
Goldman Sachs Global Advisory Products LLC

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This brochure provides information about the qualifications and business practices of Goldman Sachs Global Advisory Products LLC. If you have any questions about the contents of this brochure, please contact us at (212) 902-1000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Investment adviser registration does not imply a certain level of skill or training.

Additional information about Goldman Sachs Global Advisory Products LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

March 31, 2015

Item 2 - MATERIAL CHANGES

This brochure ("Brochure") is dated March 31, 2015 and is the annual updating amendment to the prior brochure, dated March 31, 2014. There have been no material changes from the last annual update. For ease of reference, capitalized terms that are defined when first used in the Brochure are also set forth in the Glossary.

Item 3 - TABLE OF CONTENTS

Item 4 - ADVISORY BUSINESS	2
Item 5 - FEES AND COMPENSATION.....	3
Item 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	5
Item 7 - TYPES OF CLIENTS	8
Item 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	9
Item 9 - DISCIPLINARY INFORMATION.....	20
Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	20
Item 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	23
Item 12 - BROKERAGE PRACTICES	29
Item 13 - REVIEW OF ACCOUNTS	32
Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION.....	32
Item 15 - CUSTODY	34
Item 16 - INVESTMENT DISCRETION	34
Item 17 - VOTING CLIENT SECURITIES.....	34
Item 18 - FINANCIAL INFORMATION.....	35
Item 19 - MISCELLANEOUS	36
GLOSSARY	38

Item 4 - ADVISORY BUSINESS

Goldman Sachs Global Advisory Products LLC

This Brochure relates to Goldman Sachs Global Advisory Products LLC ("Registrant").

The Registrant is a wholly-owned subsidiary of The Goldman Sachs Group, Inc., a public company that is a bank holding company, financial holding company and a world-wide, full-service financial services organization. The Registrant was formed in 2011.

In this Brochure, The Goldman Sachs Group, Inc., the Registrant, Goldman Sachs International ("GSI") and their respective affiliates, directors, partners, trustees, managers, members, officers and employees are referred to collectively as "Goldman Sachs."

Types of Advisory Services

The Registrant performs research and participates in the development of proprietary algorithms, which may be incorporated into various investment strategies ("Strategies"). The algorithms are based on statistical analysis of historical data and are programmed to use financial and economic factors to capture the risks and returns of global asset classes across markets. The algorithms are generally designed to operate within pre-determined rules, which may be changed from time to time. A Strategy pursuing an algorithm may be implemented by directly holding securities in accordance with the underlying algorithm or by using derivative instruments to gain synthetic exposure to such algorithm. See also response to Item 8, Methods of Analysis, Investment Strategies and Risk of Loss.

The Registrant assists its affiliate, GSI, in the development of the algorithms, which GSI uses to develop its Strategies. GSI operates various pooled investment vehicles (the "GSI Funds") whose investment programs rely on the Strategies. The Registrant does not provide advice or any other services to the GSI Funds.

The Registrant also develops its own Strategies and may offer advisory services in respect of such Strategies through separately managed accounts and pooled investment vehicles such as mutual funds that are sponsored, managed or advised by the Registrant (collectively, "Advisory Accounts"). The Registrant or its affiliates may offer exposure to the Strategies through derivative instruments linked to the performance of pooled investment vehicles and/or separately managed accounts managed by the Registrant. Depending on the Strategy, investment advisory services to clients may be provided on a discretionary or non-discretionary basis.

The Registrant previously advised an Advisory Account that was a pooled investment vehicle. As of the date of this Brochure, the Registrant does not advise any Advisory Accounts. References to Advisory Accounts in this Brochure refer to the Advisory Accounts that the Registrant may advise in the future.

Investment Restrictions

Currently, the algorithms are not tailored to the individual investing needs of particular investors or GSI Funds.

To the extent that the Registrant provides advisory services to Advisory Accounts that are separately managed accounts in the future, it is currently expected that clients will be permitted to impose reasonable restrictions on the management of their separate accounts, including by restricting particular securities or types of investments, provided that the Registrant accepts such restrictions. Any such restrictions are expected to be reflected in the investment guidelines or other documentation applicable to the Advisory Account.

To the extent that the Registrant provides advisory services to Advisory Accounts that are pooled investment vehicles in the future, the investment objectives, guidelines and any investment restrictions will not be tailored to the needs of individual investors in those vehicles, but rather will be described in the prospectus or other relevant offering document for the vehicle.

Assets Under Management

As of the date of this Brochure, the Registrant does not have any assets under management.

Item 5 - FEES AND COMPENSATION

Compensation for Advisory Services

Currently, the Registrant does not charge GSI any fees for its services, although the Registrant and GSI may agree to a fee arrangement in the future. GSI charges fees to the GSI Funds, which are described in the prospectus or other relevant offering document of each GSI Fund.

To the extent that the Registrant provides advisory services to Advisory Accounts that are separate accounts in the future, it is currently expected that the Registrant will not maintain a standard fee schedule for separately managed accounts. Fees with respect to separately managed accounts are currently expected to be individually negotiated with each client and may vary depending on a number of factors, including the investment strategies to be employed and the amount of assets in the account.

To the extent that the Registrant provides advisory services to Advisory Accounts that are pooled investment vehicles in the future, it is currently expected that the Registrant's fees for its services will vary from fund to fund and will be set forth in the prospectus or other relevant offering document for each fund.

The Registrant's fees for services to any Advisory Accounts will be based on each Advisory Account's particular structure, investment process and other factors. The Registrant will generally receive a management fee from each Advisory Account, and, in respect of certain Advisory Accounts, it may also receive an incentive fee or allocation (which may take the form of a carried interest). The amount and structure of the management fee, incentive fee and/or allocation is expected to vary from fund to fund (and may vary significantly depending on the investment fund) and will be set forth in the prospectus or other relevant offering document for each Advisory Account. In certain cases, investors may receive fee reductions of all or a portion of the management fee (and/or incentive fee or allocation) attributable to an investor's interest in the Advisory Account, or invest fee free in Advisory Account and pay negotiated fees outside of the Advisory Account, which may be based on a separate fee schedule agreed upon by the Registrant and/or its affiliates and the applicable investor. To the extent Advisory Accounts are also subject to subscription and/or redemption/withdrawal fees, including in connection with soft locks (i.e., early redemption penalties), such fees will be described in the relevant offering documentation.

Underlying Fund Fees

To the extent the Registrant recommends or invests client assets in pooled investment vehicles, clients generally will pay all fees and expenses applicable to an investment in the pooled investment vehicles, including asset-based, performance-based, carried interest, incentive allocation and other compensation payable to the managers in consideration of the managers' services to the pooled investment vehicles, as well as any fees paid for advisory, administration, distribution, 12b-1, shareholder servicing, sub-accounting, sub-transfer agency and other services, which may be paid to the Registrant or its affiliates. See also Item 10, Other Financial Industry Activities and Affiliations. All fees and expenses of underlying investment funds are generally in addition to the fees each Advisory Account pays to the Registrant.

Considerations Related to Asset-Based and Performance-Based Compensation

The Registrant may receive different types of compensation in respect of Advisory Accounts. Asset-based compensation is based on the market value of the investments in an Advisory Account and is paid without regard to the performance of the Advisory Account. The Registrant may receive significant asset-based compensation in respect of an Advisory Account even if the Advisory Account loses money. Performance-based compensation is contingent on Advisory Account performance, and in some cases is subject to a preferred return or a high water mark. Considerations related to performance-based compensation are set forth in Item 6, Performance-Based Fees and Side-By-Side Management.

Compensation Received by Goldman Sachs

To the extent the Registrant provides services other than advisory services to Advisory Accounts, compensation received by the Registrant and its affiliates related to such other services is generally retained by the Registrant and its affiliates. Except to the extent required by applicable law, the Registrant is not required to offset such compensation against fees and expenses a client or Advisory Account may otherwise owe the Registrant and its affiliates. In certain circumstances, however, clients may negotiate for certain of the fees charged in respect of Advisory Accounts to be credited against the fees the Registrant charges such clients in respect of other Advisory Accounts in which they invest.

Calculation and Deduction of Advisory Fees

Advisory and management fees for Advisory Accounts generally will be calculated and billed either monthly or quarterly in arrears depending on the Advisory Account. The frequency of calculation of incentive fees or allocations (which may take the form of a carried interest), and the timing of payments in respect thereof, will depend on the specific Advisory Account. Subject to negotiation, fees will be prorated through the date of liquidation or termination. Where the custodian is a third party, clients may arrange to have such fees debited directly from the client's account for credit to the Registrant, subject to applicable law.

Other Fees and Expenses

Advisory Accounts will be subject to fees and expenses in connection with the Registrant's advisory services other than those described above, which may include, without limitation, transaction charges, such as commissions, commission equivalents, mark-ups, mark-downs and spreads, and custody fees.

Prepaid Fees

The Registrant does not expect to charge fees in respect of Advisory Accounts in advance.

Compensation for the Sale of Securities

The Registrant's personnel do not receive transaction-based compensation for the sale of securities or other investment products based upon a predetermined formula.

Use of Unaffiliated Brokers

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

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

To the extent the Registrant provides advisory services to multiple Advisory Accounts in the future, certain Advisory Accounts may pay performance-based fees and other Advisory Accounts may pay asset-based or management fees and utilize the same investment strategy and invest in the same assets. A performance-based fee may include carried interest, override, incentive allocation and other similar forms of performance-based compensation. Performance-based fee arrangements for Advisory Accounts may vary among clients and investment strategies. Different types of performance-based fees may make it more likely that the Registrant will receive a higher performance-based fee for certain Advisory Accounts than it will for other Advisory Accounts.

Advisory Accounts that pay performance-based fees, if any, will reward the Registrant for positive outperformance in those Advisory Accounts, and will provide a heightened incentive for portfolio managers to make investments that may present a greater potential for return but also a greater risk of loss or that may be more speculative than would exist if only asset-based fees were applied.

To the extent that the Registrant simultaneously manages Advisory Accounts that pay performance-based fees and Advisory Accounts that only pay an asset-based or management fee or that pay performance-based fees that are calculated in a different manner, the Registrant will have a conflict of interest as the portfolio manager may have an incentive to favor Advisory Accounts with the potential to receive greater fees. For instance, a portfolio manager will be faced with a conflict of interest when allocating scarce investment opportunities, given the possibly greater fees from Advisory Accounts that pay performance-based fees as opposed to Advisory Accounts that pay no performance-based fees. To address these types of conflicts, the Registrant has adopted policies and procedures under which allocation decisions may not be influenced by fee arrangements and investment opportunities will be allocated in a manner that the Registrant believes is consistent with its obligations as an investment adviser.

In addition, to the extent the Registrant provides advisory services to multiple Advisory Accounts in the future, the Registrant's actions for one Advisory Account may affect other Advisory Accounts. For additional information about these situations, please see Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Side-by-Side Management of Advisory Accounts; Allocation of Opportunities

To the extent that in the future the Registrant 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 similar and that may seek to make investments or sell investments in the same securities or other instruments, sectors or strategies, this creates potential conflicts, particularly in circumstances where the availability or liquidity of investment opportunities is limited. Areas in which such limited opportunities may exist include, without limitation, in local and emerging markets, credit default swaps, regulated industries and IPOs/New Issues (as defined below).

To address these potential conflicts, the Registrant has developed allocation policies and procedures that will provide that personnel making portfolio decisions for Advisory Accounts make purchase and sale decisions for, and allocate investment opportunities among, Advisory Accounts consistent with the Registrant's fiduciary obligations. These policies and procedures may result in the pro rata allocation (on a basis determined by the Registrant) of limited opportunities across eligible Advisory Accounts managed by a particular portfolio management team, but in many other cases the allocations may reflect numerous other factors including those described below.

Allocation-related decisions for Advisory Accounts will be made by reference to one or more factors and suitability considerations, which may include, without limitation:

- Advisory Account investment horizons and objectives;
- Different desired levels of exposure to certain strategies, including sector oriented, concentrated new opportunities or other strategies;
- Client-specific investment guidelines and restrictions, including, without limitation, the ability to hedge through short sales or other techniques;
- The expected future capacity of applicable Advisory Accounts;
- Limits on the Registrant's brokerage discretion, including client directed brokerage arrangements;
- Tax sensitivity and objectives of Advisory Accounts;
- Suitability requirements and 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 and eligible capital;
- Availability of other appropriate investment opportunities;
- Legal and regulatory restrictions affecting certain Advisory Accounts or affecting holdings across Advisory Accounts, which may result in adjusting existing or future positions across Advisory Accounts and may consequently open up capacity for new Advisory Accounts or Advisory Account cash-flows;
- Minimum denomination, minimum increments, de minimis threshold and round lot considerations; and
- Current investments held by Advisory Accounts similar to the applicable investment opportunity.

