunities in a variety of ways, including, for example, by reviewing databases and inbound inquiries from managers, and/or by leveraging relationships that such managers or other clients already have with other parts of Goldman Sachs' businesses. Such relationships give rise to a conflict of interest, as Goldman Sachs is incentivized to select managers from whom Goldman Sachs receives fees or other benefits, including the opportunity for business development and the additional revenue that results therefrom. In addition, where Goldman Sachs is compensated more by one manager over another it is incentivized to choose the higher paying manager. Different parts of Goldman Sachs source managers and investment opportunities in different ways and based on different considerations. *See Goldman Sachs Acting in Multiple Commercial Capacities* above.

Before making Affiliated Products or External Products available on the GS platform, various teams within Goldman Sachs review such products and, in doing so, consider certain factors, including the operational and reputational risks relating to such products. The focus of certain reviews and the teams conducting such reviews, however, differ depending on whether the product is an Affiliated Product or an External Product. In addition, different teams review or screen such products in different ways. With respect to External Products, certain External Products are reviewed by XIG while other External Products are reviewed by other teams within Goldman Sachs. In this regard, XIG reviews External Products that it sources or that are sourced elsewhere in Goldman Sachs but intended to be offered to or placed with Goldman Sachs Ayco's clients or GSAM covered institutional clients. External Products that are sourced by other groups within Goldman Sachs and that are intended to be placed with clients of the Global Banking and Markets Division would be reviewed by such other sourcing group(s) within Goldman Sachs, but generally not by XIG.

With respect to External Products reviewed by XIG, such products undergo a due diligence review designed to assess the investment merits of each product, which includes a review of the quality of the managers and the likelihood of producing appropriate investment results over the long term. Applicable investment and operational due diligence committees determine which External Products are available for investment.



Although XIG reviews the performance history of External Products, none of Goldman Sachs, XIG, or any third party calculates or audits the information for accuracy, verifies the appropriateness of the methodology on which the performance is calculated or verifies whether the performance complies with Global Investment Performance Standards or any other standard for performance calculation. The methods for calculating performance and forming composites may differ among External Products and performance information may not be calculated on a uniform and consistent basis. Past performance may not be indicative of future results and, as such, prospective clients should not place too much emphasis on External Product performance information. XIG periodically reviews the External Products through interactions with unaffiliated advisers designed to help understand the evolution of their views. XIG uses a different process to evaluate ETFs and certain third-party mutual funds, applying quantitative screens that assess specific factors, including tracking error, total assets, expense ratio, length of track record and other factors (subject to periodic adjustment). XIG will not review the entire universe of External Products that may be otherwise appropriate for Goldman Sachs' platform. In addition, XIG might not consider any External Product for certain asset classes for which an Affiliated Product is available; as a result, there may be no External Products available for certain asset classes available to clients. External Products that were not reviewed or approved by XIG may have been more appropriate for a particular Advisory Account or may have had superior historical returns than the products otherwise made available.

With respect to Affiliated Products the process for including products on an investment platform is conducted in a different way from XIG and is implemented primarily through a product development process by teams within Goldman Sachs, other than XIG. Because such teams are familiar with and subject to the framework of Goldman Sachs' operational infrastructure and internal controls, they are likely, depending on the investment product, to generally focus more on the specifics of the investment product in developing such product. Advisory Personnel, in determining potential investment products for a particular Advisory Account, as further described below, select or recommend an Affiliated Product that they may not have otherwise selected or recommended had the same review process applicable to External Products been utilized for the Affiliated Product.

After investment products have been approved for offering by Goldman Sachs Ayco, Advisory Personnel determine which products to select or recommend to clients. When considering potential investment products for a particular Advisory Account, Advisory Personnel give different weights to different factors depending on the nature of the client and on whether their review is for an Affiliated Product or for an External Product. Such factors include quantitative considerations (such as the investment product's returns and performance consistency over specified time periods) and qualitative considerations (such as the investment product's investment objective and process), which are inherently subjective and include a wide variety of factors. Advisory Personnel generally consider, for example, without limitation: (i) product-related factors, such as track record, index comparisons, risk and return assumptions; (ii) the Advisory Personnel 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 objective, the effect on the client's portfolio diversification objectives, consistency with the client's asset allocation mode and investment program, and the projected timing of implementation; and (iv) other factors, such as capacity constraints and minimum investment requirements. It should be expected that consideration of such factors will not be applied consistently over time or by a particular Advisory Personnel across all Advisory Accounts or across different products and may play a greater role in the review of certain strategies or products while others play no role at all, and the factors are subject to change from time to time. *See also Differing Advice and Competing Interests above.*

Advisory Personnel may consider qualitative and subjective factors to a greater extent than quantitative factors when they review an Affiliated Product from an External Product. In such instances, Affiliated Products and External Products will not be subject to the same review of quantitative and qualitative characteristics. Accordingly, such Advisory Personnel may recommend or select an Affiliated Product over an External Product, and the Affiliated Product that was recommended or selected will 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.

Other factors affect the review of potential investment products by Advisory Personnel. For example, when Advisory Personnel review Affiliated Products, they may be restricted from obtaining information they might otherwise request with respect to such Affiliated Products and their sponsors, managers, or advisers as a result of internal informational barriers. When Advisory 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, Advisory Personnel may select an investment product for the Advisory Account notwithstanding that certain material information is unavailable to the Advisory Personnel, each of which could adversely affect the Advisory Account (e.g., such Affiliated Product could significantly decline in value, resulting in substantial losses to the Advisory Account). For more information, *see Considerations Relating to Information Held by Goldman Sachs* below.

It should be expected that Advisory Personnel will not review the entire universe of External Products that are appropriate for an Advisory Account. 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 Advisory Personnel. Such External Products may outperform the investment product selected for the Advisory Account.

The availability of Affiliated Products versus External Products gives rise to additional conflicts of interest. Generally, Goldman Sachs receives higher fees, compensation and other benefits, when assets of Advisory Accounts are allocated to Affiliated Products rather than External Products. Goldman Sachs Ayco, therefore, is incentivized to allocate Advisory Account assets to Affiliated Products, rather than to External Products. Similarly, Goldman Sachs Ayco is 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. Moreover, Goldman Sachs Ayco has 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 Goldman Sachs Ayco to select or recommend certain Affiliated Products over other Affiliated Products. For information regarding fees and compensation, *see Item 5 - Fees and Compensation*.

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. To the extent that External Products are not subject to the same or similar restrictions or requirements, it should be expected that such External Products will outperform Affiliated Products.

Goldman Sachs (including Goldman Sachs Ayco) provides opportunities to clients (including Advisory Accounts) to make investments in Affiliated Products 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 clients with no existing investment in the Affiliated Product, resulting in the assets of an Advisory Account potentially providing value to, or otherwise supporting the investments of, other Advisory Accounts. Advisory Accounts may also participate in re-leveraging, recapitalization and similar transactions involving Affiliated Products in which other Advisory Accounts have invested or will invest. Conflicts of interest in these recapitalization and other transactions arise between Advisory Accounts with existing investments in an Affiliated Product and Advisory Accounts making subsequent investments in the Affiliated Product, which 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 "Differing Advice and Competing Interests" and "Allocation of Investment Opportunities" above.*

Goldman Sachs can create, write, sell, issue, invest in or act as placement agent or distributor of derivative instruments related to Affiliated Products such as pooled investment vehicles, or with respect to underlying

securities or assets of Affiliated Products, or which are otherwise based on, or seek to replicate or hedge, the performance of Affiliated Products. Such derivative transactions, and any associated hedging activity, may differ from, and be adverse to, the interests of Advisory Accounts. For example, derivative transactions could represent leveraged investments in an investment fund in which Advisory Accounts have an interest, 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, can in fact cause such a redemption. Activities in respect of derivative transactions, and any associated hedging activity, may occur as a result of Goldman Sachs' adjustment in assessment of an investment or an affiliated adviser or unaffiliated adviser based on various considerations, and Goldman Sachs will not be under any obligation to provide notice to Advisory Accounts in respect of any such adjustment in assessment. *See Differing Advice and Competing Interests above. See also Item 8 - Options Risk.*

Subject to applicable law, Goldman Sachs or its clients (including other Advisory Accounts and Goldman Sachs personnel) can invest in or alongside particular Advisory Accounts that are invested in Affiliated Products. These investments may be on terms more favorable than those of an investment by Advisory Accounts in such Affiliated Products and constitute substantial percentages of such Affiliated Products resulting 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, its personnel and its clients can redeem or withdraw interests in these Affiliated Products at any time without notice or regard to the effect on the portfolios of Advisory Accounts invested in the Affiliated Product and adversely affect any such redemption or withdrawal. Substantial requests for redemption or withdrawal by Goldman Sachs in a concentrated period of time could require an Affiliated Product to liquidate certain of its investments more rapidly than otherwise desirable in order to raise cash to fund the redemptions or withdrawals, adversely affecting the Affiliated Product and its investors, including Advisory Accounts. *See Differing Advice and Competing Interests above and Firm Policies, Regulatory Restrictions and Certain Other Factors Affecting Advisory Accounts below.*

