
The Ayco Company, L.P. – Financial Counseling Services

321 Broadway
Saratoga Springs, NY 12866
(518) 886-4000

www.ayco.com

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

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

March 30, 2020

Item 2 – MATERIAL CHANGES

This Brochure is dated March 30, 2020. The material changes since the last update dated July 18, 2019 are as follows:

- Ayco no longer manages fixed income portfolios and transitioned all fixed income accounts it was previously managing to its affiliate, Goldman Sachs Asset Management, L.P. This transfer, as well as the 2019 transition of certain non-discretionary accounts formerly offered by Ayco, led to a reduction of Ayco's assets under management. Please see Item 4 for details.

This Brochure also contains updated and expanded disclosures relating to business operations, particularly in the following areas:

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

Clients are encouraged to read the Brochure in detail and contact their Ayco representative with any questions. For ease of reference, capitalized terms that are defined in the Brochure are also set forth in the Glossary.

Item 3 – TABLE OF CONTENTS

Item 4 -- Advisory Business
Item 5 -- Fees and Compensation
Item 6 -- Performance-Based Fees and Side-by-Side Management
Item 7 -- Types of Clients
Item 8 -- Methods of analysis, investment strategies and risk of loss
Item 9 -- Disciplinary Information
Item 10 -- Other Financial Industry Activities and Affiliations
Item 11 -- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading
Item 12 -- Brokerage Practices
Item 13 -- Review of Accounts
Item 14 -- Client Referrals and Other Compensation
Item 15 -- Custody
Item 16 -- Investment Discretion
Item 17 -- Voting Client Securities
Item 18 -- Financial Information
Item 19 -- Requirements for State-Registered Advisers

Glossary

Item 4 – ADVISORY BUSINESS

A. Overview of Ayco.

This Brochure describes financial counseling services offered by The Ayco Company, L.P. ("Ayco"). Ayco has been helping clients build and preserve their financial wealth since 1971, and has been a registered investment adviser with the U.S. Securities and Exchange Commission ("SEC") since 1994. Ayco is headquartered in Saratoga Springs, NY and operates through its offices located in Albany, NY, Atlanta, GA, Canonsburg, PA, Cincinnati, OH, Dallas, TX, Deerfield, IL, Irvine, CA, Latham, NY, Minneapolis, MN, Parsippany, NJ and Troy, MI. Ayco may also offer financial counseling services through offices of its affiliate, Goldman Sachs & Co. LLC ("GS&Co."), including in offices located in Atlanta, GA, Boston, MA,

Chicago, IL, Houston, TX, New York, NY, Philadelphia, PA, San Francisco, CA, Washington, DC, West Palm Beach, FL, and Seattle, WA. Unless otherwise specified, references in this Brochure to “clients” means Ayco financial counseling clients.

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

B. Financial Counseling Services.

Overview. Ayco’s primary business is financial counseling. Areas of financial counseling focus include employment benefits and compensation, cash-flow and retirement, estate, insurance, investment, philanthropic, and tax planning. Certain aspects of Ayco’s financial counseling services include delivery of investment advice as defined by the Investment Advisers Act of 1940, as amended (“Advisers Act”). This Brochure focuses on Ayco’s financial counseling services, and specifically the investment advisory aspects of those services.

Generally, Ayco financial counseling includes Coaching, Planning, Counseling, Family Office, and Ayco Personal Advisor Service (“APAS”) services and programs (collectively, “Financial Counseling”):