Suitability considerations may include:

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

Non-proportional allocations may occur across Advisory Accounts, including in fixed income securities due to the availability of multiple appropriate or substantially similar investments in fixed income strategies, as well as due to differences in benchmark factors, hedging strategies, or other reasons. In addition, whether certain personnel of Goldman Sachs are dedicated to one or more Advisory Accounts or clients may be a factor in determining the allocation of opportunities sourced by such personnel. Reputational matters may also be considered.

The Registrant may, from time to time, develop and implement new trading strategies or seek to participate in new trading strategies and investment opportunities. These strategies and opportunities may not be employed in all Advisory Accounts or employed pro rata among Advisory Accounts where they are used, even if the strategy or opportunity is consistent with the objectives of such accounts. Further, a trading strategy employed for one Advisory Account that is similar to, or the same as that of, another Advisory Account may be implemented differently, sometimes to a material extent, depending on a variety of factors, including the portfolio managers involved in managing the trading strategy for the Advisory Account. In addition to the factors described above, the Registrant may make decisions based

on other factors such as strategic fit and other portfolio management considerations, including an Advisory Account's capacity for such strategy or opportunity, the liquidity of the strategy and its underlying instruments, the Advisory Account's liquidity, the business risk of the strategy relative to an Advisory Account's overall portfolio make-up, and the lack of efficacy of, or return expectations from, the strategy for the Advisory Account. For example, such a determination may, but will not necessarily, include consideration of the expectation that a particular strategy will not have a meaningful impact on an Advisory Account given the overall size of the account, the limited availability of opportunities in the strategy and/or the availability of other strategies for the account.

During periods of unusual market conditions, the Registrant may deviate from its normal trade allocation practices. For example, this may occur with respect to the management of unlevered and/or long-only Advisory Accounts that are typically managed on a side-by-side basis with levered and/or long-short Advisory Accounts.

As a result of the various considerations above, there may be cases where 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 when other Advisory Accounts do not. The application of these considerations may cause differences in the performance of different Advisory Accounts that have similar strategies.

In addition, to the extent the Registrant provides advisory services to multiple Advisory Accounts in the future, in some cases the Registrant may make investment recommendations to Advisory Accounts where the Advisory Accounts make the investment independently of the Registrant. In circumstances in which there is limited availability of an investment opportunity, if such Advisory Accounts invest in the investment opportunities prior to other Advisory Accounts, the availability of the investment opportunity for other Advisory Accounts will be reduced irrespective of any policies of the Registrant regarding allocation of investments.

IPO/New Issue Allocation Policies

Advisory Accounts may invest in initial public offerings or new issues ("IPOs/New Issues"). However, to the extent Advisory Accounts do invest in IPOs/New Issues, the allocation of such IPOs/New Issues will be effected consistent with fiduciary duties and in accordance with the general allocation policies and procedures outlined above under "Side-By-Side Management of Advisory Accounts; Allocation of Opportunities." The application of the relevant factors may result in non-pro rata allocations, and certain Advisory Accounts (including Advisory Accounts in which Goldman Sachs and personnel of Goldman Sachs have an interest) may receive an allocation when other Advisory Accounts do not. Allocations may be adjusted under certain circumstances, for example in situations of scarcity where pro rata allocations would result in de minimis positions or odd lots. Furthermore, some Advisory Accounts may not be eligible to participate in an IPO/New Issue where, for example, the investment guidelines for an Advisory Account prohibit IPOs/New Issues, the account is a directed brokerage account, the account is owned by persons restricted from participating in IPOs/New Issues pursuant to Financial Industry Regulatory Authority Rules 5130 and/or 5131, as amended, supplemented and interpreted from time to time, or other applicable laws or rules or prudent policies in any jurisdiction.

Discretionary and Non-Discretionary Accounts

To the extent the Registrant provides advisory services to multiple Advisory Accounts in the future, the Registrant may provide non-discretionary investment advisory services where the Registrant will advise Advisory Accounts on purchasing, selling, holding, valuing, or exercising rights with respect to particular investments, but will not have discretion to execute purchases or sales on behalf of the Advisory Accounts without the specific instruction of the client. The Registrant may advise with respect to the same or similar securities in discretionary and non-discretionary Advisory Accounts, in which case there may be timing differences related to the transmission of advice to non-discretionary Advisory Account clients for consideration and a determination of whether to act on the advice. As a result, trades in investments for discretionary Advisory Accounts may be executed by the Registrant in advance of the

Registrant communicating with non-discretionary account clients about those investments, which may result in non-discretionary Advisory Accounts receiving prices that are less favorable than prices obtained for discretionary Advisory Accounts.

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

Provision of Algorithms to Other Advisers

The Registrant may provide algorithms to affiliated and unaffiliated investment advisers ("Other Advisers") who intend to use such algorithms to assist the Other Advisers in developing their own investment recommendations and managing their own accounts. Accounts managed by Other Advisers are referred to herein as "Other Adviser Accounts."

The Registrant may (but need not) delay communicating information regarding an algorithm or any updates thereto until after other Advisory Accounts have commenced trading. In such circumstances, Other Advisers will not have had the chance to evaluate or act upon recommendations in relation to their clients. It is also possible that Other Advisers may act upon such recommendations before other Advisory Accounts have commenced trading based on such recommendations. As a result, trades on behalf of accounts that commence trading after the others may be subject to price movements, particularly with large orders or where the securities are thinly traded. As a result, Advisory Accounts may not track the algorithm and may receive prices that are less favorable than the prices obtained for Other Adviser Accounts.

Item 7 - TYPES OF CLIENTS

To the extent the Registrant provides advisory services to Advisory Accounts in the future, the Registrant's clients may include a range of individual and institutional investors worldwide, as well as pooled investment vehicles, such as mutual funds.

Account Requirements

To the extent the Registrant provides advisory services to Advisory Accounts that are separate accounts in the future, the Registrant does not expect to impose a minimum dollar value of assets in order to open or maintain an account. However, the Registrant may design its standard fee schedules for separately managed accounts that generate a minimum annual fee.

To open or maintain an Advisory Account with the Registrant that is a separate account, the Registrant currently expects to require clients to sign an investment advisory agreement that, among other things, details the nature of the investment advisory authority given to the Registrant.

Any investor qualifications and minimum investment amounts in respect of any pooled investment vehicles managed by the Registrant will be set forth in each such vehicle's prospectus or other relevant offering document and will vary from vehicle to vehicle depending on the particular investment product.

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

General Description

The Registrant performs research and participates in the development of proprietary algorithms, which may be incorporated into various Strategies. The algorithms are based on statistical analysis of historical data as well as economically-motivated and fundamentally-based insights. The algorithms may involve exposure to equity, fixed income, commodities, currency, interest rate and other markets and the Strategies may achieve exposure to such markets by investments in third party funds, over-the-counter derivatives, futures and other securities and financial instruments. The Strategies may be designed to incorporate a broad range of alternative investment strategies, including, for example, equity long/short strategies, relative value strategies, event driven strategies, and tactical trading or global macro strategies as well as individual risk premia. The algorithms are generally designed to operate within pre-determined rules, which may be changed from time to time as the Registrant continues to enhance and adapt the algorithms.

A Strategy may be implemented by directly holding securities in accordance with the underlying algorithm or by using derivative instruments to gain synthetic exposure to such algorithm.

The Registrant also develops its own Strategies and may offer advisory services in respect of such Strategies through Advisory Accounts. The implementation of the Strategies may not precisely match the algorithms, including due to rounding or minimum share sizes, trading and other expense or leverage constraints or as a result of the Registrant's exercise of market timing discretion (e.g., to address considerations such as liquidity or market time zones).

Clients should understand that all investment programs pursuing the algorithms, and the investments made pursuant to such investment programs, involve risk of loss, including the potential loss of their entire investment. The investment performance and the success of any investment program or particular investment can never be predicted or guaranteed, and the value of any investment made pursuant to an investment program will fluctuate due to various market, liquidity, currency, economic, political and other factors.

Following is a summary of the material risks related to the algorithms. The Registrant participates in the development of a broad range of algorithms, which may be incorporated in the Strategies and does not recommend any particular algorithm. The information contained in this Brochure cannot disclose every potential risk associated with, or all of the risks applicable to, an investment program pursuing a particular algorithm. Rather, it is a general description of the nature and risks of the investment programs pursuing the algorithms.

Limitations of an Algorithm—There is a risk that a Strategy pursuing an algorithm may fail to produce the intended results. Investments selected using the algorithms may perform differently than expected, including as a result of the factors used in the algorithms, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the algorithms. Moreover, the effectiveness of an algorithm or a Strategy pursuing an algorithm may diminish over time, including as a result of changes in the market and/or changes in the behavior of other market participants. Operation of an algorithm may result in negative performance, including returns that deviate materially from historical performance, both actual and pro-forma. In such circumstances, material losses may be incurred before the algorithm is adjusted or other attempts to mitigate losses are made. These potential consequences could be further exacerbated during abnormal market conditions that may not have been taken into account in the construction of the algorithm.

There is no assurance that an algorithm will be adequately utilized or, to the extent that the Registrant has the discretion to modify or deviate from an algorithm, that the Registrant will do so in the way which would best implement the Strategies or would result in the best return for investors. Therefore, there can be no assurance that the Advisory Accounts' investment objectives will be achieved.

An algorithm's return mapping is based on historical data regarding the particular asset classes. Certain strategies can be dynamic and unpredictable, and an algorithm used to estimate asset allocation may not yield an accurate estimate of the then current allocation.

Risks Involved in the Development of Algorithms—Errors may occur in designing, writing, testing, and/or monitoring the algorithms, which may be difficult to detect and may not be detected for a significant period of time. Inadvertent systems and human errors are an inherent risk of the algorithms and the complexity of the algorithms may make it difficult or impossible to detect the source of any weakness or failure in the algorithms before material losses are incurred. Moreover, the complexity of the algorithms and their reliance on complex computer programming may make it difficult to obtain outside support. To the extent any third-party licensed intellectual property is used in the development of the algorithms, there may be adverse consequences if such material is no longer available. Finally, in the event of any software or hardware malfunction, or problem caused by a defect or virus, there may be adverse consequences to developing or monitoring the algorithms.

Use of Third Party Information—The algorithms developed by the Registrant, and any Strategies utilizing the algorithms, may rely on information from public data sources. There can be no assurance as to the correctness of such public information, and any inaccuracy in such data may have an adverse impact on the performance of the Advisory Accounts.

Equity Securities—Investment programs pursuing an algorithm may involve investing in equity securities. Investing in equity securities involves risks associated with the unpredictable drops in a stock's value or periods of below-average performance in a given stock or in the stock market as a whole.

Debt Securities—Investment programs pursuing an algorithm may involve investing in debt securities. Among the principal risks of investing in debt securities are the following:

- *Changing Interest Rates.* The value of any fixed income security or instrument will rise or fall inversely with changes in interest rates. Interest rates typically vary from one country to the next, and may change for a number of reasons. Those reasons include rapid expansions or contractions of a country's money supply, changes in demand by business and consumers to borrow money and actual or anticipated changes in the rate of inflation. In general, if interest rates increase, one may expect that the market value of a fixed income security or instrument which pays interest payments would fall, whereas if interest rates decrease, one may expect that the market value of such investment would increase. Changes in interest rates are dependent upon a number of factors, including supply and demand on the international money markets, which are influenced by measures taken by governments and central banks, as well as speculations and other macroeconomic factors. The performance of investments in fixed income securities denominated in a specific currency will depend on the interest rate environment in the country issuing the currency.
- *Credit Risk.* The issuer or guarantor of any debt security, or a bank or other financial institution that has entered into a repurchase agreement, may default on its financial obligations. Moreover, the price of any debt security normally reflects the perceived risk of default of the issuer of that security at the time acquired. If the perceived risk of default increases, the value of the security is likely to fall.

There are many factors that could cause an issuer to default on its financial obligations, or an increase in the perceived risk of default of an issuer. Among those factors are the deteriorating financial condition of the issuer caused by changes in demand for the issuer's products or services, catastrophic litigation or the threat of catastrophic litigation and changes in laws, regulations and applicable tax regimes. The more concentrated an investment program is in a particular industry, the more likely it will be affected by factors that affect the financial condition of that industry as a whole. Debt securities rated below investment grade may have greater price volatility and a greater risk of loss of principal and interest than investment grade debt securities.

A rating is not a recommendation to buy, sell or hold any securities. Any or all of these ratings are subject to revision or withdrawal at any time by the assigning rating organization. Each rating should be evaluated independently of any other rating.

Additionally, there are special risks considerations associated with investing in certain types of debt securities:

- *Mortgage-related Securities and Asset-backed Securities.* Investment programs pursuing certain algorithms may involve investing in mortgage derivatives and structured notes, including mortgage-backed and asset-backed securities. Mortgage pass-through securities are securities representing interests in “pools” of mortgages in which payments of both interest and principal on the securities are usually made monthly, in effect “passing through” monthly payments made by the individual borrowers on the residential mortgage loans which underlie the securities. Early or late repayment of principal based on an expected repayment schedule on mortgage pass-through securities held by a client (due to early or late repayments of principal on the underlying mortgage loans) may result in a lower rate of return when the client reinvests such principal.