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

### ***Investments in and Advice Regarding Different Parts of an Issuer's Capital Structure***

Goldman Sachs or its clients (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 or its clients may take actions that adversely affect the particular Advisory Account. In addition, Goldman Sachs (including Goldman Sachs Ayco) may advise clients with respect to different parts of the capital structure of the same issuer, or classes of securities that are subordinate or senior to securities, in which a particular Advisory Account invests. Goldman Sachs may pursue rights, provide advice or engage in other activities, or refrain from pursuing rights, providing advice or engaging in other activities, on behalf of itself or its clients with respect to an issuer in which a particular Advisory Account has invested, and such actions (or inaction) may have an adverse effect on such Advisory Account. *See Goldman Sachs Acting in Multiple Commercial Capacities above.*

For example, in the event that Goldman Sachs, its personnel 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 difficulties, Goldman Sachs (acting on behalf of itself, its personnel or the Account) may seek a liquidation, reorganization or restructuring of the issuer, or terms in connection with the foregoing, that adversely affect 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 Goldman Sachs Ayco) or an Account recovers 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 Goldman Sachs Ayco), its personnel or other Accounts participate, Goldman Sachs (including Goldman Sachs Ayco) or such other persons or Accounts may seek to exercise their rights under the applicable loan agreement or other document in a manner 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 Goldman Sachs, its personnel or other Accounts, Goldman Sachs may determine not to pursue actions and remedies available to the Advisory Account or particular terms that might be unfavorable to itself or such other persons or Accounts holding the less senior position. In addition, in the event that Goldman Sachs, its personnel or other clients hold voting securities of an issuer in which a particular Advisory Account holds loans, bonds or other credit-related assets or securities, Goldman Sachs or such other 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, its personnel or other Accounts hold credit-related assets or securities, and Goldman Sachs may determine on behalf of the Advisory Accounts not to act in a manner adverse to Goldman Sachs or such other Accounts. Finally, certain of Goldman Sachs' relationships or other business dealings with an issuer, other holders of credit-related assets or securities of such issuer, or other transaction participants cause Goldman Sachs to pursue an action or engage in a transaction that has an adverse effect on the positions held by the Advisory Account.

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

As a result of the various conflicts and related issues described above and the fact that conflicts will not necessarily be resolved in favor of the interests of particular Advisory Accounts, Advisory Accounts could sustain losses during periods in which Goldman Sachs, its personnel, and/or other 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. It should be expected that the negative effects described above will be more pronounced in connection with transactions in, or Advisory Accounts using small capitalization, emerging market, distressed or less liquid strategies.

### ***Valuation***

Goldman Sachs Ayco provides limited valuation services related to certain securities and assets in Advisory Accounts using software created by a third-party vendor. Clients typically request valuations as of a particular date. Goldman Sachs Ayco does not value securities or assets that cannot be valued by such software, such as Alternative Investments, and clients are responsible for the valuation of such securities and assets. It should be expected that the value of an identical asset given by Goldman Sachs Ayco will differ from the value given by another entity, segment or unit within Goldman Sachs, or from another Account or Advisory Account, including because such other entity, segment, or unit has information or uses valuation techniques and models that it does not share with, or that are different than those of Goldman Sachs Ayco, or because different Advisory Accounts are subject to different valuation guidelines pursuant

to their respective governing agreements. Differences in valuation also exist because 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 Goldman Sachs that employ different valuation policies or procedures or otherwise.

This is particularly the case in respect of difficult-to-value assets. Goldman Sachs Ayco faces a conflict with respect to valuations generally because of their effect on Goldman Sachs' fees and other compensation. In addition, to the extent Goldman Sachs Ayco utilizes third-party vendors to perform certain valuation functions, these vendors have interests and incentives that differ from those of the Advisory Accounts.

### ***Voting***

For a discussion of who is responsible for voting securities in Advisory Accounts, please refer to *Item 17 - Voting Client Securities*.

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

Goldman Sachs restricts its investment decisions and activities on behalf of an Advisory Account in various circumstances, including as a result of applicable regulatory requirements, information held by Goldman Sachs, as more fully described below, Goldman Sachs' roles in connection with other clients and in the capital markets (including in connection with advice it gives to such clients or commercial arrangements or transactions that are undertaken by such clients of Goldman Sachs), Goldman Sachs' internal policies and/or potential reputational risk in connection with Accounts (including Advisory Accounts) and/or certain investments or transactions generally. As a result, in certain cases, Goldman Sachs will not engage in transactions or other activities for, or recommend transactions to, an Advisory Account, or will reduce an Advisory Account's position in an investment with limited availability to create availability for an Advisory Account managed in the same strategy, in consideration of Goldman Sachs' activities outside the Advisory Account and regulatory requirements, policies and reputational risk assessments. For example, Goldman Sachs Ayco may restrict or limit the amount of an Advisory Account's investment where exceeding a certain aggregate amount could require a filing or a license or other regulatory or corporate consent, which could, among other things, result in additional costs and disclosure obligations for or impose regulatory restrictions on Goldman Sachs (including Goldman Sachs Ayco) or on other Advisory Accounts, or where exceeding a threshold is prohibited or results 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 arise include, without limitation: (i) a prohibition against owning more than a certain percentage of an issuer's securities; (ii) a "poison pill" that has a dilutive impact on the holdings of the Accounts should a threshold be exceeded; (iii) provisions that cause Goldman Sachs to be considered an "interested stockholder" of an issuer; (iv) provisions that 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 it could have an adverse impact on the ability of Goldman Sachs to conduct business activities. Goldman Sachs 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 so that other Advisory Accounts that pursue similar investment strategies are able to acquire an interest in the investment opportunity. In some cases, Goldman Sachs determines not to engage in certain transactions or activities 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, Goldman Sachs (including Goldman Sachs Ayco) or create the potential risk of trade or other errors. In addition, Goldman Sachs is generally not permitted to obtain or use material nonpublic information in effecting purchases and sales for Advisory Accounts that involve public securities. Restrictions (such as limits on purchase and sale transactions or subscription to or redemption from an underlying fund) may be imposed on particular Advisory Accounts and not on other Accounts (including other Advisory Accounts). 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, Goldman Sachs (including Goldman Sachs Ayco, GS&Co., and GSAM or certain of their 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 company in which Goldman Sachs invests on behalf of Advisory Accounts may have duties to such company in his or her capacity as a director that conflict with Goldman Sachs's duties to Advisory Accounts, and may act in a manner that disadvantages or otherwise harms Advisory Accounts and/or benefit the portfolio company and/or Goldman Sachs.

Different areas of Goldman Sachs come into possession of material non-public information regarding an issuer of securities held by an investment fund in which an Advisory Account invests. In the absence of information barriers between such different areas of Goldman Sachs or under certain other circumstances, the Advisory Account will be prohibited, including by internal policies, from redeeming from such security or investment 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 would not be permitted to redeem from an investment 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 investment fund that are not subject to such restrictions may be able to redeem from the investment fund during such periods.

In addition, clients may partially or fully fund a new Advisory Account with in-kind securities in which Goldman Sachs Ayco is restricted. In such circumstances, Goldman Sachs Ayco will generally 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)) requiring such Advisory Accounts to dispose of investments at an earlier date and/or at a less favorable price than would otherwise have been the case had Goldman Sachs Ayco not been so restricted. Advisory Accounts will be responsible for all tax liabilities that result from any such sale transactions.

Goldman Sachs 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 to which an Advisory Account is subject). Such economic and trade sanctions can prohibit, among other things, transactions with and the provision of services to, directly or indirectly, certain countries, territories, entities and individuals. It should be expected that these economic and trade sanctions, if applicable, and the application by Goldman Sachs of its compliance program in respect thereof, will restrict or limit an Advisory Account's investment activities.

In order to engage in certain transactions on behalf of Advisory Accounts, Goldman Sachs will be subject to (or cause Advisory Accounts to become subject to) the rules, terms and/or conditions of any venues through which it trades securities, derivatives or other instruments. This includes, but is not limited to, where Goldman Sachs Ayco and/or the Advisory Accounts are required to comply with the rules of certain exchanges, execution platforms, trading facilities, clearinghouses and other venues, or are required to consent to the jurisdiction of any such venues. The rules, terms and/or conditions of any such venue often result in Goldman Sachs Ayco and/or the Advisory Accounts being subject to, among other things, margin requirements, additional fees and other charges, disciplinary procedures, reporting and recordkeeping, position limits and other restrictions on trading, settlement risks and other related conditions on trading set out by such venues. From time to time, an Advisory Account, Goldman Sachs Ayco or its affiliates and/or its service providers or agents will be required, or will 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, Goldman Sachs Ayco, advisers or underlying funds or the Advisory Account. Goldman Sachs Ayco will comply with requests to disclose such information as it so determines, including through electronic delivery platforms. Goldman

Sachs Ayco is also able to cause the sale of certain assets for the Advisory Account at a time that is inopportune from a pricing or other standpoint. In addition, Goldman Sachs 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 Goldman Sachs will generally receive compensation from such third parties for providing them such information.

Goldman Sachs Ayco can determine to limit or not engage at all in transactions and activities on behalf of Advisory Accounts for reputational or other reasons. Examples of such instances include, but are not limited to: (i) where Goldman Sachs is providing (or may provide) advice or services to an entity involved in such activity or transaction; (ii) where Goldman Sachs, its personnel, 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; (iii) where Goldman Sachs, its personnel, or an Account has an interest in an entity involved in such activity or transaction; (iv) where there are political, public relations, or other reputational considerations relating to counterparties or other participants in such activity or transaction; or (v) where such activity or transaction on behalf of or in respect of the Advisory Account could affect in tangible or intangible ways Goldman Sachs, its personnel, or an Account or their activities. Please also refer to *Goldman Sachs May Act in Multiple Commercial Capacities*.