Asset-backed transferable securities represent a participation in, or are secured by and payable from, a stream of payments generated by particular assets, most often a pool of assets similar to one another, such as motor vehicle receivables or credit card receivables, home equity loans, manufactured housing loans or bank loan obligations. Asset-backed securities may not have the benefit of a security interest in collateral comparable to that of mortgage assets, resulting in additional credit risk.

Interest rate risk is greater for mortgage-related and asset-backed securities than for many other types of debt securities because they are generally more sensitive to changes in interest rates. These types of securities are subject to prepayment – borrowers paying off mortgages or loans sooner than expected – when interest rates fall. As a result, when interest rates rise, the effective maturities of mortgage-related and asset-backed securities tend to lengthen, and the value of the securities decreases more significantly. The result is lower returns to a client because the client must reinvest assets previously invested in these types of securities in securities with lower interest rates.

- *Collateralized Mortgage Obligations.* A collateralized mortgage obligation (“CMO”) is a security backed by a portfolio of mortgages or mortgage-backed securities held under an indenture. CMOs of different classes are generally retired in sequence as the underlying mortgage loans in the mortgage pool are repaid. In the event of sufficient early prepayments on such mortgages, the class or series of CMOs first to mature generally will be retired prior to its maturity. As with other mortgage-backed securities, if a particular class or series of CMOs held by a client is retired early, the client would lose any premium it paid when it acquired the investment, and the client may have to reinvest the proceeds at a lower interest rate than the retired CMO paid. Because of the early retirement feature, CMOs may be more volatile than many other fixed-income investments.
- *Risks of Exchange-Traded Notes.* An Advisory Account may invest in exchange-traded notes (“ETNs”), which are senior, unsecured, unsubordinated debt securities issued by a sponsoring financial institution. The returns on an ETN are linked to the performance of particular securities, market indices, or strategies, minus applicable fees. ETNs are traded on an exchange (e.g., the NYSE) during normal trading hours; however, investors may also hold an ETN until maturity. At maturity, the issuer of an ETN pays to the investor a cash amount equal to the principal amount, subject to application of the relevant securities, index or strategy factor. Similar to other debt securities, ETNs have a maturity date and are backed only by the credit of the sponsoring institution. ETNs are subject to credit risk. The value of an ETN may be influenced by, among other things, time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying assets, changes in the applicable interest rates, changes in the issuer’s

credit rating, and economic, legal, political or geographic events that affect the underlying assets. When an Advisory Account invests in ETNs, it will bear its proportionate share of any fees and expenses borne by the ETN. Although an ETN is a debt security, it is unlike a typical bond, in that there are no periodic interest payments and principal is not protected.

- *Yankee Bonds.* Investment programs pursuing certain algorithms may involve investing in U.S. dollar-denominated bonds issued in U.S. capital markets by foreign banks or corporations ("Yankee Dollar" bonds). 'Yankee Dollar' bonds are generally subject to the same risks that apply to domestic bonds, notably credit risk, market risk and liquidity risk. Additionally, 'Yankee Dollar' bonds are subject to certain sovereign risks, such as the possibility that a sovereign country might prevent capital, in the form of U.S. dollars, from flowing across its borders. Other risks include adverse political and economic developments and the extent and quality of government regulation of financial markets and issuers.
- *Zero Coupon Securities.* Investment programs pursuing certain algorithms may involve investing in zero coupon securities issued by governmental and private issuers. Zero coupon securities are transferable debt securities that do not pay regular interest payments, and instead are sold at substantial discounts from their value at maturity. The value of these instruments tends to fluctuate more in response to changes in interest rates than the value of ordinary interest-paying transferable debt securities with similar maturities. The risk is greater when the period to maturity is longer. As the holder of certain zero coupon obligations, clients may be required to accrue income with respect to these securities prior to the receipt of cash payment. They may be required to distribute income with respect to these securities and may have to dispose of such securities under disadvantageous circumstances in order to generate cash to satisfy these distribution requirements.
- *Variation in Inflation Rates.* Investment programs pursuing certain algorithms may involve investing in inflation-linked debt securities. The value of such securities fluctuates with the inflation rate of the corresponding geographical area.

Convertible Securities—Investment programs pursuing certain algorithms may involve investing in convertible securities which are securities generally offering fixed interest or dividend yields which may be converted either at a stated price or stated rate for common or preferred stock. Although to a lesser extent than with fixed income securities generally, the market value of convertible securities tends to decline as interest rates rise. Because of the conversion feature, the market value of convertible securities also tends to vary with fluctuations in the market value of the underlying common or preferred stock.

Exchange Rates and Currency Transactions—Investment programs pursuing certain algorithms may involve investing in securities denominated in a number of different currencies other than their reference currency. Changes in foreign currency exchange rates may affect the value of some securities. In addition, there is a risk that foreign exchange controls may be modified by foreign governments which may have an adverse effect on the securities. Rates of exchange between currencies have been highly volatile, particularly during times of political or economic unrest or as a result of actions taken by central banks, which may be intended to directly affect prevailing exchange rates, and this volatility may continue and perhaps spread to other currencies in the future. Fluctuations in currency exchange rates could adversely affect an investment denominated in, or whose value is otherwise linked to, a foreign currency.

Investment programs pursuing certain algorithms may involve a variety of currency transactions. In this regard, spot and forward contracts and over-the-counter options are subject to the risk that counterparties will default on their obligations as these contracts are not guaranteed by an exchange or clearing house. Therefore a default on the contract would deprive a client of unrealized profits, transaction costs and the hedging benefits of the contract or force the client to cover its purchase or sale commitments, if any, at the current market price. To the extent that a client is fully invested in securities while also maintaining currency positions, it may be exposed to a greater combined risk in comparison to investing without

currency positions. The use of currency transactions is a highly specialized activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. Incorrect forecasts of market values and currency exchange rates could cause investment performance to be less favorable than it would have been if this investment technique were not used.

Non-Hedging Currency Risk—An Advisory Account may purchase or sell currencies through the use of forward contracts or other instruments based on the Registrant's judgment regarding the direction of the market for a particular currency or currencies for speculative purposes. Currency exchange rates can be extremely volatile, and a variance in the degree of volatility of the market or in the direction of the market from the Registrant's expectations may produce significant losses to an Advisory Account.

Concentration—Although an investment program that entails investing in a limited number of stocks has the potential to generate attractive returns over time, it may increase the volatility of investment performance as compared to investment programs that involve investing in a larger number of stocks. If the stocks traded pursuant to an investment program perform poorly, the client could incur greater losses than if it had invested in a larger number of stocks.

Liquidity—Investment programs pursuing certain algorithms may involve acquiring securities that are traded only among a limited number of investors. The limited number of investors for those securities may make it difficult to dispose of those securities quickly or in adverse market conditions. Many derivatives and securities that are issued by entities that pose substantial credit risks typically are among those types of securities that only are traded among limited numbers of investors. Investments that are illiquid or that trade in lower volumes may be more difficult to value.

Use of Derivatives and other Investment Techniques—Investment programs pursuing certain algorithms may involve employing techniques and instruments relating to securities and other financial liquid assets for efficient portfolio management (i.e., to increase or decrease their exposure to changing security prices, interest rates, currency exchange rates, commodity prices or other factors that affect security values) and hedging purposes. These techniques may include the use of forward currency exchange contracts, contracts for differences, futures and option contracts, swaps and other investment techniques.

Participation in the futures and option markets, in currency exchange or swap transactions involves investment risks and transactions costs to which clients would not be subject in the absence of the use of these strategies.

As contracts for differences are directly linked to the value of the underlying assets they will fluctuate depending on the market of the assets represented in the contracts for differences.

Investment programs pursuing certain algorithms may involve using these techniques to adjust the risk and return characteristics of investments. If market conditions are judged incorrectly, these techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. These techniques may increase volatility and may involve a small investment of cash relative to the magnitude of the risk assumed. In addition, these techniques could result in a loss if the counterparty of the transaction does not perform as promised. Clients engaging in swap transactions are also exposed to a potential counterparty risk. In the case of insolvency or default of the swap counterparty, the client involved could suffer a loss.

In addition, subject to jurisdictional limits, the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended, establishes a new regulatory framework for oversight of over-the-counter derivatives transactions by the Commodity Futures Trading Commission (the "CFTC") and the SEC and heightens the existing regulation of futures markets. There can be no certainty as to the final form of the requirements, and the full extent of the impact such requirements will have on the Advisory Accounts is unclear.

Volatility Risk—Investment programs pursuing certain algorithms can be highly volatile. Price movements of assets are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, developments or trends in any particular industry, the financial condition of the issuers of such assets, changing supply and demand relationships, programs and policies of governments, and national and international political and economic events and policies.

Proprietary Methodology—Some details of the algorithms are proprietary to the Registrant, and are likely to remain confidential even following any future investment linked to such algorithms.

Market Risk—The market value of the instruments traded pursuant to the algorithms may go up or down in response to the prospects of individual companies, particular sectors or governments, and/or general economic conditions throughout the world due to increasingly interconnected global economies and financial markets. In addition, governmental and quasi-governmental organizations have taken a number of unprecedented actions designed to support the markets. Such conditions, events and actions may result in greater market risk.

Investments in Certain Jurisdictions—Investment programs pursuing certain algorithms may involve investing directly or indirectly in securities of certain issuers (including certain government issuers) who operate in jurisdictions that involve special risks, including without limitation the risks of: (i) expropriation and nationalization, currency devaluation, debt default, regime change, confiscatory taxation, and the potential difficulty of repatriating funds; (ii) general social, political and economic instability and adverse diplomatic developments; (iii) the imposition of trading controls, import duties or other protectionist measures; (iv) the possibility of the imposition of withholding or other taxes on dividends, interest, capital gain or other income; (v) the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; (vi) fluctuations in the rate of exchange between currencies and costs associated with currency conversion; (vii) certain government policies that may restrict investment opportunities; and (viii) the limited regulation of the securities markets in certain countries, including with respect to settlement or custody. In addition, there may be less information available to investors in companies located in such jurisdictions. The issuers of sovereign debt or the governmental authorities that control the repayment of the debt may be unable or unwilling to repay principal or interest when due, and a client may have limited recourse in the event of a default, including as a result of levels of non-U.S. debt or currency exchange rates.

Emerging Markets and Growth Markets Risk—In addition to the risks described under “Investments in Certain Jurisdictions” above (which risks may be heightened in emerging markets), securities traded in certain emerging markets may be subject to considerations not usually associated with investing in developed markets due to, among other things, (i) the inexperience of financial intermediaries, (ii) the lack of modern technology, (iii) the lack of a sufficient capital base to expand business operations, (iv) the possibility of temporary or permanent termination of trading, (v) rapid development of political and economic structures, (vi) inflation, and (vii) custody and settlement risk. Further, the economies, industries, securities and currency markets in emerging markets or growth markets may be adversely affected by protectionist trade policies, a slow U.S. economy, regional and global conflicts and terrorism and war, including actions that are contrary to the interests of the U.S. An Advisory Account’s purchase and sale of securities in certain emerging countries may be constrained by limitations relating to daily changes in the prices of listed securities, periodic trading or settlement volume, and/or limitations on aggregate holdings of foreign investors. An Advisory Account may not be able to sell securities in circumstances where price, trading, or settlement volume limitations have been reached.

Short Selling/Position Risk—Investment programs pursuing certain algorithms may involve short selling. Short selling occurs when a client borrows a security from a lender, sells the security to a third party, reacquires the same security and returns it to the lender to close the transaction. The client profits if the price of the borrowed security declines in value from the time the client sells it to the time the client reacquires it. Conversely, if the borrowed security has appreciated in value during this period, the client will suffer a loss. The potential loss on a short sale is unlimited because the price of the borrowed security may rise indefinitely. Short selling also involves the risks of: increased leverage, and its accompanying potential for losses; the potential inability to reacquire a security in a timely manner, or at

an acceptable price; the possibility of the lender terminating the loan at any time, forcing the client to close the transaction under unfavorable circumstances; the additional costs that may be incurred; and the potential loss of investment flexibility caused by the client's obligations to provide collateral to the lender and set aside assets to cover the open position. An Advisory Account may also enter into a short derivative position through a futures contract, an option or swap agreement.

Forward Contracts Risks—Investment programs pursuing certain algorithms may involve entering into forward contracts and options thereon which are not traded on exchanges and are generally not regulated and there are no limitations on daily price moves of forward contracts. In addition, an investment program may involve being exposed to credit risks with regard to counterparties with whom a client trades as well as risks relating to settlement default. Such risks could result in substantial losses to the client.