### ***Considerations Relating to Information Held by Goldman Sachs***

Goldman Sachs has established certain information barriers and other policies designed to address the sharing of information between different businesses within Goldman Sachs and within Goldman Sachs Ayco. As a result, Goldman Sachs Ayco generally does not have access, or has limited access, to 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, will from time to time 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 will be adverse to Advisory Accounts and Goldman Sachs will not have any obligation to share information with Goldman Sachs Ayco. Information barriers also exist between businesses within Goldman Sachs Ayco. In addition, regardless of the existence of information barriers, Goldman Sachs will not have any obligation to make available any information regarding its trading activities, strategies or views, or the activities, strategies or views used for other accounts for the benefit of advisory clients or Advisory Accounts. From time to time different areas of Goldman Sachs Ayco and Goldman Sachs will take views, and make decisions or recommendations, that are different than other areas of Goldman Sachs Ayco and Goldman Sachs. To the extent that Advisory Personnel have access to fundamental analysis or other information developed by Goldman Sachs and its personnel, Advisory Personnel will not be under any obligation or other duty to effect transactions on behalf of the Advisory Accounts in accordance with such analysis. In the event Goldman Sachs 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 had provided such information and are disadvantageous to the Advisory Account. Different Advisory Personnel make decisions based on information or take (or refrain from taking) actions with respect to Advisory Accounts they advise in a manner that differs from or is adverse to other Advisory Accounts. Such teams may not share information with other portfolio management teams within Goldman Sachs Ayco (or other areas of Goldman Sachs), including as a result of certain information barriers and other policies, and will not have any obligation to do so. See *Differing Advice and Competing Interests* above.

Goldman Sachs operates a business known as Prime Services (“Prime Services”), which provides prime brokerage, administrative and other services to clients that from time to time involve investment funds in which Advisory Accounts have an interest or markets and securities in which Advisory Accounts invest. Per Prime Services 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 Goldman Sachs Ayco. In addition, Goldman Sachs from time to time acts as a prime broker to one or more investment funds in which Advisory Accounts have an interest, in which case Goldman Sachs

will have information concerning the investments and transactions of such investment fund that is not available to Goldman Sachs Ayco. As a result of these and other activities, parts of Goldman Sachs will possess information regarding markets, investments, affiliated advisers, unaffiliated advisers, and investment funds, which, if known to Goldman Sachs Ayco, might cause Goldman Sachs Ayco to seek to: (i) dispose of, retain, or increase interests in investments held by Advisory Accounts; (ii) acquire certain positions on behalf of Advisory Accounts; or (iii) take other actions. Goldman Sachs will be under no obligation or fiduciary or other duty to make any such information available to Goldman Sachs Ayco or Wealth Advisors involved in decision-making for Advisory Accounts.

### ***Financial Incentives in Selling Insurance Products***

Goldman Sachs Ayco's affiliated broker-dealer, Mercer Allied, and Goldman Sachs Ayco's affiliated insurance agencies, ASA and ASIA receive insurance commissions from insurers for the distribution of fixed and variable insurance policies and annuities, which inure to the benefit of Goldman Sachs Ayco. The receipt of remuneration by Goldman Sachs Ayco's affiliates creates a conflict of interest between the fiduciary duty Goldman Sachs Ayco owes to clients in offering investment advice, including any recommendation to implement insurance strategies, and the interests of Goldman Sachs Ayco and its affiliates, namely the benefits that Goldman Sachs Ayco's affiliates will receive on the policy and/or annuity distribution. Additionally, Wealth Advisors licensed as insurance agents receive compensation for referring clients to Mercer Allied or ASA. Such compensation will vary depending on the insurance company and product purchased.

Different compensation arrangements are in place for ASA, ASIA AND Mercer Allied, and their affiliates and individual Wealth Advisors for the same or similar insurance products depending on the relationship between the insurance company and agency that distributed the insurance product, and the affiliate and the Wealth Advisors. If Wealth Advisors can refer a client to ASA, Mercer Allied or to any third party for the purchase of an insurance product, these different compensation arrangements create a conflict of interest.

### ***Financial Incentives in Referring Marketplace Products***

Goldman Sachs Ayco offers Marketplace to certain clients. Goldman Sachs holds ownership interests in and/or has other relationships with certain service providers included in Marketplace, which creates conflicts of interest. It should be expected that Goldman Sachs will receive compensation relating to products and services made available on Marketplace from certain service providers. Wealth Advisors are not compensated for Marketplace referrals. Goldman Sachs' receipt of compensation described above creates a conflict of interest. As compensation varies by service provider, Goldman Sachs is incented to include certain service providers relative to others. Corporate clients of Goldman Sachs may hold ownership interests in and/or have other relationships with one or more service providers included in Marketplace and may request that certain service providers be made available or not be made available to their respective employees. Certain service providers may make available discounts and/or other incentives in connection with their products or services, and such discounts and/or other incentives may only be made available to employees, members or participants of certain corporate clients. Goldman Sachs has no involvement in and is not responsible for, and has no liability for, any such relationships or any such decisions. The Marketplace platform itself is non-advisory in nature. Goldman Sachs may determine to terminate relationships with third party service providers and only make affiliated products and services available on the Marketplace, or include third party service providers solely at the request of Corporate Partners in the future. Limiting service providers to affiliated service providers creates a conflict of interest due to the benefits Goldman Sachs receives from providing such affiliate services.

## **ITEM 12 – BROKERAGE PRACTICES**

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### ***Broker-Dealer Selection and Directed Brokerage***

Investment Management services provided by Goldman Sachs Ayco custodied with GS&Co. or Fidelity are generally available only to clients that have directed Goldman Sachs Ayco to execute transactions for their Advisory Accounts through GS&Co. or Fidelity, respectively. As a result, substantially all transactions for



Advisory Accounts are executed by GS&Co. or Fidelity, as applicable. These transactions are effected by GS&Co., as agent or principal, or Fidelity. The Execution Charges charged by the different custodians may differ and result in lower prices on one custodian platform versus the other.

By directing Goldman Sachs Ayco to execute transactions for their Advisory Accounts through GS&Co. or Fidelity, Goldman Sachs Ayco will not always be able to achieve the most favorable execution for client transactions, resulting in clients paying higher transaction costs or receive less favorable pricing. Clients should understand that not all advisers require their clients to direct brokerage to a particular broker-dealer.

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

When Fidelity acts as custodian for Advisory Accounts, Fidelity provides Goldman Sachs Ayco with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services include software and other technology that: (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitates trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provides research, pricing and other market data; (iv) facilitates payment of fees from its clients' accounts; and (v) assists with back-office functions, recordkeeping and client reporting. Fidelity provides Goldman Sachs Ayco with a discount on Goldman Sachs Ayco's cost to use a digital financial planning program owned by an affiliate of Fidelity.

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

Fidelity generally does not charge Goldman Sachs Ayco separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts.

Certain clients that transitioned from GS PFM may have the ability to direct execution to a particular broker-dealer (subject to the right to decline and/or terminate the engagement) for some or all transactions for the client's accounts. When such client does not direct the execution, Goldman Sachs Ayco will typically execute through the custodian.

Where, Goldman Sachs Ayco manages an Advisory Account that transitioned from GS PFM with Fidelity as custodian, execution and related services are generally handled in accordance with the terms of the legacy arrangements with Fidelity for such Advisory Account Executions for certain accounts that transitioned from GS PFM are handled through a registered investment adviser that provides a third-party technology platform.

### ***Research and Other Soft Dollar Benefits***

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

### ***Aggregation of Trades***

Goldman Sachs Ayco seeks to execute orders for Advisory Accounts fairly and equitably over time. Goldman Sachs Ayco follows policies and procedures pursuant to which it is able (but not required) to combine or aggregate purchase or sale orders for the same security for multiple clients (sometimes called “bunching” or “aggregating,” as appropriate), so that the orders can be executed at the same time. Goldman Sachs Ayco may also determine whether to permit the executing broker (whether GS&Co., Fidelity or other unaffiliated broker) to trade along with client orders, subject to applicable law. The particular procedures followed by Goldman Sachs Ayco may differ depending on the particular strategy or type of investment.

Goldman Sachs Ayco and its advisory affiliates as a general matter do not bunch or aggregate orders for different accounts, or net buy and sell orders for the same account, if portfolio management decisions relating to the orders are made by separate Wealth Advisors or portfolio management teams, or if bunching, aggregating or netting are not appropriate or practicable from Goldman Sachs Ayco’s operational or other perspective. Goldman Sachs Ayco 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. Goldman Sachs Ayco is under no obligation or other duty to aggregate or net for particular orders. Where transactions for a client’s account are not aggregated with orders for other accounts or netted against orders for its own account, the client may not benefit from a better price or lower execution charge or transaction cost. 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.

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

### ***Errors***

Goldman Sachs Ayco has policies and procedures to help it assess and determine when reimbursement is due to a client because Goldman Sachs Ayco has committed an error that has caused economic loss to a client.

## **ITEM 13 – REVIEW OF ACCOUNTS**

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### ***Financial Plan Reviews***

As agreed to between the client and Goldman Sachs Ayco, Wealth Advisors periodically review each of their individual client’s allocations of assets among various asset groups held by GS&Co. or third-party custodian, to the extent such assets are known to the Wealth Advisor. Such reviews include, but are not limited to, performance, client objectives, inactivity, high concentrations in individual securities, or changes in the client’s account information or financial situation. Wealth Advisors may also use historical market data provided by clients’ custodians to periodically prepare client asset allocations with respect to risk and return. Such reviews may result in rebalancing a client’s Advisory Accounts managed and/or monitored by the Wealth Advisor in order to meet the clients’ current investment objective, risk tolerance, and financial goals.

### ***Client Account Reviews***

Goldman Sachs Ayco provides ongoing monitoring of the Advisory Accounts for, among other things, allocations that are outside a client's investment guidelines. Additionally, Goldman Sachs Ayco periodically communicates with clients to ascertain whether there have been any changes in the client's financial circumstances or objectives that warrant a change in the management of the client's assets. Goldman Sachs Ayco supervisory personnel, in consultation with the client's designated Wealth Advisors, conduct periodic reviews of certain Advisory Accounts that are either randomly selected or identified as meeting certain criteria warranting additional review.

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

### ***Custodial Statements***

Each client with an Advisory Account receives an account statement from the custodian on at least a quarterly basis. The statement provides detailed information including transactions, fee debits, and other activity during the period, securities positions and money market fund positions, and their end-of-period fair market values. Year-end summaries of realized gains and losses (IRS Schedule D information), and dividends and interest received (IRS 1099-INT and 1099-DIV) are generated and mailed by the custodian to all clients with taxable accounts.

### ***Rebalancing***

For Advisory Accounts that transitioned from GS PFM and certain related accounts, leveraging a third-party technology platform, Goldman Sachs Ayco will rebalance discretionary Investment Management Account holdings in accordance with the client's selected parameters or the allocation model applicable to the account. It should be expected that rebalancing transactions will generate taxable transactions.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

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### ***Continuing Education & Product Training***

From time-to-time, Goldman Sachs Ayco organizes educational and training meetings for its supervised persons. Certain product providers, unaffiliated advisers, and vendors are permitted to make presentations to Goldman Sachs Ayco's supervised persons. The presentations may or may not provide continuing education credits, such as for insurance licensing. These providers may contribute to the cost of putting on these sessions at hotels or other meeting facilities. These products and services, how they benefit us, and the related conflicts of interest are described above in *Item 12 - Brokerage Practices* above. The availability of these products and services is not based on Goldman Sachs Ayco providing particular investment advice.

### ***Client Referrals***

Where personnel of Goldman Sachs Ayco refer clients to affiliated advisers, including GSAM, GSAMI, GS&Co., Rocaton, and to affiliated insurance agencies, ASA, ASIA, and to affiliated broker dealers, Mercer Allied and GS&Co., in connection with certain services Goldman Sachs Ayco receives referral fees subject to applicable law and compensate its eligible employees for such referrals.

From time to time, Goldman Sachs Ayco also makes cash or non-cash payments to third parties for testimonials, endorsements, or client referrals consistent with applicable laws, including the SEC Marketing Rule (Rules 206(4)-1 and 204-2 of the Advisers Act) ("Marketing Rule"). In the case of client referrals, the compensation arrangements with the third party generally can be either a flat fee calculated and paid on a periodic basis or a fee based on a percentage of the advisory fees received by Goldman Sachs Ayco for

the referred client accounts. For Goldman Sachs Ayco, the compensation arrangement can also be a percentage of the fees that a Corporate Partner pays to Goldman Sachs Ayco. For testimonials, endorsements, and referrals that Goldman Sachs Ayco receives from third parties, an agreement is generally executed where required by the Marketing Rule governing the compensation arrangement and required disclosures are provided to referred clients at the time of solicitation or referral in accordance with the Marketing Rule.

Goldman Sachs Ayco has relationships with one or more advertisers, including operators of websites matching consumers with providers of various financial products and services, pursuant to which Goldman Sachs Ayco compensates such advertiser for the advertising services provided.

Goldman Sachs Ayco's Financial Planning fee may be paid, in whole or in part, by third parties, including the client's employer. From time to time, Goldman Sachs Ayco compensates employees of Goldman Sachs Ayco and its affiliates for client referrals consistent with applicable laws. Additionally, Goldman Sachs Ayco and its affiliates, including GS&Co., refer clients to each other when such entity's services appear appropriate and will generally receive or pay, as the case may be, a percentage of fee revenue as compensation.

In the future, Goldman Sachs Ayco expects to make client referrals to third party investment advisers and will receive a fee for that service. Such third parties have other relationships with Goldman Sachs including for investment management and custodial services. Goldman Sachs will receive compensation and other benefits for these services in addition to the referral fee in connection with such client referrals.

### ***Fidelity Wealth Advisor Solutions® Referrals***

Certain client accounts that transitioned to Goldman Sachs Ayco from GS PFM and certain Goldman Sachs Ayco accounts were part of Fidelity's institutional adviser referral program (the Fidelity Wealth Advisor Solutions® ("WAS") Program). The program helps investors find an investment adviser. Fidelity is a broker-dealer and is not affiliated with Goldman Sachs Ayco. In connection with this program, Goldman Sachs Ayco pays Fidelity for referrals made for such client accounts and in connection with certain related accounts that are opened with Goldman Sachs Ayco. Goldman Sachs Ayco does not take any new referrals from Fidelity under the WAS Program.

## **ITEM 15 – CUSTODY**

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Advisory Clients generally custody their funds and securities in their Advisory Accounts with GS&Co. or Fidelity. Goldman Sachs Ayco is an affiliate of GS&Co. and is not affiliated with Fidelity.. However, under the Advisers Act, Goldman Sachs Ayco or its affiliates are "deemed" to have custody of client assets under certain circumstances, including where Goldman Sachs Ayco has a limited power of attorney for Advisory Accounts custodied at third-party custodians and in the case of Private Family Office clients, in connection with the receipt and redirection of client checks and provision of bill pay services, formerly "personal accounting" services, which are ancillary non-investment advisory services.

In certain limited situations, Wealth Advisors may serve as the trustee for an account under Goldman Sachs Ayco's supervision that is not an account for the Wealth Advisor's family member. In these limited circumstances, Goldman Sachs Ayco can be deemed to have custody even though Goldman Sachs Ayco will not allow its Wealth Advisors to hold, directly or indirectly, the Trustee-client's funds or securities, nor will Goldman Sachs Ayco permit the Wealth Advisor to obtain possession of the Trustee-client's funds or securities in connection with advisory services that Goldman Sachs Ayco provides to such Trustee-clients.

Investment Management clients who custody funds and securities with GS&Co. and Fidelity, will receive periodic account statements from their applicable custodian. Clients who custody funds and securities away from GS&Co. receive account statements directly from their qualified custodian, and may also receive periodic account statements and performance reports from Goldman Sachs Ayco or its affiliates. Clients

should understand that the statements received from the custodian of their funds or securities are the official records for their Advisory Accounts.

Clients will receive account statements at least quarterly from their broker-dealer, bank, or other qualified custodian that holds and maintains clients' investment assets. It is important in all cases for clients to carefully review their custodial statements to verify the accuracy of the calculation, as well as their holdings and activity. Goldman Sachs Ayco urges its clients to carefully review such statements for accuracy. Clients should contact Goldman Sachs Ayco directly if they believe that there may be an error in their statement, or have any questions about any of the transactions, activity, holdings, or fees deducted.

## **ITEM 16 – INVESTMENT DISCRETION**

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Goldman Sachs Ayco accepts discretionary investment authority to manage certain Advisory Accounts on a client's behalf and at the client's risk. Clients who choose to grant Goldman Sachs Ayco discretion are required to sign an Investment Management agreement and complete account opening documentation appointing and authorizing Goldman Sachs Ayco to supervise and direct the investment of assets in the Advisory Account. Goldman Sachs Ayco's discretionary authority is limited by the terms of its Investment Management agreement and any written investment guidelines, including reasonable restrictions agreed to in writing between Goldman Sachs Ayco and each client. Goldman Sachs Ayco does not accept discretion over client's investment accounts and assets as part of its Financial Planning services and generally does not exercise discretion over Alternative Investments or in the allocation of insurance premiums.

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

## **ITEM 17 – VOTING CLIENT SECURITIES**

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Financial Planning does not include proxy voting services.

### ***Fidelity Custody***

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

There are a limited number of Advisory Accounts for which Fidelity is custodian for which Goldman Sachs Ayco accepts voting authority, however clients authorize Goldman Sachs Ayco to delegate such authority to subadvisors or a proxy voting service, (the "Proxy Service") as the case may be. In these circumstances it is Goldman Sachs Ayco's practice to delegate the voting of such proxies as described below. Goldman Sachs Ayco has retained an unaffiliated Proxy Service to assist in the implementation and administration of certain proxy voting-related functions for the Advisory Accounts for which Goldman Sachs Ayco has voting authority. The Proxy Service generally will follow customized proxy voting guidelines developed by a Goldman Sachs Ayco affiliate and adopted by Goldman Sachs Ayco (the "Ayco Guidelines") when voting proxies for public equity investments on behalf of these Advisory Accounts. The Ayco 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 Service

also provides support for operational, recordkeeping and reporting services. Goldman Sachs Ayco may hire other service providers to replace or supplement the Proxy Service with respect to any of the services Goldman Sachs Ayco currently receives from the Proxy Service. With respect to investment company (including mutual funds and ETFs) proxies for these accounts, Goldman Sachs Ayco has appointed the Proxy Service to vote proxies in accordance with the Proxy Service voting guidelines.