Futures Risks—Investment programs pursuing certain algorithms may involve trading in futures positions. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” It is also possible that an exchange may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, implement retroactive speculative position limits, or order that trading in a particular contract be conducted for liquidation only. The circumstances described above could prevent a client from liquidating unfavorable positions promptly and subject the client to substantial losses.

Call and Put Options Risks—Investment programs pursuing certain algorithms may involve trading in call and put options. There are risks associated with the sale and purchase of call and put options. The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option.

In addition to the material risks related to the algorithms summarized above, to the extent that the Registrant provides advisory services to Advisory Accounts, Advisory Accounts may be subject to the following material risks:

Frequent Trading and Portfolio Turnover Rate Risk—The turnover rate within Advisory Accounts may be significant. Frequent trades typically result in higher transactions costs, including potentially substantial brokerage commissions, fees and other transaction costs. In addition, frequent trading is likely to result in short-term capital gains tax treatment. As a result, high turnover and frequent trading in an Advisory Account could have an adverse effect on the performance of the Advisory Account.

Cash Management Risk—To the extent the Registrant has the authority to manage cash for an Advisory Account for various reasons, including for temporary or defensive positions or to meet the liquidity needs of such Advisory Account, the Registrant may, at certain times and subject to the investment guidelines for such Advisory Account, if any, invest some of its assets temporarily in money market funds or other similar types of investments. During any period in which its assets are not substantially invested in accordance with its principal investment strategies, an Advisory Account may be prevented from achieving its investment objective, which may adversely affect the Advisory Account's performance.

Leverage Risk—Leverage creates exposure to potential gains and losses in excess of the initial amount invested. Borrowing and the use of derivatives may result in leverage and may make an Advisory Account more volatile. When an Advisory Account uses leverage the sum of the Advisory Account's investment

exposures may significantly exceed the amount of assets invested in the Advisory Account, although these exposures may vary over time. Relatively small market movements may result in large changes in the value of a leveraged investment. An Advisory Account will identify liquid assets on its books or otherwise cover transactions that may give rise to such risk, to the extent required by applicable law. The use of leverage may cause an Advisory Account to liquidate portfolio positions to satisfy its obligations or to meet segregation requirements when it may not be advantageous to do so. The use of leverage by an Advisory Account can substantially increase the adverse impact to which the Advisory Account's investment portfolio may be subject. In addition, lenders may impose restrictions or requirements on the operations of an Advisory Account. An Advisory Account may not be able to liquidate assets quickly enough to repay its borrowings, which could increase the losses incurred by the Advisory Account. Lenders may also have the right under certain circumstances to cause the sale of assets held in an Advisory Account at times that may be inopportune from a pricing standpoint.

Hedging Risk—Hedging techniques could involve a variety of derivatives, including futures contracts, exchange-listed and over-the-counter put and call options on securities, financial indices, forward foreign currency contracts, and various interest rate transactions. To the extent the Registrant utilizes hedging techniques in respect of an Advisory Account, hedging techniques involve risks different than those of underlying investments. In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge may be greater than gains in the value of the positions of an Advisory Account or that losses on the hedge will occur at the same time as losses in the value of the positions of an Advisory Account. In addition, certain hedging instruments and markets may not be liquid in all circumstances. As a result, in volatile markets, an Advisory Account may not be able to close out a transaction in certain of these instruments without incurring losses substantially greater than the initial deposit. Although the contemplated use of these instruments is intended to minimize the risk of loss due to a decline in the value of the hedged position, the use of such instruments may limit any potential gain which might result from an increase in the value of such position. The ability of an Advisory Account to hedge successfully cannot be assured. Hedging techniques involve costs, which could be significant, whether or not the hedging strategy is successful.

Indirect Investment in Foreign Securities—Some countries, especially emerging markets countries, do not permit foreigners to participate directly in their securities markets or otherwise present difficulties for efficient foreign investment. An Advisory Account may use participation notes to establish a position in such markets as a substitute for direct investment. Participation notes are issued by banks or broker-dealers and are designed to track the return of a particular underlying equity or debt security, currency or market. When the participation note matures, the issuer of the participation note will pay to, or receive from, an Advisory Account the difference between the nominal value of the underlying instrument at the time of purchase and that instrument's value at maturity. Investments in participation notes involve the same risks as are associated with a direct investment in the underlying security, currency or market that they seek to replicate as well as counterparty risk when traded over-the-counter. Foreign securities may also trade in the form of depositary receipts. To the extent an Advisory Account acquires depositary receipts through banks which do not have a contractual relationship with the foreign issuer of the security underlying the depositary receipts to issue and service such unsponsored depositary receipts, there may be an increased possibility that the Advisory Account would not become aware of and be able to respond to corporate actions such as stock splits or rights offerings involving the foreign issuer in a timely manner.

Counterparty Risk—An Advisory Account may be exposed to the credit risk of counterparties with which, or the brokers, dealers, custodians and exchanges through which, it deals in connection with the investment of its assets, whether engaged in exchange-traded or off-exchange transactions. For example, although certain standardized swap transactions are subject to mandatory central clearing, which is expected to decrease counterparty risk and increase liquidity compared to bilaterally negotiated swaps, central clearing does not eliminate counterparty risk or illiquidity risk entirely. In addition, many of the protections afforded to cleared transactions, such as the security afforded by transacting through a clearing house, might not be available in connection with over-the-counter ("OTC") transactions. Therefore, in those instances in which an Advisory Account enters into OTC transactions, the Advisory Account will be subject to the risk that its direct counterparty will not perform its obligations under the

transactions and that the Advisory Account will sustain losses. Furthermore, an Advisory Account may, from time to time, enter into arrangements with certain brokers or other counterparties that require the segregation of collateral. For operational, cost or other reasons, when setting up arrangements relating to the execution/clearing of trades, an Advisory Account may choose to select a segregation model which may not be the most protective option available in the case of a default by a broker or counterparty.

Valuation Risk—The net asset value of an Advisory Account as of a particular date may be materially greater than or less than the net asset value that would be determined if such Advisory Account's investments were to be liquidated as of such date. An Advisory Account may invest in assets that lack a readily ascertainable market value, and an Advisory Account's net asset value will be affected by the valuations of any such assets (including, without limitation, in connection with calculation of any fees). The value of assets that lack a readily ascertainable market value may be subject to later adjustment based on valuation information available to an Advisory Account at that time. Any adjustment to the value of such assets may result in an adjustment to the net asset value of an Advisory Account.

Dependence on Key Personnel—Advisory Accounts may rely on certain key personnel of Goldman Sachs. As a result of regulation or for other reasons, the amount of compensation that may be payable to Goldman Sachs executives or other employees may be reduced, or employees who rely on work visas or other permits may have such visas or permits revoked or not renewed. As a result, certain key personnel may leave Goldman Sachs. The departure of any of such key personnel or their inability to fulfill certain duties may adversely affect the ability of the Registrant to effectively implement the investment programs of the Advisory Accounts.

Electronic Trading—The Registrant may trade on electronic trading and order routing systems, which differ from traditional open outcry trading and manual order routing methods. Transactions using an electronic system are subject to the rules and regulations of the exchanges offering the system or listing the instrument. Characteristics of electronic trading and order routing systems vary widely among the different electronic systems with respect to order matching procedures, opening and closing procedures and prices, trade error policies and trading limitations or requirements. There are also differences regarding qualifications for access and grounds for termination and limitations on the types of orders that may be entered into the system. Each of these matters may present different risk factors with respect to trading on or using a particular system. Each system may also present risks related to system access, varying response times and security. In the case of internet-based systems, there may be additional risks related to service providers and the receipt and monitoring of electronic mail.

Trading through an electronic trading or order routing system is also subject to risks associated with system or component failure. In the event of system or component failure, it is possible that for a certain time period, it might not be possible to enter new orders, execute existing orders or modify or cancel orders that were previously entered. System or component failure may also result in loss of orders or order priority. Some investments offered on an electronic trading system may be traded electronically and through open outcry during the same trading hours. Exchanges offering an electronic trading or order routing system and listing the instrument may have adopted rules to limit their liability, the liability of brokers and software and communication system vendors and the amount that may be collected for system failures and delays. The limitation of liability provisions vary among the exchanges.

Legal, Tax and Regulatory Risks—The Registrant and certain of its Advisory Accounts are expected to be subject to legal, tax and regulatory oversight, including by the SEC, the United Kingdom Financial Conduct Authority ("FCA") and similar regulators world-wide. For example, as a wholly owned subsidiary of The Goldman Sachs Group, Inc., a bank holding company, certain of the Registrant's activities and transactions in respect of Advisory Accounts may be restricted. Similarly, there have been recent legislative, tax and regulatory changes and proposed changes that may apply to the activities of the Registrant that may require material adjustments to the business and operations of, or have other material adverse effects on, Advisory Accounts. Any rules, regulations and other changes, and any uncertainty in respect of their implementation, may result in increased costs, reduced profit margins and reduced investment and trading opportunities, and may require a significant restructuring of the manner in

which an Advisory Account is organized, all of which may negatively impact the performance of Advisory Accounts.

Operational Risk—Advisory Accounts will be subject to the risk that an Advisory Account may suffer a loss arising from shortcomings or failures in internal processes, people or systems, or from external events. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents related to, for example, major systems failures.

Reliance on Technology—The Registrant may employ investment strategies that are dependent upon various computer and telecommunications technologies. The successful implementation and operation of such Strategies could be severely compromised by telecommunications failures, power loss, software-related “system crashes,” fire or water damage, or various other events or circumstances. Any such event could result in, among other things, the inability of the Registrant to establish, maintain, modify, liquidate, or monitor the Advisory Accounts’ investments, which could have a material adverse effect on the Advisory Accounts.

Partial or Total Loss of Capital—Certain investments made by the Registrant for Advisory Accounts may be intended for long-term investors who can accept the risks associated with investing in illiquid securities, and the possibility of partial or total loss of capital exists. There is no assurance that Advisory Accounts will achieve their investment or performance objectives, including, without limitation, the location of suitable investment opportunities and the achievement of targeted rates of return, or that Advisory Accounts will be able to fully invest their capital.

Performance-Based Compensation—The Registrant may receive performance-based compensation from Advisory Accounts based upon the net capital appreciation of Advisory Account assets. Such compensation arrangements may create an incentive for the Registrant to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. In many cases, performance-based compensation may be calculated on a basis that includes unrealized appreciation of assets. In such cases, such compensation may be greater than if it were based solely on realized gains and losses. See Item 6, Performance-Based Fees and Side-By-Side Management.

Limited Assets—An Advisory Account may at any time and from time to time have limited assets, which may limit the Registrant’s ability to trade in certain instruments that typically require minimum account balances for investment. Advisory Accounts may be limited with respect to the investment strategies they are able to employ and may be unable to diversify their portfolios across investment strategies or instruments.

Risk Management Risk—The Registrant may seek to reduce, increase or otherwise manage the volatility of an Advisory Account’s overall portfolio or the Advisory Account’s risk allocation to particular investments or sectors through various strategies, including by changing the amount of leverage utilized in connection with certain investments or sectors and/or by liquidating interests in certain investments and investing any proceeds in different investments or similar investments with a different volatility profile. There can be no assurance that the Registrant’s use of such strategies will be adequate, or that they will be adequately utilized by the Registrant. Additionally, any strategies may be limited by, among other things, liquidity of the Advisory Account’s investments and the availability of investment opportunities that the Registrant believes are appropriate.

Timing of Implementation Risk—The Registrant gives no warranty as to the timing of the investment of Advisory Account assets generally and/or any changes to the Advisory Account over time and from time to time (including in respect of asset allocation and investments), the performance or profitability of the Advisory Account or any part thereof, nor any guarantee that any investment objectives, expectations or targets with respect to the Advisory Account will be achieved, including, without limitation, any risk control, risk management or return objectives, expectations or targets. For example, there may be delays in the implementation of the Strategies, including as a result of differences in time zones and the markets on which securities included in the Strategies trade.

Conflicts of Interest—Goldman Sachs is a worldwide, full-service investment banking, broker-dealer, asset management and financial services organization and a major participant in global financial markets. As such, Goldman Sachs provides a wide range of financial services to a substantial and diversified client base. Goldman Sachs advises clients in all markets and transactions and purchases, sells, holds and recommends a broad array of investments. Goldman Sachs has direct and indirect interests in the global fixed income, currency, commodity, equities, bank loan and other markets and the securities and issuers in which Advisory Accounts may directly and indirectly invest. As a result, to the extent that the Registrant provides advisory services to multiple Advisory Accounts in the future, Goldman Sachs' activities and dealings may affect a particular Advisory Account in ways that may disadvantage or restrict the Advisory Account and/or benefit Goldman Sachs or other Accounts (as defined below) (including Advisory Accounts). A description of certain of such potential conflicts of interest is set forth under Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Political and Economic Factors—The value of the components of the Strategies may be influenced by a number of circumstances, including but not limited to political events, general economic conditions, government intervention, changes in balances of payments and trade, domestic and international rates of inflation, international trade restrictions and currency devaluations. Any such circumstance (or a combination of them) may cause unexpected volatility or illiquidity in the relevant markets in which those components of the Strategies are traded. The Strategies may fail to take account of such events and, as a result, investment losses may occur which may in turn have an adverse effect on the performance of the Advisory Accounts.