### ***GS&Co. Custody***

With the exception of accounts managed by Goldman Sachs Ayco for the GSPF, Goldman Sachs Ayco does not accept authority for voting proxies relating to any Advisory Accounts with GS&Co. custody. Under the advisory agreement between Goldman Sachs Ayco and clients with GS&Co. custody, clients agree to either (i) retain the right to vote such proxies and receive all annual reports and proxy materials relating to such shares; or (ii) appoint the Proxy Service as their proxy voting agent to vote proxies for public equity investments held in Advisory Accounts with GS&Co. custody pursuant to the proxy voting guidelines developed by a GS&Co. affiliate (the “Goldman Sachs Guidelines”) and to vote investment company proxies in accordance with the Proxy Service voting guidelines, or separately arrange for the Proxy Service to vote proxies pursuant to other guidelines. The Goldman Sachs Guidelines and the Goldman Sachs Ayco Guidelines are in general substantively the same. By making the Goldman Sachs Guidelines available as a reference, Goldman Sachs Ayco does not act as investment adviser or fiduciary to these clients for proxy voting matters. For the GSPF accounts where Goldman Sachs Ayco accepts proxy voting authority, Goldman Sachs Ayco delegates such authority to the Proxy Service consistent with the practice described above under the heading “Fidelity Custody.”

### ***Proxy Voting Policies – General***

The Ayco Guidelines are designed to prevent conflicts of interest from influencing proxy voting decisions and to help ensure that such decisions are made in accordance with Goldman Sachs Ayco’s fiduciary obligations to its clients because they are pre-established guidelines that are not designed to further Goldman Sachs Ayco’s economic interests. Notwithstanding such controls, it is possible that proxy voting decisions made by Goldman Sachs Ayco for securities held by a particular Advisory Account benefit the interests of Goldman Sachs Ayco and/or accounts other than the Advisory Account, provided that Goldman Sachs Ayco believes such voting decisions to be in accordance with its fiduciary obligations. It is also possible that implementation of the Ayco Guidelines proves detrimental to the interests of certain advisory clients, particularly those clients who have engaged Goldman Sachs Ayco for Financial Planning services and also have existing Advisory Accounts.

Clients can obtain information regarding how securities were voted for a particular Advisory Account by calling their Goldman Sachs Ayco representative. Goldman Sachs Ayco’s Proxy Voting Policy and the Ayco Guidelines are available upon request.

If GS&Co. is custodian, it forwards proxy materials directly to clients or the Proxy Service, if applicable, and forwards notices for class actions and other legal proceedings directly to clients or their appointed agent. Goldman Sachs Ayco recommends that clients promptly review these materials, as they identify important deadlines and may require action on the client’s part. Goldman Sachs Ayco and GS&Co. are not required to notify unaffiliated custodians or clients who use unaffiliated custodians of proxy notices, shareholder class action lawsuits, or similar matters related to securities held in their Advisory Accounts. Unless otherwise agreed to in writing, Goldman Sachs Ayco does not render any advice or take any action with respect to securities or other property currently or formerly held in Advisory Accounts or the issuers thereof that become the subject of any legal proceedings, including bankruptcies and shareholder class action lawsuits. With respect to shareholder class action litigation and similar matters, Advisory Account clients are encouraged to contact their custodians and ensure that they receive notices and are aware of the participation and filing requirements related to class action and similar proceedings. With the exception of Goldman Sachs Ayco’s limited proxy voting activities described above, Goldman Sachs Ayco generally does not render any advice or take any action with respect to corporate actions relating to securities held in Advisory Accounts, including the right to participate in or consent to any distribution, plan or reorganization, creditors committee, merger, combination, consolidation, liquidation, underwriting or similar

plan, although affiliates may do so with client consent in connection with strategies managed by such affiliates. Notwithstanding the foregoing, certain Affiliated Managers may render such advice or take such action, unless restricted by applicable law or for regulatory reasons, in which case eligible clients will be requested to direct Goldman Sachs Ayco.

#### **ITEM 18 – FINANCIAL INFORMATION**

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Goldman Sachs Ayco has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

A balance sheet for Goldman Sachs Ayco's fiscal year ending on December 31, 2023 is attached.

## Glossary

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

**“Accounts”** means Goldman Sachs’ own accounts, the accounts of its personnel, or other client accounts, relationships and products, including Advisory Accounts.

**“ACF”** means The Ayco Charitable Foundation.

**“ADR”** means American Depositary Receipts.

**“ADS”** means American Depositary Shares.

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

**“Advisory Accounts”** means client accounts for which Goldman Sachs Ayco serve as registered investment advisers.

**“Advisory Personnel”** means Wealth Advisors and Ayco PMG.

**“Affiliated Managers”** means Managers affiliated with Goldman Sachs.

**“Affiliated Products”** means securities issued by Goldman Sachs or its affiliates, including structured products, Separately Managed Accounts and pooled vehicles managed by Goldman Sachs.

**“Agency Trading Option”** means the mode of agency execution by Goldman Sachs of certain fixed income trades for certain strategies on an agency basis.

**“Alternative Investments”** means alternative investment products available through Goldman Sachs Ayco or an affiliate, including hedge funds, private equity funds, venture capital funds, private credit funds, private real estate funds and other private investments.

**“APS”** means Alternatives Portfolio Services, which is an Alternative Investment fund strategy managed within GS&Co.

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

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

**“ATAS”** means Ayco Trust Advisory Service.

**“Ayco Guidelines”** means the customized proxy voting guidelines developed by an affiliate that Goldman Sachs Ayco has adopted and provided to the Proxy Service for use where Goldman Sachs Ayco has voting authority.

**“Ayco PMG”** means the Ayco Portfolio Management Group, a team of portfolio management personnel who manage various investment strategies and accounts.

**“Ayco Private Access Account Strategies Program”** means a wrap fee program on the Fidelity Platform sponsored by Goldman Sachs Ayco, also referred to as the Private Access Account Strategies program.

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



**“Brochure”** means the Financial Planning and Investment Management Services Brochure for Goldman Sachs Ayco.

**“CCPA”** means the California Consumer Privacy Act.

**“Centrally Managed Strategies”** means strategies developed, implemented, and managed by Affiliated or Unaffiliated Managers.

**“CFTC”** means the Commodity Futures Trading Commission.

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

**“Co-Investment Opportunities”** means opportunities to invest alongside certain funds or other Advisory Accounts with respect to one or more investments.

**“Community-Based Partner”** means a community-based or charitable organization which Goldman Sachs Ayco provides advisory services to.

**“Corporate Partner”** means an employer, or affinity or membership association or organization with a corporate/employer or membership organization-sponsored program for which Goldman Sachs Ayco provides advisory services to employees, members or participants.

**“CPI”** means the Consumer Price Index.

**“CPP”** means Comprehensive Pricing Program, which is a comprehensive fee model offered by Goldman Sachs Ayco.

**“DMS”** means the Discretionary Manager Selection Program.

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

**“ETFs”** means exchange traded funds.

**“Execution Charges”** means charges for executing transactions, including but not limited to commissions, commission equivalents, mark-ups, mark-downs or spreads.

**“External Products”** means separate accounts or mutual funds managed, sponsored, advised or issued by investment managers or organizations not affiliated with Goldman Sachs.

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

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

**“Financial Planning”** means the financial planning services provided by Goldman Sachs Ayco.

**“Fixed Products”** means fixed life insurance products and annuity contracts.

**“Funds”** means investment companies or pooled vehicles, including ETFs managed or advised by Goldman Sachs Ayco and its affiliates, in their capacities as advisers or sub-advisers.

**“Fund Strategies”** means GS&Co.’s Advisory Mutual Fund Strategies program.

**“FRBNY”** means Federal Reserve Bank of New York.

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

**“GOAS Account”** means an actively managed option strategy involving listed and/or OTC call and/or put options, including collars and put spread collars managed by GS&Co.

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

**“Goldman Sachs Ayco”** means The Ayco Company, L.P.

**“Goldman Sachs Guidelines”** means customized proxy voting guidelines developed by an affiliate, which Goldman Sachs has provided to the Proxy Service for use when appointed by clients as their voting proxy.

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

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

**“GSAM ETFs”** means ETFs for which GSAM or its affiliates act as investment adviser.

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

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

**“GS Group”** means The Goldman Sachs Group, Inc., a publicly traded bank holding company and financial holding company under the Bank Holding Company Act of 1956, as amended, and a worldwide full-service financial services organization.

**“GS PFM”** means United Capital Financial Advisers, LLC d/b/a Goldman Sachs Personal Financial Management, and refers to GS PFM business conducted prior to the change in control.

**“GS PFM Separation”** means the change of control and acquisition of United Capital Financial Advisers LLC, d/b/a Goldman Sachs Personal Financial Management (“GS PFM”) by Creative Planning, LLC (“CP”), an unaffiliated third party.

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

**“GSPF”** means Goldman Sachs Philanthropy Fund.

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

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

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

**“IBORs”** means Interbank Offered Rates.

**“ICS”** means Institutional Client Solutions.

**“IDA”** means individually directed brokerage account.

**“Index”** means stock market and other indices developed or co-developed by Goldman Sachs and a third party.

**“Investment Management”** means the investment management services provided by Goldman Sachs Ayco.

**“IPOs”** means initial public offerings.

**“IRA”** means individual retirement account.

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

**“ISG”** means Goldman Sachs Private Wealth Management Investment Strategy Group.

**“LIBOR”** means the London Interbank Offered Rate.

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

**“Managed Strategy”** means Separately Managed Accounts and/or Centrally Managed Strategies, excluding any mutual funds or ETFs.