Economic and Other Sanctions—In the event that the Registrant determines that an investor is subject to any trade, economic or other sanctions imposed by the United Nations or any other applicable governmental or regulatory authority, the Registrant may take such actions as it determines appropriate to comply with applicable law, including, without limitation, (i) blocking or freezing Advisory Accounts or interests therein, (ii) where permitted by the applicable sanctions law, requiring an investor in a pooled investment vehicle to redeem from the fund, and delaying the payment of any redemption proceeds, without interest, until such time as such payment is permitted under applicable law, (iii) excluding an investor in a pooled investment vehicle from allocations of net capital appreciation and net capital depreciation and distributions made to other investors, and (iv) excluding an investor in a pooled investment vehicle from voting on any matter upon which investors are entitled to vote, and excluding the net asset value of such investor's interest in the fund for purposes of determining the investors entitled to vote on or required to take any action in respect of the fund.

Volcker Rule Risks—The so-called “Volcker Rule” became effective July 21, 2012; however, the Board of Governors of the Federal Reserve System (the “Federal Reserve”) issued an order that provided that banking entities (including Goldman Sachs and its subsidiaries) are not required to be in compliance with the Volcker Rule and its final rules until July 21, 2015. On December 18, 2014, the Federal Reserve issued a further order extending the conformance period until July 21, 2016 for investments in and relationships with covered funds and foreign funds that were in place prior to December 31, 2013, and stated that it intends to grant an additional one-year extension, until July 21, 2017, for the same covered fund investments and relationships. Among other things, the Volcker Rule generally prohibits banking entities, including Goldman Sachs, from engaging in transactions that would cause a banking entity or its affiliates to have credit exposure to certain hedge funds or private equity funds that are managed by affiliates of the banking entity, or with investment vehicles controlled by such hedge funds or private equity funds, that would involve or result in a material conflict of interest between the banking entity and its clients, customers or counterparties, or that would result, directly or indirectly, in a material exposure by the banking entity to high-risk assets or high-risk trading strategies. However, there remains significant uncertainty as to how this prohibition will ultimately impact the Advisory Accounts. The Volcker Rule also prohibits Goldman Sachs from owning more than 3% of the total number and fair market value of the outstanding ownership interests of certain covered Advisory Accounts and requires that certain other transactions between GSAM and Advisory Accounts managed by GSAM affiliates be on “arms’ length” terms. Goldman Sachs’ policies and procedures are designed to identify and limit exposure to such material conflicts of interest and high-risk assets and trading strategies in its trading and investment activities, including its activities related to an Advisory Account. If the regulatory agencies implementing

the Volcker Rule develop guidance regarding best practices for addressing these matters, as they indicated that they intend to do, Goldman Sachs' policies and procedures may be modified or adapted to take any such guidance into account. Any requirements or restrictions imposed by Goldman Sachs' policies and procedures or by the Volcker Rule agencies could materially adversely affect an Advisory Account, including because the requirements or restrictions could result in, among other things, the Advisory Account foregoing certain investments or investment strategies or taking or refraining from other actions, any of which could disadvantage the Advisory Account. These restrictions could materially adversely affect Advisory Accounts that are pooled investment vehicles, including because the restrictions could prevent a pooled investment vehicle from obtaining seed capital, loans or other commercial benefits from Goldman Sachs.

Item 9 - DISCIPLINARY INFORMATION

There are no reportable material legal or disciplinary events.

Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Broker-Dealer Registration

Certain of the Registrant's management persons may be registered representatives of Goldman, Sachs & Co. ("GS&Co."), a registered broker-dealer, if necessary or appropriate to perform their responsibilities.

Commodity Pool Operator, Commodity Trading Registrant, Futures Commission Merchant Registration

The Registrant is not currently registered, but may in the future register, with the CFTC as a futures commission merchant, a commodity pool operator or a commodity trading advisor or with the National Futures Association as a swap firm. However, certain of the Registrant's management persons may be registered as associated persons of a futures commission merchant, commodity pool operator or commodity trading advisor that is an affiliate of the Registrant.

Other Material Relationships with Affiliated Entities

Currently, GSI uses the Registrant's algorithms to develop Strategies that are utilized with respect to the GSI Funds. GSI is a UK incorporated broker-dealer and is regulated by the FCA. GSI provides a wide-range of financial services to clients located worldwide.

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

Broker-Dealer; Derivatives Dealer

Subject to client consent, the Registrant may use, or suggest or recommend that advisory clients use, the securities, futures execution, custody or other services offered by the Registrant's broker-dealer and other affiliates. These may include (but are not limited to) GS&Co., GSI, Montague Place Custody Services, Goldman Sachs (Asia) Securities Limited, Goldman Sachs Japan Co., Ltd., Goldman Sachs (Russia),

Goldman Sachs Bank AG, Goldman Sachs Financial Markets, L.P., Goldman Sachs Saudi Arabia, Goldman Sachs Execution & Clearing, L.P., OOO Goldman Sachs, Qian Kun Futures Co., Ltd. and Redi Global Technologies LLC. To the extent that advisory clients utilize such services, clients will pay for broker-dealer or other services performed by the Registrant's affiliates in addition to the advisory fee paid to the Registrant.

Broker-dealer affiliates that provide custodial services may benefit from the use of free credit balances (i.e., cash) in advisory clients' accounts, subject to the limitation set forth in SEC Rule 15c3-3 under the U.S. Securities Exchange Act of 1934, as amended.

The Registrant may receive record keeping, administrative and support services from its broker-dealer affiliates. The Registrant, in its advisory capacity, may also obtain research ideas, analyses, reports and other services (including distribution services) from broker-dealer affiliates. As described in Item 12, Brokerage Practices, the Registrant may pay affiliates for brokerage and research services that assist the Registrant in the investment decision-making process with "soft" or commission dollars. The Registrant may receive these services in lieu of the affiliates reducing the commissions or fees they charge an Advisory Account, and these services may or may not be used to benefit the Advisory Account.

Subject to client consent, the Registrant may enter into principal transactions, including over-the-counter derivatives transactions, for clients with its affiliates. The Registrant's affiliates will earn mark-ups, mark-downs, spreads, financing fees and other charges that may be embedded in the cost of the derivative. Clients will pay these charges in addition to the advisory fee paid to the Registrant. The Registrant and its affiliates may share all or a portion of their charges and fees with each other and with their affiliates and employees. For additional information about principal trading, please see Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

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

Investment Companies and Other Pooled Investment Vehicles

The Registrant or its affiliates may act in an advisory or sub-advisory capacity, including as adviser, administrator and/or distributor, to a variety of U.S. and non-U.S. investment companies as well as other pooled investment vehicles including collective trusts and alternative investment funds. Certain personnel of the Registrant may also be directors, trustees and/or officers of these investment companies and other pooled investment vehicles.

Other Investment Advisers

In addition to GSI, the Registrant has investment advisory affiliates in Australia, Canada, China, India, Brazil, England, Germany, Hong Kong, Ireland, Italy, Japan, Singapore, Korea and the United States. These affiliates include: Goldman Sachs Asset Management Australia Pty Ltd, Goldman Sachs Asset Management Brazil LTDA, Goldman Sachs (China) L.L.C., Beijing Gao Hua Securities Company Limited, Goldman Sachs Asset Management (India) Private Limited, Goldman Sachs (India) Securities Private Limited, Goldman Sachs Services Pvt. Ltd., Goldman Sachs (Malaysia) Sdn Bhd, Goldman Sachs Asset Management, L.P. ("GSAM"), Goldman Sachs Asset Management International ("GSAMI"), Goldman Sachs (Asia) L.L.C., Goldman Sachs (Russia), Goldman Sachs Do Brasil Banco Multiplo S/A, Goldman Sachs Saudi Arabia, Goldman Sachs Asset Management Co. Ltd., Goldman Sachs (Singapore) Pte., GS&Co., Goldman Sachs Realty Management, L.P. (formerly known as Archon Group, L.P.), The Ayco Company, L.P. ("Ayco"), GSAM Stable Value, GSI, Goldman Sachs Hedge Fund Strategies LLC ("HFS"), Goldman Sachs Investment Advisory Korea Co., LTD, GS Investment Strategies Canada Inc., Goldman Sachs Asset Management Global Services Limited and GS Investment Strategies, LLC ("GSIS").

Among the Registrant's investment advisory affiliates, GSI is not registered with the SEC as an investment adviser but is a foreign affiliated adviser that may provide advice or research to the Registrant

for use with the Registrant's U.S. clients (in such capacity, the "Participating Affiliate"). The Participating Affiliate will act according to a series of SEC no-action relief letters mandating that the Participating Affiliate remain subject to the regulatory supervision of both the Registrant and the SEC. The Registrant currently has sub-advisory relationships, and intends to have co-advisory relationships, with affiliates, and/or participating affiliate relationships with the Participating Affiliate.

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

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

Financial Planner

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

Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Adviser

The Registrant has affiliates registered with the CFTC as a futures commission merchant, commodity pool operator and/or commodity trading advisor, swap firm and swap dealer. These firms include: GS&Co., GSAM, GSAMI, HFS, Goldman Sachs Management Partners, L.P., GSIS and Goldman Sachs Execution & Clearing, L.P. If permitted by law and applicable regulations, the Registrant may buy or sell futures on behalf of its clients through its CFTC-registered affiliates and these affiliates may receive commissions.

Bank or Thrift Institution

The Goldman Sachs Group, Inc. is a bank holding company registered with the Federal Reserve. The Goldman Sachs Group, Inc. is subject to supervision and regulation by the Federal Reserve.

The Goldman Sachs Trust Company, a limited trust company licensed by the State of New York, and its affiliates, may provide custody services to the Registrant's clients at the request of the clients and may receive compensation directly from the Registrant's clients or from the Registrant.

The Registrant may also have relationships with The Goldman Sachs Trust Company, N.A., a national bank limited to fiduciary activities ("GSTC") and The Goldman Sachs Trust Company of Delaware, a Delaware limited purpose trust company. The Registrant and its affiliates may provide a variety of services to GSTC, including investment advisory, distribution, marketing, operational, infrastructure, financial, auditing, and administrative services. The Registrant and its affiliates may receive fees from GSTC according to the fee schedules agreed between the parties. GSTC also maintains collective investment funds for eligible pension and profit sharing clients. Certain personnel of the Registrant's affiliates have been cross-designated as officers of GSTC.

Sponsor or Syndicator of Limited Partnerships

The Registrant and its affiliates may create and/or distribute unregistered privately-placed vehicles and may receive fees.

Insurance Company or Agency

Goldman Sachs' affiliates, Global Atlantic Financial Group Limited, Commonwealth Annuity and Life Insurance Company and First Allmerica Financial Life Insurance Company, engage in the insurance business for the purpose of insuring and reinsuring life and annuity contracts including, but not limited to variable life and variable annuity contracts.

Management Persons; Policies and Procedures

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

The Registrant has established a variety of restrictions, policies, procedures, and disclosures designed to address potential conflicts that may arise between the Registrant, its management persons and its affiliates. These policies and procedures include: information barriers designed to prevent the flow of information between the Registrant, personnel of the Registrant 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. Additional information about these conflicts and the policies and procedures to address them is available in Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

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

Code of Ethics and Personal Trading

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

Additionally, all personnel of Goldman Sachs, including the Registrant's personnel, are subject to firmwide policies and procedures regarding confidential and proprietary information, information barriers, private investments, outside business activities and personal trading.

Participation or Interest in Client Transactions

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

Principal Trading and Cross/Agency Cross Transactions with Advisory Accounts

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

Certain Effects of the Activities of the Registrant and Other Goldman Sachs Entities on Advisory Accounts

Goldman Sachs engages in various activities in the global financial markets. Goldman Sachs, acting in various capacities (including investment banker, market maker, lender, investor, broker, advisor and research provider), may take actions or advise on transactions in respect of Accounts (including Advisory Accounts) or companies or affiliated or unaffiliated investment funds in which Advisory Accounts have an interest that may have potential adverse effects on Advisory Accounts.

To the extent the Registrant provides advisory services to multiple Advisory Accounts through a variety of investment products and arrangements in the future, the Registrant's decisions and actions on behalf of an Advisory Account may differ from those on behalf of other Advisory Accounts. Advice given to, or investment or voting decisions made for, one or more Advisory Accounts may compete with, affect, differ from, conflict with, or involve timing different from, advice given to or investment decisions made for other Advisory Accounts.

Goldman Sachs (including the Registrant), the clients it advises, and its personnel have interests in and advise Accounts (including Advisory Accounts) that have investment objectives or portfolios similar to or opposed to those of particular Advisory Accounts, and/or which engage in and compete for transactions in the same types of securities and other instruments as particular Advisory Accounts, including Accounts that may provide greater fees or other compensation, including performance-based fees, to Goldman Sachs. These interests may involve the same or related securities or other instruments as those in which particular Advisory Accounts invest, and such Accounts may engage in a strategy while an Advisory Account is undertaking the same or a differing strategy, any of which could directly or indirectly disadvantage the Advisory Account. For example, an Advisory Account may buy a security and Goldman Sachs may establish a short position in that same security or in similar securities. This short position may result in the impairment of the price of the security that the Advisory Account holds or may be designed to profit from a decline in the price of the security. To the extent an Advisory Account engages in transactions in the same types of securities as other Accounts (including other Advisory Accounts), transactions by such other Accounts may dilute or otherwise negatively affect the investments of the Advisory Account. Moreover, a particular Advisory Account on the one hand, and Goldman Sachs or an Account (including another Advisory Account) on the other hand, may also vote differently on or take or refrain from taking different actions with respect to the same security, which may be disadvantageous to the Advisory Account. In addition, Goldman Sachs or Accounts (including Advisory Accounts) on the one hand, and a particular Advisory Account, on the other hand, may invest in or extend credit to different classes of securities or different parts of the capital structure of the same issuer and as a result one may take actions that adversely affect the other.

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

Goldman Sachs may make loans to, or enter into asset-based or other credit facilities or similar transactions with, clients, companies or individuals that may (or may not be) secured, including by a client's assets or interests in an Advisory Account. In connection with its rights as lender, Goldman Sachs may act to protect its own commercial interest and may take actions that adversely affect the borrower. The borrower's actions may in turn adversely affect Advisory Accounts (e.g., if the borrower liquidates a large position in a security rapidly, the value of such security may decline and Advisory Accounts holding such security may in turn decline in value or may be unable to liquidate their positions in such security at an advantageous price).

Subject to applicable law, Goldman Sachs (including the Registrant) or Accounts (including Advisory Accounts and Accounts formed to facilitate investment by personnel of Goldman Sachs) may also invest in or alongside particular Advisory Accounts that are pooled investment vehicles. Such investments may

be on terms more favorable than those of an investment by other Advisory Accounts in the pooled investment vehicle and may constitute substantial percentages of the assets of the pooled investment vehicle. Unless provided otherwise by agreement to the contrary, Goldman Sachs or Accounts may redeem interests in these pooled investment vehicles at any time without notice to or regard to the effect on the portfolios of Advisory Accounts invested in the pooled investment vehicle, which may be adverse.

Goldman Sachs (including the Registrant) may create, write, sell, issue, invest in or act as placement agent or distributor of derivative instruments related to Advisory Accounts such as pooled investment vehicles, or with respect to underlying securities or assets of an Advisory Account, or which may be otherwise based on or seek to replicate or hedge the performance of an Advisory Account. Such derivative transactions, and any associated hedging activity, may differ from and be adverse to the interests of Advisory Accounts.

Goldman Sachs (including, as applicable, the Registrant) and its personnel, when acting as an investment banker, market maker, investor, broker, advisor or research provider, may advise on transactions, make investment decisions or recommendations, provide differing investment views or have views with respect to research or valuations that are inconsistent with, or adverse to, the interests and activities of Advisory Accounts. Accounts may be offered access to advisory services through several different Goldman Sachs advisory businesses (including GS&CO. and the Registrant). Different advisory businesses within Goldman Sachs manage Accounts according to different strategies and may also apply different criteria to the same or similar strategies and may have differing investment views in respect of an issuer or a security. Similarly, within the Registrant, certain investment teams or portfolio managers may have differing or opposite investment views in respect of an issuer or a security, and the positions an investment team or portfolio manager takes in respect of an Advisory Account they manage may be inconsistent with, or adverse to, the interests and activities of Advisory Accounts advised by other investment teams or portfolio managers within the Registrant. Moreover, research, analyses or viewpoints may be available to clients or potential clients at different times. Goldman Sachs will not have any obligation to make available to the Advisory Accounts any research or analysis prior to its public dissemination. Goldman Sachs, on behalf of one or more Accounts (including Advisory Accounts), may implement an investment decision or strategy ahead of, or contemporaneously with, or behind similar investment decisions or strategies made for Advisory Accounts (whether or not the investment decisions emanate from the same research analysis or other information). The relative timing for the implementation of investment decisions or strategies for particular Advisory Accounts, on the one hand, and other Accounts (including Advisory Accounts), on the other hand, may disadvantage the Advisory Accounts. Certain factors, for example, market impact, liquidity constraints, or other circumstances, could result in Advisory Accounts receiving less favorable trading results or incurring increased costs associated with implementing such investment decisions or strategies, or being otherwise disadvantaged.

Goldman Sachs has established certain information barriers and other policies to address the sharing of information between different businesses within Goldman Sachs. As a result of information barriers, the Registrant generally will not have access, or will have limited access, to information and personnel in other areas of Goldman Sachs, and generally will not be able to manage the Advisory Accounts with the benefit of information held by these other areas. Goldman Sachs, due to its access to and knowledge of funds, markets and securities based on its prime brokerage and other businesses, may make decisions based on information or take (or refrain from taking) actions with respect to interests in investments of the kind held by Advisory Accounts in a manner that may be adverse to Advisory Accounts and will not have any obligation to share information with the Registrant. In addition, Goldman Sachs will not have any obligation to make available any information regarding its trading activities, strategies or views, or the activities, strategies or views used for other Accounts, for the benefit of Advisory Accounts. To the extent that the Registrant has access to fundamental analysis and proprietary technical models or other information developed by Goldman Sachs and its personnel, the Registrant will not be under any obligation to effect transactions on behalf of the Advisory Accounts in accordance with such analysis and models. Different portfolio management teams within the Registrant may make decisions based on information or take (or refrain from taking) actions with respect to Advisory Accounts they advise in a manner that may be adverse to other Advisory Accounts. Such teams may not share information with

other portfolio management teams within the Registrant, including as a result of certain information barriers and other policies, and will not have any obligation to do so.

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

Goldman Sachs may provide various services to Advisory Accounts or to companies or affiliated or unaffiliated investment funds in which Advisory Accounts have an interest, which may result in fees, compensation and remuneration, as well as other benefits, to Goldman Sachs. For example, Goldman Sachs may be hired by the Registrant on behalf of an Advisory Account or directly by an Advisory Account, or by a company or an affiliated or unaffiliated investment fund in which an Advisory Account has an interest, to provide investment advisory, custody, distribution, transfer agency, administrative, lending or other services (including legal, accounting and other back office services) to the Advisory Account, company or investment fund. In addition, Goldman Sachs may act as broker, dealer, agent, lender or advisor or in other commercial capacities for Advisory Accounts or companies or affiliated or unaffiliated investment funds in which Advisory Accounts have an interest. For example, a company in which an Advisory Account has an interest may hire Goldman Sachs to provide underwriting, merger advisory, placement agency, foreign currency hedging, research, asset management services, brokerage services or other services to the company. In connection with providing such services, Goldman Sachs may take commercial steps in its own interests, or may advise the parties to which it is providing services to take actions or engage in transactions, which may have an adverse effect on Advisory Accounts. For example, Goldman Sachs may advise a company to make changes to its capital structure the result of which would be a reduction in the value or priority of a security held by one or more Advisory Accounts. Actions taken or advised to be taken by Goldman Sachs in connection with other types of transactions may also result in adverse consequences for Advisory Accounts. Providing such services to the Advisory Accounts and companies and affiliated or unaffiliated investment funds in which they invest may enhance Goldman Sachs' relationships with various parties, facilitate additional business development and enable Goldman Sachs to obtain additional business and generate additional revenue. Advisory Accounts will not be entitled to compensation related to any businesses of Goldman Sachs or the Registrant.

The Registrant, while not the primary valuation agent of Advisory Accounts, may perform certain valuation services related to securities and assets in Advisory Accounts. The Registrant values securities and assets in Advisory Accounts according to its valuation policies. The Registrant may value an identical asset differently than another division or unit within Goldman Sachs values the asset, including because such other division or unit has information regarding valuation techniques and models or other information that it does not share with the Registrant. This is particularly the case in respect of difficult-to-value assets. The Registrant may also value an identical asset differently in different Advisory Accounts, including because different Advisory Accounts are subject to different valuation guidelines pursuant to their respective governing agreements, 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 the Registrant. The Registrant will face a conflict with respect to such valuations as they affect the Registrant's compensation. In addition, to the extent the Registrant utilizes third-party vendors to perform certain valuation functions, these vendors may have interests and incentives that differ from those of the Advisory Accounts.

Advisory Accounts will generally not be provided investment opportunities sourced by Goldman Sachs businesses other than the Registrant. Opportunities not allocated to Advisory Accounts may be undertaken by Goldman Sachs (including the Registrant) or other Accounts.

For a discussion of side-by-side management of Advisory Accounts, please refer to Item 6, Performance-Based Fees and Side-By-Side Management and Item 17, Voting Client Securities.

Financial Incentives in Selling and Managing Advisory Accounts

Goldman Sachs and its personnel, including personnel of the Registrant, may receive benefits and earn fees and compensation for services provided to Advisory Accounts and in connection with its distribution of separately managed accounts and pooled vehicles managed by the Registrant or its affiliates ("Affiliated Products"). The Registrant will have a financial incentive to allocate Advisory Account assets to Affiliated Products rather than to accounts or funds managed by third parties. Any differentials in compensation will create a financial incentive for the Registrant and its personnel to recommend or select advisory products or investment strategies that will result in greater compensation and profit to the Registrant and, indirectly, to its personnel. Please also refer to Item 6, Performance-Based Fees and Side-By-Side Management.

Firm Policies and Regulatory Restrictions Affecting Advisory Accounts

To the extent that the Registrant provides advisory services to Advisory Accounts, the Registrant may restrict its investment decisions and activities on behalf of an Advisory Account in various circumstances, including as a result of applicable regulatory requirements, information held by Goldman Sachs, Goldman Sachs' internal policies and/or potential reputational risk in connection with Accounts (including Advisory Accounts). As a result, the Registrant might not engage in transactions for, or recommend transactions to, an Advisory Account in consideration of Goldman Sachs' activities outside the Advisory Account. For example, the Registrant may restrict or limit the amount of an Advisory Account's investment where exceeding a certain aggregate amount could require a filing or a license or other regulatory or corporate consent, which could, among other things, result in additional costs and disclosure obligations for Goldman Sachs, including the Registrant. The Registrant may also reduce a particular Advisory Account's interest in an investment opportunity that has limited availability so that other Advisory Accounts that pursue similar investment strategies may be able to acquire an interest in the investment opportunity. In addition, the Registrant is not permitted to obtain or use material non-public information in effecting purchases and sales in public securities transactions for Advisory Accounts. The Registrant may also limit an activity or transaction engaged in on behalf of a particular Advisory Account, including as a result of information held by Goldman Sachs (including information held by a portfolio management team in the Registrant other than the team managing the Advisory Account), and may limit its exercise of rights on behalf of the Advisory Account for reputational or other reasons, including where Goldman Sachs is providing (or may provide) advice or services to an entity involved in such activity or transaction, where Goldman Sachs or an Account is or may be engaged in the same or a related transaction to that being considered on behalf of the Advisory Account, where Goldman Sachs or another Account has an interest in an entity involved in such activity or transaction, or where such activity or transaction or the exercise of such rights on behalf of or in respect of the Advisory Account could affect Goldman Sachs, the Registrant or their activities. The Registrant may restrict its investment decisions and activities on behalf of particular Advisory Accounts and not other Accounts (including other Advisory Accounts).

In order to engage in certain transactions on behalf of Advisory Accounts, the Registrant 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 the Registrant and/or the Advisory Accounts may be required to comply with the rules of certain exchanges, execution platforms, trading facilities, clearinghouses and other venues, or may be required to consent to the jurisdiction of any such venues. The rules, terms and/or conditions of any such venue may result in the Registrant (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, the Registrant or its affiliates and/or their service providers or agents may be required, or may determine that it is advisable, to disclose certain information about an

Advisory Account, including, but not limited to, investments held by the Advisory Account, and the names and percentage interest of beneficial owners thereof, to third parties, including local governmental authorities, regulatory organizations, taxing authorities, markets, exchanges, clearing facilities, custodians, brokers and trading counterparties of, or service providers to, the Registrant or the Advisory Account. Unless agreed in the agreement governing the Advisory Account or otherwise directed by a client, the Registrant will comply with such requests to disclose such information, including through electronic delivery platforms. If the Registrant is not permitted to make certain required disclosures in respect of an Advisory Account, the Registrant may determine to cause the sale of certain assets for the Advisory Account, and such sale may be at a time that is inopportune from a pricing standpoint.