**“Managed Strategy Fees”** means fees that compensate the Managers of each Managed Strategy in the client’s account.

**“Managers”** means Affiliated or Unaffiliated Managers who manage client assets under one or more investment strategies.

**“Market Centers”** means national securities exchanges, electronic communication networks, alternative trading systems and other similar execution or trading systems or venues.

**“Marketing Rule”** means SEC Marketing Rule (Rules 206(4)-1 and 204-2 of the Advisers Act).

**“Marketplace”** means the non-advisory service offering through which an integrated marketplace of affiliated and unaffiliated digital products and services or service providers is made available to certain clients of Goldman Sachs Ayco, including to employees, members or participants of Corporate Partners.

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

**“MLPs”** means master limited partnerships.

**“Model Portfolio Accounts”** means accounts managed by Model Portfolio Advisers.

**“Model Portfolio Advisers”** means affiliated and unaffiliated investment advisers who use model portfolios provided by Goldman Sachs Ayco.

**“NAV”** means net asset value.

**“OTC”** means over-the-counter.

**“PPM”** means private placement memorandum.

**“Prime Services”** means the Goldman Sachs business that provides prime brokerage, administrative and other services.

**“Primary Vehicles”** means one or more funds or other Advisory Accounts intended to be focused on by GSAM, or receive priority with respect to, a particular strategy or type of investment.

**“Proxy Service”** means the proxy voting service Goldman Sachs Ayco retains to assist with the implementation and administration of certain proxy voting-related functions for the Advisory Accounts for which Goldman Sachs Ayco has voting authority or that Goldman Sachs Ayco clients may appoint as their proxy voting agent where Goldman Sachs Ayco does not have voting authority.

**“PWAs”** means GS&Co. Private Wealth Advisors.

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

**“Related Parties”** means individuals with a familial relation to a client, typically the client’s spouse, partner, and/or dependents, who may participate in the client’s Financial Planning, but with whom Goldman Sachs Ayco maintains no contractual or investment advisory relationship and, accordingly, undertakes no corresponding fiduciary duty.

**“Retirement Accounts”** means IRAs under IRC Section 408 or 408A, tax-qualified retirement plans (including Keogh plans) under IRC Section 401A, pension plans and other employee pension benefit plans subject to ERISA.

**“Retirement Regulations”** means ERISA, together with the IRC.

**“Rocaton”** means Rocaton Investment Advisors, LLC.

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

**“Securities-Based Loans”** means loans obtained through certain affiliated and unaffiliated lenders for which clients are able to pledge account assets as collateral.

**“Separately Managed Accounts”** means portfolios of individual securities managed on the client’s behalf by an asset management firm such as GSAM.

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

**“Third-Party Funds”** means mutual funds and ETFs that are managed, sponsored or advised by investment managers that are not affiliated with Goldman Sachs Ayco or their affiliates.

**“Third-Party Professionals”** means unaffiliated third-party professionals.

**“Trustee-clients”** means accounts for which certain Wealth Advisors separately serve as trustees.

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

**“United Capital”** means United Capital Financial Advisers, LLC d/b/a Goldman Sachs Personal Financial Management, and refers to GS PFM business conducted following the change of control.

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

**“Variable Subaccounts”** means separate accounts underlying Variable Products.

**“Volcker Rule”** means the Volcker Rule contained within the Dodd-Frank Act.

**“WAS”** means Fidelity Wealth Advisor Solutions® program.

**“Wealth Advisors”** means Goldman Sachs Ayco’s advisory personnel who provide advisory services directly to clients.

**“XIG”** means GSAM’s External Investing Group.

## Appendix A

### **Strategy Based Advisory Fees & Custodian Availability**

**These fees are subject to change and negotiation. See *Item 5, Fees and Compensation*.**

Strategy	Annual Fee	Account Minimum	Custodian Availability	
			Fidelity	GS
Ayco Portfolio Solution® – Traditional <sup>4</sup>	0.850%	More than \$50,000 of assets	✓	–
Ayco Portfolio Solution® – Alternative	1.000%	More than \$50,000 of assets	✓	–
Ayco Portfolio Solution® – Income Opportunity	0.600%	More than \$50,000 of assets	✓	–
Ayco Portfolio Solution® – Foreign Opportunity	0.850%	More than \$50,000 of assets	✓	–
Core Satellite <sup>4</sup>	0.850%	More than \$50,000 of assets	✓	–
Core Complement – Moderate	0.850% <sup>1</sup>	More than \$500,000 of assets <sup>3</sup>	–	✓
Core Complement – Growth	0.850% <sup>1</sup>	More than \$750,000 of assets <sup>3</sup>	–	✓
Core Complement – Conservative	0.800% <sup>1</sup>	More than \$750,000 of assets <sup>3</sup>	–	✓
Core Complement – Equity	1.100%	More than \$250,000 of assets	✓	✓
GS Managed Investments – Active Managed	0.850%	More than \$25,000 of assets	✓	–
Managed ETF Strategies	0.600% <sup>1,2</sup>	More than \$25,000 of assets <sup>5</sup>	✓	✓

<sup>1</sup> Core Complement and Strategic Allocation fees also apply to fixed income sub-accounts managed by GSAM

<sup>2</sup> This fee may be lower in instances of Corporate Sponsored or negotiated rates

<sup>3</sup> Core Complement Strategies holding individual corporate fixed income securities are subject to higher account minimum requirements

<sup>4</sup> Strategy closed to new investors as of January 2023

<sup>5</sup> The minimum requirements vary for the Managed ETF Strategies and, as explained earlier, may be negotiated and altogether waived at Goldman Sachs Ayco's sole discretion

Ayco: Institutional Advisory	0.600%	More than \$100,000 of assets	—	✓
Ayco: Investment Advisory	0.500%	More than \$100,000 of assets	—	✓x

For Retirement Accounts where the client agrees to separate fee schedule for each strategy, the maximum advisory fee is 1.5%. Clients will be charged the same fee for all strategies regardless of strategy selected.

**The Ayco Company, L.P.**  
**Balance Sheet**  
**As of December 31, 2023**

**The Ayco Company, L.P.**  
**December 31, 2023**

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## **Report of Independent Auditors**

To the Management of The Ayco Company, L.P.

### ***Opinion***

We have audited the accompanying balance sheet of The Ayco Company, L.P. (the "Partnership") as of December 31, 2023, including the related notes (referred to as the "balance sheet").

In our opinion, the accompanying balance sheet presents fairly, in all material respects, the financial position of the Partnership as of December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Balance Sheet section of our report. We are required to be independent of the Partnership and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Emphasis of Matter***

As discussed in Note 11 to the balance sheet, the Partnership has entered into significant transactions with The Goldman Sachs Group, Inc. and its affiliates which are related parties. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Balance Sheet***

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

In preparing the balance sheet, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for one year after the date the balance sheet is available to be issued.

### ***Auditors' Responsibilities for the Audit of the Balance Sheet***

Our objectives are to obtain reasonable assurance about whether the balance sheet as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional



omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the balance sheet.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the balance sheet, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the balance sheet.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the balance sheet.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### ***Other Information***

Management is responsible for the other information included in the annual Form ADV report. The other information comprises information about the qualifications and business practices relating to The Ayco Company L.P., but does not include the balance sheet and our auditors' report thereon. Our opinion on the balance sheet does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the balance sheet, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the balance sheet or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*PricewaterhouseCoopers LLP.*

March 25, 2024

# The Ayco Company, L.P.

## Balance Sheet

<i>\$ in thousands</i>	<u>As of December</u> <b>2023</b>
<b>Assets</b>	
Cash	\$ 3,790
Accounts receivable, net of allowance for credit losses of \$3,459	55,302
Prepaid expenses	1,736
Receivables due from affiliates	160,362
Property, leasehold improvements and equipment, net	48,390
Right-of-use asset, net	43,839
Investments in affiliates	10,750
Goodwill	273,173
Customer relationships, net	14,196
Other assets	1,966
<b>Total assets</b>	<b>\$ 613,504</b>
<b>Liabilities and partners' capital</b>	
Accrued compensation and benefits	96,144
Payables due to affiliates	88,269
Deferred income	2,599
Other liabilities and accrued expenses	10,630
Income taxes payable	21,979
Deferred tax liabilities	37,488
Lease liabilities	45,104
Pensions, postretirement and deferred compensation liabilities	3,229
<b>Total liabilities</b>	<b>305,442</b>
<b>Commitments, contingencies and guarantees</b>	
<b>Partners' capital</b>	<b>308,062</b>
<b>Total liabilities and partners' capital</b>	<b>\$ 613,504</b>

The accompanying notes are an integral part of this balance sheet.

**The Ayco Company, L.P.**  
**Notes to the Balance Sheet**  
**\$ in thousands**

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**Note 1.**

**Description of Business**

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

**Note 2.**

**Basis of Presentation**

This financial statement is prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) and all reference to 2023 refer to the Partnership's year ended, or the date, as the context requires, December 31, 2023.

**Note 3.**

**Significant Accounting Policies**

**Use of Estimates**

Preparation of this statement requires management to make certain estimates and assumptions, the most important of which relate to accounting for goodwill and identifiable intangible assets, provision for losses that may arise from litigation and regulatory proceedings, accounting for income taxes and the allowance for credit losses. These estimates and assumptions are based on the best available information, but actual results could be materially different.

**Cash**

Cash balances are maintained at various institutions, some of which are insured by the Federal Deposit Insurance Corporation to the extent provided by law. At December 2023, the Partnership had \$2,689 held in banks in excess of the insured limits.

**Accounts Receivable**

Accounts receivable consists primarily of amounts owed by clients for financial related services, counseling fees, management fees, and advisory fees. These receivables are accounted for at amortized cost net of any allowance for credit losses, which generally approximates fair value. The Partnership estimates credit losses generally based on delinquency status of the receivables and charges off amounts deemed uncollectible. The firm recorded an allowance for credit losses of \$3,459 as of December 2023.

The carrying amount of accounts receivable approximates fair value due to the short-term nature of the instruments. Had these receivables been included in the Partnership's fair value hierarchy, all receivables would have been classified in level 2 as of December 2023 since the inputs in the valuation are observable.

**The Ayco Company, L.P.**  
**Notes to the Balance Sheet**  
**\$ in thousands**

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**Property, Leasehold Improvements and Equipment**

Property, leasehold improvements and equipment are stated net of accumulated depreciation and amortization. All property and equipment are depreciated on a straight-line basis over the useful life of the asset. Leasehold improvements are amortized on a straight-line basis over the shorter of the useful life of the improvement or the term of the lease. Significant additions or improvements extending the assets' useful lives are capitalized. Capitalized costs of software developed or obtained for internal use are amortized on a straight-line basis over three years.

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

**Operating Lease Right-of-Use Assets**

The Partnership enters into operating leases for real estate used in connection with its operations. For leases longer than one year, the Partnership recognizes a right-of-use asset representing the right to use the underlying asset for the lease term, and a lease liability representing the liability to make payments. The lease term is generally determined based on the contractual maturity of the lease. For leases where the firm has the option to terminate or extend the lease, an assessment of the likelihood of exercising the option is incorporated into the determination of the lease term. Such assessment is initially performed at the inception of the lease and is updated if events occur that impact the original assessment.

An operating lease right-of-use asset is initially determined based on the operating lease liability, adjusted for initial direct costs, lease incentives and amounts paid at or prior to lease commencement. This amount is then amortized over the lease term. See Note 8 for information about operating lease liabilities.

For leases where the Partnership will derive no economic benefit from leased space that it has vacated or where the Partnership has shortened the term of a lease when space is no longer needed, the partnership will record an impairment or accelerated amortization of the right-of-use assets. There were no material impairments or accelerated amortization during 2023.

**Investments in Affiliates**

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

**Goodwill**

The goodwill balance relates to the acquisition of The Ayco Company, L.P., and its affiliates, by GS Ayco Holding LLC on July 1, 2003. Goodwill is the cost of acquired companies in excess of the fair value of net assets, including identifiable intangible assets, at the acquisition date.

**The Ayco Company, L.P.**  
**Notes to the Balance Sheet**  
**\$ in thousands**

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Goodwill is assessed for impairment annually in the fourth quarter or more frequently if events occur or circumstances change that indicate an impairment may exist. When assessing goodwill for impairment, first, a qualitative assessment can be made to determine whether it is more likely than not that the estimated fair value of the Partnership is less than its estimated carrying value. The Partnership consists of a single reporting unit, and as such, the assessment of goodwill for impairment is performed at the overall Partnership level. If the results of the qualitative assessment are not conclusive, a quantitative goodwill test is performed. Alternatively, a quantitative goodwill test can be performed without performing a qualitative assessment.

The quantitative goodwill test compares the estimated fair value of the Partnership with its carrying value (including goodwill and identifiable intangible assets). If the Partnership's estimated fair value exceeds its carrying value, goodwill is not impaired. An impairment is recognized if the estimated fair value of the Partnership is less than its carrying value.

During the fourth quarter of 2023, goodwill was tested for impairment using a quantitative test. The estimated fair value of the Partnership exceeded its carrying value, and therefore, goodwill was not impaired. The Partnership uses a price-to-earnings multiple of comparable competitors to the Partnership's net earnings to estimate fair value because the Partnership believes market participants would use this technique to value the Partnership.

**Customer Relationships**

Customer relationships are amortized over their estimated useful lives using the straight-line method. The Partnership tests customer relationships for impairment when events or changes in circumstances suggest that an asset's or asset group's carrying value may not be fully recoverable. To the extent the carrying value of an asset or asset group exceeds the projected undiscounted cash flows expected to result from the use and eventual disposal of the asset or asset group, the Partnership determines the asset or asset group is impaired and records an impairment equal to the difference between the estimated fair value and the carrying value of the asset or asset group. There were no impairments during 2023.

**Deferred Income**

The Partnership recognizes revenue in the period in which the service is provided; any revenue received in advance of the service period is deferred. Deferred income of \$2,599 consists of the unearned portion of amounts invoiced for financial counseling services.

**Improvements to Income Tax Disclosures (ASC 740)**

In December 2023, the FASB issued ASU No. 2023-09, "Improvements to Income Tax Disclosures" that requires certain incremental disclosures. This ASU is effective for annual periods beginning after December 15, 2024 under a prospective approach with the option to apply it retrospectively. Early adoption is permitted. Since this ASU only requires additional disclosures, adoption of this ASU will not have an impact on the Partnership's balance sheet.

**The Ayco Company, L.P.**  
**Notes to the Balance Sheet**  
**\$ in thousands**

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**Note 4.**

**Property, Leasehold Improvements and Equipment**

As of December 2023, property, leasehold improvements and equipment that the Partnership uses in connection with its operations consist of the following:

Leasehold improvements	\$	35,621
Internal-use software		23,918
Furniture, fixtures and equipment		17,728
Assets in progress		9,951
<b>Total gross carrying value</b>		<b>87,218</b>
Less accumulated depreciation		(38,828)
<b>Total net carrying value</b>	<b>\$</b>	<b>48,390</b>

**Note 5.**

**Customer Relationships**

The following table sets forth the gross carrying amount, accumulated amortization and net carrying amounts of the customer relationships as of December 2023:

Gross carrying amount	\$	166,121
Accumulated amortization		(151,925)
<b>Net carrying amount</b>	<b>\$</b>	<b>14,196</b>

The customer relationships are being amortized over their estimated useful life of 12 to 22 years. The weighted average remaining lives at December 2023 of customer relationships is approximately 2.9 years.

**Note 6.**

**Income Taxes**

**Provision for Income Taxes**

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

The Partnership is treated as a single member limited liability company (SMLLC), and considered a disregarded branch of Group Inc., a Delaware corporation, for U.S. Federal tax purposes. As a disregarded branch of a corporation, the Partnership has elected to accrue its share of U.S. Federal, state and local income tax. The Partnership is included with Group Inc. and subsidiaries in the consolidated corporate federal tax returns as well as consolidated/combined state and local tax returns. The Partnership computes its tax liability on a modified separate company basis and settles such liabilities with Group Inc. pursuant to the tax sharing arrangement. To the extent the Partnership generates tax benefits from losses it will be reimbursed by Group Inc. pursuant to the tax sharing arrangement. The Partnership's state and local tax liabilities are allocated to reflect its share of the consolidated/combined state and local income tax liability. As of December 2023, the Partnership's income tax payable in the balance sheet was \$21,979.

**The Ayco Company, L.P.**  
**Notes to the Balance Sheet**  
**\$ in thousands**

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In May 2023, the New York State fiscal year 2024 budget was enacted. The legislation extends the temporary increase in the New York State corporate income tax rate from 6.5% to 7.25% through calendar year 2026. In December 2023, the New York State Department of Taxation and Finance published final regulations that implemented comprehensive franchise tax reform for corporations, banks and insurance companies, which was enacted in 2014. The legislation and final regulations did not have a material impact on our 2023 annual effective tax rate and are not expected to have a material impact on our 2024 annual effective tax rate.

**Deferred Income Taxes**

Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities. These temporary differences result in taxable or deductible amounts in future years and are measured using the tax rates and laws that will be in effect when such differences are expected to reverse. Valuation allowances are established to reduce deferred tax assets to the amount that more likely than not will be realized. Deferred taxes are recorded in the balance sheet, until the underlying temporary differences reverse and the taxes become currently payable or receivable. At December 2023, the Partnership had net deferred tax liabilities of \$37,488 primarily related to deferred tax liabilities on tax amortization of customer relationships and goodwill of \$74,746 and operating lease right-of-use assets of \$11,213, offset by deferred tax assets related to deferred compensation of \$36,034, operating lease liabilities of \$11,528 and other book tax differences of \$909. No valuation allowance is required as it is considered more likely than not that the deferred tax assets will be utilized.

**Unrecognized Tax Benefits**

The Partnership recognizes tax positions in the balance sheet only when it is more likely than not that the position will be sustained on examination by the relevant taxing authority based on the technical merits of the position. A position that meets this standard is measured at the largest amount of benefit that will more likely than not be realized on settlement. A liability is established for differences between positions taken in a tax return and amounts recognized in the balance sheet. As of December 2023, the Partnership did not record a liability related to accounting for uncertainty in income taxes.