Item 12 - BROKERAGE PRACTICES

Broker-Dealer Selection

The Registrant places orders for the execution of transactions for Advisory Accounts according to its best execution policies and procedures. Subject to any specific instructions that the Registrant accepts from clients, the Registrant takes into account a range of factors in deciding how to execute client orders, including, but not limited to, price; costs; timing and speed of execution; responsiveness; creditworthiness and financial stability; likelihood of, and capabilities in, execution, clearance and settlement; size; liquidity in or with an execution venue; nature; in certain circumstances, a broker's or counterparty's willingness to commit capital and the provision of research and "soft dollar" benefits as described below; and other appropriate factors. Best price, giving effect to commissions and commission equivalents (if any) and other transaction costs, is normally an important factor in deciding how to execute transactions, but, in consideration of the relevant factors, transactions may not always be executed at the lowest available price or commission or commission equivalents (if any). In determining the relative importance of factors considered, the Registrant takes into account the nature of client orders, the characteristics of the financial instruments to which the order relates and the characteristics of the available brokers or counterparties which can be used or to which client orders can be directed.

The reasonableness of commissions or commission equivalents for non client-directed trade execution is evaluated by the Registrant on an ongoing basis based on many factors, including the general level of compensation paid and, in certain cases, the nature and value of research and other services provided. Although the Registrant generally does not execute transactions through affiliates, it may do so to the extent consistent with applicable law, with client instruction, and with its duty to seek best execution.

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

Counterparty Credit Requirements

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

Research and Other Soft Dollar Benefits

When selecting broker-dealers to execute securities transactions for Advisory Accounts, the Registrant does not consider the receipt of any research or products or services other than execution from broker-dealers or third parties and will seek to negotiate commissions (or markups or markdowns) for execution-only services; however, the Registrant may receive research from broker-dealers from time to time. Such research may include economic, market and financial analysis and outlook of general economic, market and industry conditions.

Brokerage for Client Referrals

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

Directed Brokerage

To the extent that the Registrant provides advisory services to Advisory Accounts that are separately managed accounts in the future, clients may direct brokerage as part of their participating in a commission recapture program, or because they believe it provides them with favorable execution, lower costs and/or other benefits. Clients may direct the Registrant to place transactions for their accounts with a particular broker-dealer, including an affiliate of the Registrant. Clients may also direct the Registrant to use a specific execution venue or exchange. Absent a client direction, the Registrant generally has the discretionary authority to determine and direct execution of portfolio transactions within the client's specified investment objectives (including with respect to real estate assets, if applicable) without prior consultation with the client on a transaction-by-transaction basis. Some clients may limit the Registrant's discretionary authority in terms of the selection of broker-dealers or other terms of brokerage arrangements. From time to time, clients may also retain the Registrant on a non-discretionary basis, explicitly requiring that portfolio transactions, including where transactions are executed, be discussed in advance and executed at the client's direction.

To the extent that a client directs the use of a particular broker-dealer, the Registrant may be unable to achieve most favorable execution of client transactions and the client may pay more in execution fees than if the Registrant were permitted to choose the executing broker-dealer. In such cases, the Registrant may not be able to determine the terms of how an order will be handled with such broker-dealer and may not be able to freely negotiate commission rates. In addition, the Registrant may not be able to aggregate the client's orders with other client orders, including to reduce transaction costs. As a result, a client's direction that the Registrant use a particular broker-dealer may cause a client to pay higher commissions or receive less favorable net prices than would be the case if the Registrant were given discretion to choose the broker-dealer through which to execute the transaction for the client's account. In an effort to achieve orderly execution of transactions, execution of orders for clients that direct the Registrant to use particular broker-dealers may, in certain circumstances, be delayed until after the Registrant completes the execution of non client-directed orders.

Orders for clients that have directed the Registrant to send all trades to particular broker-dealers similarly may not be allocated with orders for other accounts. When a client has directed the use of a particular broker and has not waived best execution, then trades for the directed client and for non-directed orders must be executed in a manner that over time is reasonable and fair to all clients. This could include the use of step out arrangements. For more information relating to the Registrant's allocation policies and procedures, please see Item 6, Performance-Based Fees and Side-By-Side Management.

Aggregation of Trades

To the extent that the Registrant provides advisory services to multiple Advisory Accounts in the future, the Registrant will seek to execute orders for its clients fairly and equitably over time. The Registrant expects to follow policies and procedures pursuant to which it may combine or aggregate purchase or sale orders for the same security or other instrument for multiple Accounts (including Accounts in which Goldman Sachs has an interest) (sometimes referred to as "bunching"), so that the orders can be executed at the same time and block trade treatment of any such orders can be elected when available. The Registrant expects to aggregate orders when the Registrant considers doing so appropriate and in the interests of its clients generally and may elect block trade treatment when available. In addition, under certain circumstances trades for Advisory Accounts may be aggregated with accounts that contain Goldman Sachs assets. These circumstances may include, without limitation, in developing products that demonstrate client-experience track records; when managing accounts in a commercially reasonable

manner for clients (which may be affiliates but are engaging the Registrant to act as an independent commercial money manager); or when aggregating will have a de minimis effect on the performance of client accounts (e.g., where the size of the account relative to the size of the market makes aggregation not material). In addition, trade aggregation may effectively occur within an Advisory Account, such as a pooled investment vehicle, in which Goldman Sachs and other Accounts have an interest. The particular procedures followed may differ depending on the particular strategy or type of investment.

To the extent that Advisory Account orders are aggregated, the orders will be placed with one or more broker-dealers or other counterparties for execution. When a bunched order or block trade is completely filled, the securities or other instruments purchased or the proceeds of any sale will be allocated pro rata among the participating Accounts, based on the purchase or sale order. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or small allocations or to satisfy account cash flows and guidelines. If the order at a particular broker-dealer or other counterparty is filled at several different prices, through multiple trades, generally all participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. There may be instances in which not all Advisory Accounts are charged the same commission or commission equivalent rates in a bunched or aggregated order.

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

The Registrant may be able to negotiate a better price and lower commission rate on aggregated trades than on trades for Advisory Accounts that are not aggregated, and incur lower transaction costs on netted trades than trades that are not netted. Where transactions for an Advisory Account are not aggregated with other orders, including directed brokerage accounts, or not netted against orders for the Advisory Account, the Advisory Account may not benefit from a better price and lower commission rate or lower transaction cost.

To the extent that the Registrant provides advisory services to multiple Advisory Accounts in the future, the Registrant may also sequence or rotate transactions using allocation policies to determine which type of account is to be traded in which order. Under this policy, each portfolio management team may determine the length of its trade rotation period and the sequencing schedule for different categories of clients within this period, provided that the trading periods and these sequencing schedules are designed to be fair and equitable over time. For example, some portfolio management teams may base their trading periods and rotation schedules on the relative amounts of assets managed for different client categories (e.g., unconstrained client accounts, etc.). Within a given trading period, the sequencing schedule establishes when and how frequently a given client category will trade first in the order of rotation. The Registrant expects that it may deviate from the predetermined sequencing schedule under certain circumstances when justified, including, for example, when unusual circumstances arise. In addition, a portfolio management team may provide instructions simultaneously regarding the placement of a trade in lieu of the predetermined sequencing schedule if the trade represents a relatively small proportion of the average daily trading volume of the particular security or other instrument. To the extent a given account trades behind other types of accounts within the rotation system, it is possible that the account may suffer adverse effects depending on market conditions.

Item 13 - REVIEW OF ACCOUNTS

General Description

The Registrant participates in the development of the algorithms, which may be incorporated into the Strategies. Currently, the Registrant is not involved in implementing Strategies for, and does not provide advice or any other services to, the GSI Funds. The Registrant participates in periodic adjustments of the algorithms.

Additionally, the Registrant develops its own Strategies and offers investment advisory services in respect of such Strategies to a single Advisory Account that is a pooled investment vehicle. Senior members of the Registrant's portfolio management teams will periodically review Advisory Accounts. The Registrant's portfolio management teams will conduct the review either individually or in a group, depending upon account needs and market conditions. These reviews are expected to include a review of the account's performance, investment objectives, security positions and other investment opportunities. In addition, the supervisors of personnel involved in decision-making for Advisory Accounts are expected to monitor the performance of the Advisory Accounts. Additional reviews may be undertaken at the discretion of the Registrant.

Compliance with investment guidelines for Advisory Accounts is generally judged at time of purchase, however, from time to time there may exist certain circumstances when compliance with applicable investment guidelines will be tested as of the next occurring compliance review conducted in the local jurisdiction of the Advisory Account (e.g. transactions executed in multiple time zones).

Factors Triggering a Review

In addition to periodic reviews, additional reviews may be undertaken because of changes in market conditions or as agreed with a client. Additional reviews may be undertaken for reasons including changes in market conditions, changes in security positions or changes in a client's investment objective or policies.

Client Reports

The Registrant may provide certain reports as agreed with its clients. To the extent that the Registrant provides advisory services to Advisory Accounts that are separate accounts in the future, it is currently expected that the Registrant will provide advisory clients who have Advisory Accounts with written reports on a quarterly basis or more frequently upon agreement between the Registrant and the client. These reports are generally expected to include, among other things, a summary of all activity in the account, including all purchases and sales of securities and any debits and credits to the account, a summary of holdings including a portfolio valuation, and the change in value of the account during the reporting period.

Investors in Advisory Accounts that are pooled investment vehicles will receive such reports as are described in the prospectus or other relevant offering document for the vehicle.

Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Compensation for Client Referrals

The Registrant may make cash payments for client referrals to persons other than employees of the Registrant and its affiliates pursuant to applicable laws, including Rule 206(4)-3 under the Advisers Act, when applicable. In addition, from time to time, the Registrant may also compensate employees of the Registrant and its affiliates for client referrals pursuant to applicable laws.

Intermediaries and Other Third Parties

Goldman Sachs or the Advisory Accounts may make payments to authorized dealers and other financial intermediaries and to salespersons (collectively, "Intermediaries") to promote the Advisory Accounts or other products. These payments may be made out of Goldman Sachs' assets or amounts payable to Goldman Sachs. These payments may create an incentive for an Intermediary to highlight, feature or recommend Advisory Accounts. Subject to applicable law and regulations, such payments may compensate Intermediaries for, among other things: marketing the Advisory Accounts and other products (which may consist of payments resulting in or relating to the inclusion of Advisory Accounts and other products on preferred or recommended fund lists or in certain sales programs sponsored by the Intermediaries); access to the Intermediaries' registered representatives or salespersons, including at conferences and other meetings; assistance in training and education of personnel of Goldman Sachs; fees for directing investors to the Advisory Accounts and other products; "finders fees" or "referral fees" or other fees for providing assistance in promoting the Advisory Accounts and other products (which may include promotions in communications with the Intermediaries' customers, registered representatives and salespersons); various non-cash and cash incentive arrangements to promote certain products, as well as sponsor various educational programs, sales contests and/or promotions; travel expenses, meals, lodging and entertainment of Intermediaries and their salespersons and guests in connection with educational, sales and promotional programs; subaccounting, administrative and/or shareholder processing or other investor services that are in addition to the fees paid for these services by the Advisory Accounts or products; and other services intended to assist in the distribution and marketing of the Advisory Accounts and other products.

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

Goldman Sachs and its personnel, including employees of the Registrant, may have relationships with, and purchase, or distribute or sell, services or products from or to, distributors, consultants, and others who recommend Advisory Accounts, or who engage in transactions with or for Advisory Accounts. Consultants and such other parties may receive compensation from Goldman Sachs or Advisory Accounts in connection with such relationships. Goldman Sachs may also pay a fee for membership in industry-wide or state and municipal organizations or otherwise may help sponsor conferences and educational forums for investment industry participants including, but not limited to, trustees, fiduciaries, consultants, administrators, state and municipal personnel and other clients. Goldman Sachs' membership in such organizations allows Goldman Sachs to participate in these conferences and educational forums and helps Goldman Sachs interact with conference participants and to develop an understanding of the points of view and challenges of the conference participants. The Registrant may pay fees to third parties (e.g., service providers to potential clients, such as record-keepers or administrators) in exchange for the right to include information regarding Advisory Accounts and other products on portals or databases to which such potential clients will have access for purposes of considering potential investment alternatives. Personnel, including employees of the Registrant, may have board, advisory, brokerage or other relationships with issuers, distributors, consultants and others that may have (or have interests in) Advisory Accounts or that may recommend Advisory Accounts or portfolio transactions for Advisory Accounts. As a result of these relationships and arrangements, consultants, distributors and other parties may have conflicts associated with their promotion of Advisory Accounts or other dealings with Advisory Accounts that create incentives for them to promote Advisory Accounts or portfolio transactions. Goldman Sachs, including the Registrant, and its personnel may make charitable contributions to institutions, including those that have relationships with clients or personnel of clients, and personnel may have board relationships with charitable institutions. Personnel may also make political contributions to clients. The individuals and entities with which Goldman Sachs and its personnel have these relationships may have (or have an interest in) or recommend Advisory Accounts.