**Regulatory Tax Examinations**

The Partnership is subject to examination by the U.S. Internal Revenue Service (IRS) and other taxing authorities in jurisdictions where the Partnership has significant business operations, such as New York State and City. The tax years under examination vary by jurisdiction.

Group Inc. has been accepted into the Compliance Assurance Process program by the IRS for each of the tax years from 2013 through 2024. This program allows Group Inc. to work with the IRS to identify and resolve potential U.S. Federal tax issues before the filing of tax returns. All issues for the 2011 through 2018 tax years have been resolved and completion is pending final review by the Joint Committee on Taxation (JCT). All issues for the 2019 and 2021 tax years have been resolved and will be effectively settled pending administrative completion by the IRS. Final completion of tax years 2011 through 2021 will not have a material impact on the effective tax rate. The 2022 tax year remains subject to post-filing review.

New York State and City examinations of tax years 2015 through 2018 commenced during 2021. All years, including and subsequent to 2015 for all other significant states, excluding New York State and City, remain open to examination by the taxing authorities.

The Partnership believes that no liability for unrecognized tax benefits is required to be established in relation to the potential for additional assessments.



**The Ayco Company, L.P.**  
**Notes to the Balance Sheet**  
**\$ in thousands**

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**Note 7.**

**Employee Benefit Plans**

**Postretirement Benefits**

The Partnership provides postretirement health benefits to fully eligible individuals who retire at or after age 55 and who also have at least ten years of full-time service or the equivalent as of the date of retirement. The Partnership has limited the annual benefit under the plan to \$1,000 per year per participant. Any premiums in excess of \$1,000 must be paid for by the retiree.

At December 2023, accumulated other comprehensive income, included in Partners' capital in the balance sheet, is comprised of an unrecognized gain of \$430 and unrecognized prior service income of \$771.

The following table sets forth the funded status of the postretirement health benefit plan and amount recognized in the balance sheet:

	<b>Postretirement Benefits</b>
Accumulated postretirement benefit obligation	\$ 2,896
Plan assets at fair value	-
Unfunded liability	2,896
Liability recognized in the balance sheet	\$ 2,896

For the year ended December 2023, the projected benefit obligation increased in the aggregate by \$316 due primarily to actual demographic experience and the impact of a decrease in the discount rate from 5.27% at December 2022 to 5.08% at December 2023.

Weighted-average assumptions and other benefit information as of December 2023:

	<b>Postretirement Benefits</b>
Discount rate	5.08%
Benefit cost	\$ 98
Employer contributions	91
Benefits paid	91

**The Ayco Company, L.P.**  
**Notes to the Balance Sheet**  
**\$ in thousands**

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

	<b>Postretirement Benefits</b>
2024	\$ 147
2025	151
2026	156
2027	161
2028	166
2029–thereafter	894

**Other Employee Benefits**

The Partnership maintains a nonqualified deferred compensation plan for eligible employees. The cost of such plan is accrued over the period of active employment from the employee's participation date in the plan. At December 2023, the deferred compensation payable amount was \$333.

Group Inc. maintains a deferred compensation (401(k)) plan which covers substantially all employees of the Partnership and a defined benefit pension plan for eligible employees of the Partnership. The Partnership is allocated a prorata share of the expenses from Group Inc. for these plans.

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

**Note 8.**

**Operating Lease Liabilities**

For leases longer than one year, the Partnership recognizes a right-of-use asset representing the right to use the underlying asset for the lease term, and a lease liability representing the liability to make payments. See Note 3 for information about operating lease right-of-use assets.

The table below presents information about operating lease liabilities as of December 2023:

2024	\$ 5,505
2025	3,949
2026	3,836
2027	3,622
2028	3,619
2029–thereafter	35,160
Total undiscounted lease payments	55,691
Imputed Interest	10,587
Total operating lease liabilities	\$ 45,104
Weighted average remaining lease term	14.49 years
Weighted average discount rate	3.03%

**The Ayco Company, L.P.**  
**Notes to the Balance Sheet**  
**\$ in thousands**

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In the table above, the weighted average discount rate represents the Partnership's incremental borrowing rate as of January 2019 for operating leases existing on the date of adoption of ASU No. 2016-02, "Leases (Topic 842)", and at the lease inception date for leases entered into subsequent to the adoption of this ASU.

**Note 9.**  
**Employee Incentive Plans**

The cost of employee services received in exchange for a share-based award is generally measured based on the grant-date fair value of the award. Share-based awards that do not require future service (i.e., vested awards, including awards granted to retirement-eligible employees) are expensed immediately. Share-based awards that require future service are amortized over the relevant service period. Forfeitures are recorded when they occur. Cash dividend equivalents are paid on outstanding restricted stock units (RSUs).

**Stock Incentive Plan**

Group Inc. sponsors a stock incentive plan, The Goldman Sachs Amended and Restated Stock Incentive Plan (2021) (2021 SIP), which provides for grants of RSUs, restricted stock, dividend equivalent rights, incentive stock options, nonqualified stock options, stock appreciation rights, and other share-based awards, each of which may be subject to terms and conditions, including performance or market conditions. On April 29, 2021, Group Inc.'s shareholders approved the 2021 SIP. The 2021 SIP is a successor to several predecessor stock incentive plans, the first of which was adopted on April 30, 1999, and each of which was approved by Group Inc.'s shareholders. The 2021 SIP is scheduled to terminate on the date of Group Inc.'s annual meeting of shareholders that occurs in 2025.

**Restricted Stock Units**

Group Inc. grants RSUs to employees, which are generally valued based on the closing price of the underlying shares on the date of grant, after taking into account a liquidity discount for any applicable post-vesting and delivery transfer restrictions. The value of equity awards also considers the impact of material non-public information, if any, that Group Inc. expects to make available shortly following grant. RSUs generally vest and underlying shares of common stock deliver (net of required withholding tax) as outlined in the applicable award agreements. Award agreements generally provide that vesting is accelerated in certain circumstances, such as on retirement, death, disability and, in certain cases, conflicted employment. Delivery of the underlying shares of common stock is conditioned on the grantees satisfying certain vesting and other requirements outlined in the award agreements. RSUs generally vest and deliver over a three-year period. The subsequent amortization of the cost of these RSUs is allocated to the firm by Group Inc.

**The Ayco Company, L.P.**  
**Notes to the Balance Sheet**  
**\$ in thousands**

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The table below presents the 2023 activity related to stock settled RSUs:

	Restricted Stock Units Outstanding		Weighted Average Grant-Date Fair Value of Restricted Stock Units Outstanding	
	Future Service Required	No Future Service Required	Future Service Required	No Future Service Required
Beginning balance	30,696	222,643	\$ 327.59	\$ 295.19
Granted	42,473	101,784	\$ 348.42	\$ 342.06
Forfeited	(1,759)	(1,168)	\$ 343.49	\$ 291.18
Delivered	-	(123,677)	\$ -	\$ 278.57
Vested	(37,094)	37,094	\$ 331.23	\$ 331.23
Transfers	889	645	\$ 343.80	\$ 337.38
<b>Ending balance</b>	<b>35,205</b>	<b>237,321</b>	<b>\$ 348.22</b>	<b>\$ 329.72</b>

In the table above:

- The weighted average grant-date fair value of RSUs granted during 2023 was \$343.93. The fair value of the RSUs granted during 2023 included a liquidity discount of 1.48% to reflect post-vesting and delivery transfer restrictions, generally of 1 year.
- The aggregate fair value of awards that vested during 2023 was \$48,405.

In relation to 2023 year-end, during the first quarter of 2024, Group Inc. granted to the Partnership's employees 145,608 RSUs (of which 41,375 RSUs require future service as a condition of delivery for the related shares of common stock). These RSU awards are subject to additional conditions as outlined in the award agreements. Shares underlying these RSUs, net of required withholding tax, generally are delivered over a three-year period. These awards are generally subject to a one-year post-vesting and delivery transfer restriction. These awards are not included in the table above.

**Note 10.**  
**Legal Proceedings**

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

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

**The Ayco Company, L.P.**  
**Notes to the Balance Sheet**  
**\$ in thousands**

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**Note 11.**  
**Related Party Transactions**

The Partnership has significant transactions with affiliated companies. These transactions have a significant impact on the Partnership's balance sheet.

At December 2023, amounts due from affiliates include a loan receivable from affiliates in the amount of \$129,822. The interest on the loan receivable is based on prevailing market rates, computed at an internal cost of funds (6.83% at December 2023) and is payable on demand. The carrying value of the loan approximates fair value. Receivables due from affiliates also include outstanding balances related to Partnership revenue collected by subsidiaries of Group Inc, certain counseling services the Partnership provided to partners of Group Inc as well as operational and administrative support provided to the Partnership's subsidiaries.

The Partnership reimburses subsidiaries of Group Inc. for cash payments made on their behalf for employee compensation and benefits. In addition, the Partnership reimburses Group Inc. for share issuances to Partnership employees under the restricted stock units program, discussed in Note 9. At December 2023, amounts due to Group Inc. were recorded within payables due to affiliates.

During 2023, \$87,000 was paid to the Partnership's sole partners in equity distributions. In addition, customer relationships with a carrying amount of \$5,121, net of accumulated amortization of \$1,817, were transferred to the Partnership from an affiliate under common control.

**Note 12.**  
**Subsequent Events**

The Partnership evaluated subsequent events through March 25, 2024, the date the balance sheet was issued, and determined that there were no material events or transactions that would require recognition or additional disclosure in the balance sheet.