Item 15 - CUSTODY

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

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

Item 16 - INVESTMENT DISCRETION

The Registrant participates in the development of the algorithms. The algorithms may be incorporated into the Strategies implemented by GSI in respect of the GSI Funds or implemented by the Registrant in respect of Advisory Accounts. To the extent the Registrant provides advisory services to Advisory Accounts that are separately managed accounts in the future, the Registrant expects to accept discretionary authority to manage securities accounts on behalf of clients. It is expected that Clients will be required to sign an investment advisory agreement that authorizes the Registrant to supervise and direct the investment and reinvestment of assets in the Advisory Account, with discretion on the client's behalf and at the client's risk. The Registrant expects that its discretionary authority will be limited by the terms of its investment advisory agreements and the investment guidelines agreed between the Registrant and each client. The investment guidelines or other account documents generally are expected to include any limitations a client may place on the Registrant's discretionary authority, including any reasonable restrictions on the securities and other financial instruments in which the Registrant is authorized to invest.

For additional information about risks related to the Registrant's discretionary authority, please see Item 6, Performance-Based Fees and Side-By-Side Management.

Item 17 - VOTING CLIENT SECURITIES

Proxy Voting Policies – Authority to Vote

To the extent that the Registrant provides advisory services to Advisory Accounts for which the Registrant has voting discretion, the Registrant has adopted policies and procedures (the “Proxy Voting Policy”) for the voting of proxies. Under the Proxy Voting Policy, the Registrant's guiding principles in performing proxy voting are to make decisions that favor proposals that in the Registrant's view maximize a company's shareholder value and are not influenced by conflicts of interest. To implement these guiding principles for investments in publicly-traded equities, the Registrant has developed customized proxy voting guidelines (the “Guidelines”) that it generally will apply when voting on behalf of Advisory Accounts. The Guidelines address a wide variety of individual topics, including, among other matters, shareholder voting rights, anti-takeover defenses, board structures, the election of directors, executive and director compensation, reorganizations, mergers, issues of corporate social responsibility and various shareholder proposals. The Proxy Voting Policy, including the Guidelines, is reviewed periodically to ensure it continues to be consistent with the Registrant's guiding principles.

The Registrant may retain one or more third-party proxy voting services (collectively, the “Proxy Service”), to assist in the implementation of certain proxy voting-related functions, including, without limitation, operational, recordkeeping and reporting services. The Proxy Service is expected to prepare a written analysis and recommendation (a “Recommendation”) for each proxy vote that reflects the Proxy Service's application of the Guidelines to particular proxy issues. While the Registrant's policy generally is to follow

the Guidelines and Recommendations from the Proxy Service, portfolio management teams may on certain proxy votes seek approval to diverge from the Guidelines or a Recommendation by following a process which seeks to ensure that override decisions are not influenced by any conflict of interest. As a result of the override process, different portfolio management teams may vote differently for particular votes for the same company.

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

The Registrant has implemented processes designed to prevent conflicts of interest from influencing proxy voting decisions that the Registrant makes on behalf of advisory clients, including the Advisory Accounts, and to help ensure that such decisions are made in accordance with the Registrant's fiduciary obligations to its clients. These processes include information barriers as well as the use of the Guidelines, recommendations from the Proxy Service, and the override approval process previously discussed. Notwithstanding such proxy voting processes, proxy voting decisions made by the Registrant in respect of securities held by a particular Advisory Account may benefit the interests of Goldman Sachs and/or Accounts other than the Advisory Account, provided that the Registrant believes such voting decisions to be in accordance with its fiduciary obligations.

Client Directed Votes. Clients who delegate voting responsibility to the Registrant with respect to their Advisory Account may from time to time contact their client representative if they would like to direct the Registrant to vote in a particular solicitation. The Registrant uses its commercially reasonable efforts to vote according to the client's request in these circumstances, and cannot provide assurances that such voting requests will be implemented.

Clients are able to obtain information regarding how securities were voted for a particular Advisory Account by calling their Goldman Sachs representative. The Registrant's Proxy Voting Policy is available upon request.

Class Actions and Similar Matters. With respect to shareholder class action litigation and similar matters, the Registrant's separate account clients are encouraged to contact their custodians and ensure that they receive notices and are aware of the participation and filing requirements related to class action and similar proceedings. The Registrant generally does not expect to make any filings in connection with any shareholder class action lawsuits or similar matters involving securities held or that were held in separate accounts for clients, and will not be required to notify custodians or clients of shareholder class action lawsuits and similar matters. The Registrant will not be responsible for any failure to make such filings or, if it determines to make such filings in its sole discretion, to make such filings in a timely manner.

With respect to bankruptcies involving issuers of securities held in separate accounts, the Registrant as investment manager may in its discretion participate in bankruptcy proceedings, make investment-related elections and join creditors committees on behalf of some or all of its clients. Although the Registrant may participate in such proceedings and join such committees on its separate account clients' behalf in its discretion, it is not obligated to do so.

Proxy Voting Policies – No Authority

The Registrant does not expect to be delegated proxy voting authority on behalf of all of its Advisory Accounts. With respect to those Advisory Accounts for which the Registrant does not conduct proxy voting, clients should work with their custodians to ensure they receive their proxies and other solicitations for securities held in their Advisory Account. Clients may contact their Registrant client service representative if they have a question on particular proxy voting matters or solicitations.

Item 18 - FINANCIAL INFORMATION

This Item is not currently applicable.

Item 19 - MISCELLANEOUS

Account Errors and Error Resolution

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

Consistent with the applicable standard of care, the Registrant's policies and its investment management agreements generally do not require perfect implementation of investment management decisions, trading, processing or other functions performed by the Registrant or its affiliates. Therefore, not all mistakes are considered compensable to the client. Imperfections, including without limitation, imperfection in the implementation of investment decisions, quantitative strategies, financial modeling, trade execution, cash movements, portfolio rebalancing, processing instructions or facilitation of securities settlement; imperfection in processing corporate actions; or imperfection in the generation of cash or holdings reports resulting in trade decisions, are generally not considered by the Registrant to be violations of standards of care regardless of whether implemented through programs, models, tools or otherwise. As a result, such imperfections, including, without limitation, incidents involving a mistaken amount, timing or direction of a trade, are generally not compensable to clients.

For example, the Registrant typically expects investment professionals to exercise discretion to generally effect the portfolio management team's investment intent in the best interests of the client including, without limitation, with respect to the execution of trade requests or the implementation of quantitative strategies. Regardless of whether the portfolio management team specifies a fixed quantity of a particular security to be purchased or sold, or provides a date by which a trade is to be completed, instances in which an investment professional executes a trade that results in a portfolio position that is different from the exposure intended by the portfolio management team (whether specified on a trade ticket or not) generally are not considered compensable errors unless the trade results in a portfolio position that violates investment guidelines of the client or is substantially inconsistent with the portfolio management team's investment intent. Similarly, imperfections in the implementation of investment strategies, including quantitative strategies (e.g. coding errors), that do not result in material departures from the intent of the portfolio management team are generally not considered compensable errors. In addition, in managing accounts, the Registrant may establish non-public, formal or informal internal targets, guidelines or other parameters that may be used to manage risk, manage sub-advisers or otherwise guide decision-making, and a failure to adhere to such internal parameters are not considered an error. A failure on the Registrant's part to recognize a client cash flow will generally not be considered a compensable error unless the Registrant fails to recognize the cash flow within a reasonable period of time from the delivery date specified in the client's notification to the Registrant. The purchase of a security for which the client is ineligible under the issuer's prospectus, offering documents or other issuer-related rules or documentation generally are not considered a compensable error to the extent that the purchase does not also violate a client guideline, regardless of whether the Registrant maintains or exits the position after becoming aware of the ineligibility. Mistakes may also occur in connection with other activities that may be undertaken by the Registrant and its affiliates, such as net asset value calculation, transfer agent activities (i.e., processing subscriptions and redemptions), fund accounting, trade recording and settlement and other matters that are non-advisory in nature and may not be compensable unless they deviate from the applicable standards of care. Incidents resulting from the mistakes of third parties are generally not compensable from the Registrant to a client.

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

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

When the Registrant determines that reimbursement by the Registrant is appropriate, the client will be compensated as determined in good faith by the Registrant. The Registrant will determine the amount to be reimbursed, if any, based on what it considers reasonable guidelines regarding these matters in light of all of the facts and circumstances related to the incident. In general, compensation will be limited to direct and actual losses, which may be calculated relative to comparable conforming investments, market factors and benchmarks and with reference to other factors the Registrant considers relevant. Compensation generally will not include any amounts or measures that the Registrant determines are speculative or uncertain, including potential opportunity losses resulting from delayed investment or sale as a result of correcting an error or other forms of consequential or indirect losses. In calculating any reimbursement amount, the Registrant does not generally consider tax implications for, or the tax status of, any affected client. Subject to its discretion, losses will be netted with an account's gains arising from incidents and will not exceed amounts in relation to an appropriate replacement investment, benchmark or other relevant product returns. Losses may also be capped at the value of the actual loss, particularly when the outcome of a differing investment would in the Registrant's view be speculative or uncertain or in light of reasonable equitable considerations. As a result, compensation is limited to the lesser of actual losses or losses in relation to comparable investments, benchmarks or other relevant factors. Furthermore, the Registrant follows a materiality policy with respect to client accounts. Therefore, in certain circumstances, mistakes that result in losses below a threshold will not be compensable.

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

In general the Registrant's policy will not be to notify clients of incidents corrected post settlement that violate a client guideline and certain incidents that result in a loss to the client. Generally, the Registrant will not notify clients of non-compensable incidents, unless the correction of the incident requires an adjustment of the interests that a client holds in an Advisory Account or the net asset value at which such client's interests in an Advisory Account are issued, or to the redemption or withdrawal monies paid to such client. In addition, separate account clients are not notified of incidents that result in losses of less than \$1,000. Investors in a pooled investment vehicle are not generally notified of the occurrence of an incident or the resolution thereof. To the extent that the Registrant provides advisory services to Advisory Accounts, more information about resolution of and compensation for incidents is available upon request and may be set forth in the prospectuses or other relevant offering documents of Registrant-managed pooled investment vehicles. The Registrant may at any time, in its sole discretion and without notice to investors, amend or supplement its policies with respect to account errors and error resolution.

GLOSSARY

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

"Accounts" means Goldman Sachs' own accounts, the accounts of personnel of Goldman Sachs and the accounts and funds that Goldman Sachs sponsors, manages and advises.

"Advisory Accounts" means separately managed accounts and pooled investment vehicles such as mutual funds that are sponsored, managed or advised by the Registrant.

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

"Affiliated Products" means separately managed accounts and pooled vehicles managed by GSAM or its affiliates.

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

"Brochure" means this Form ADV, Part 2A for the Registrant.

"CFTC" means the Commodity Futures Trading Commission.

"CMO" means a collateralized mortgage obligation.

"Code" means the Registrant's Code of Ethics.

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

"FCA" means the United Kingdom Financial Conduct Authority.

"Federal Reserve" means the Board of Governors of the Federal Reserve System.

"Goldman Sachs" means, collectively, The Goldman Sachs Group, Inc., the Registrant, GSI and their respective affiliates, directors, partners, trustees, managers, members, officers and employees.

"GS&Co." means Goldman, Sachs & Co.

"GSAM" means the Goldman Sachs Asset Management business of Goldman Sachs, which today is comprised of Goldman Sachs Asset Management, L.P., GSAMI, the Registrant, GSIS, HFS, GSAM Stable Value and various locally regulated affiliates around the world.

"GSAMI" means Goldman Sachs Asset Management International.

"GSI" means Goldman Sachs International.

"GSIS" means GS Investment Strategies, LLC.

"GSI Funds" means investment funds formed and managed by GSI.

"GSTC" means The Goldman Sachs Trust Company, N.A.

"Guidelines" means customized proxy voting guidelines that GSAM has developed.

"HFS" means Goldman Sachs Hedge Fund Strategies LLC.

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

“IPOs/New Issues” means an initial public offering or new issue.

“OTC” means over-the-counter markets.

“Other Adviser Accounts” means accounts managed by Other Advisers.

“Other Advisers” means affiliated and unaffiliated investment advisers.

“Participating Affiliate” means GSI in its capacity as an affiliated adviser that may provide advice or research to the Registrant for use with the Registrant’s U.S. clients.

“Proxy Service” means a third-party proxy voting service selected by the Registrant.

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

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

“Registrant” means Goldman Sachs Global Advisory Products LLC.

“SEC” means the Securities and Exchange Commission.

“Strategies” means the investment strategies developed by GSI or by the Registrant based on the algorithms in the development of which the Registrant participates.

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

“Yankee Dollar’ bonds” means U.S. dollar-denominated bonds issued in U.S. capital markets by foreign banks or corporations.