	Ayco Financial Counseling
Coaching	<p>Ayco’s Coaching program is typically a financial wellness service provided to clients through a corporate partner offering Ayco’s program as an employee benefit (“<u>Corporate Partner</u>”). The Coaching program is delivered via telephonic and digital platforms and focuses on improving financial wellness through the fundamentals of financial planning. The Coaching program can be tailored to address specific Corporate Partner events (e.g., benefit changes or corporate changes-in-control) or client life events (e.g., serious illness or death of client or client’s family member). Ayco may offer an integrated marketplace of digital product and service solutions to its clients (“<u>Ayco Marketplace</u>”) to help clients achieve their financial goals.</p> <p>The Coaching program may be supplemented with broad-based seminars offering education on a variety of financial topics, including a Corporate Partner’s employee benefits. Seminars may be delivered in-person or via digital or other recorded media.</p>
Planning	<p>Ayco’s Planning program is typically provided to clients through Corporate Partners. The Planning program is primarily delivered via telephonic and digital platforms, but may also include periodic in-person meetings with clients. In addition to focusing on the fundamentals of financial planning, the Planning program is designed to assist clients in developing personal financial plans. Ayco Marketplace may also be offered within the Planning program.</p>

Counseling	Ayco's Counseling program is typically provided to executives and high-net-worth clients directly or through a Corporate Partner. The Counseling program is designed to assist clients in developing comprehensive financial plans intended to maximize compensation and benefit programs, preserve and/or grow assets, manage income on a long-term basis, and integrate tax, retirement, and estate plans and goals. In order to deliver comprehensive financial counseling services, Ayco analyzes a number of factors, including, as may be applicable, the counseled client's financial status, sources of income, assets, personal obligations and debts, objectives, commitments, cash flow, family responsibilities and the effect of the existing income and estate tax structure on the client's sources of income and accumulation of wealth.
Family Office	Ayco's Family Office is designed to help individuals and families with significant wealth manage their complex financial affairs. The Family Office can be provided to clients directly or through a Corporate Partner and often includes work with several generations within one client family and coordination with the individual's or family's other advisers (as may be directed). In many cases, Ayco's Family Office services offer high-net-worth individuals and families an alternative to creating their own family office.
APAS	APAS is available to clients who generally do not have another Financial Counseling relationship with Ayco, but who have the potential to have at least \$250,000 held in " <u>Advisory Accounts</u> " (client accounts maintained in strategies offered by Ayco or its affiliates for which Ayco or its affiliates serves as investment adviser). Depending on the amount of assets the APAS client has under management, that client will either work with (i) a designated APAS Wealth Advisor with Financial Counseling services provided through in-person, telephonic, or a combination of in-person and telephonic meetings; or (ii) one or more designated APAS Wealth Advisors with Financial Counseling services typically provided exclusively by phone.

As described in more detail in Item 4.C. below, the scope, duration, advisory personnel, deliverables, and channels of Ayco's Financial Counseling will vary among clients based on a variety of factors (e.g., client's unique circumstances and needs, personal financial goals, net worth and/or complexity, as well as program parameters established by Ayco, or by and between Ayco and clients and/or Corporate Partners).

Financial Counseling may be offered on a full or more limited scope basis, and may be offered to supplement other advisory services made available to clients through Ayco. For example, at the request of an APAS client, an APAS Wealth Advisor may be engaged to assist with certain Financial Counseling by integrating investment management and strategies with estate plans, tax planning, and long-term cash flow and retirement planning. Through APAS, the engagement may be limited to certain investment advisory services, including providing asset allocation and portfolio construction recommendations. When investment advisory services are provided, Ayco's ADV Part 2A – Investment Management Services (a copy of which is available through the SEC's Investment Adviser Public Disclosure website, www.adviserinfo.sec.gov, and delivered to applicable clients) ("Investment Management Brochure") also applies. Certain advisory personnel may access tools, analysis, and other inputs provided by Ayco's affiliates, including United Capital Financial Advisers, LLC dba Goldman Sachs Personal Financial Management ("GS PFM").

Financial Counseling may also be offered to supplement advisory services made available to current or prospective clients serviced by GS&Co. Private Wealth Advisors and select current and former executives of GS Group (e.g., Partners Family Office). Unless otherwise agreed in writing by Ayco, when Ayco provides Financial Counseling to current or prospective clients of GS&Co., and select current and former executives of GS Group, Ayco undertakes no responsibility for, and provides no investment or brokerage services related to, investment accounts.

As a supplement to Financial Counseling, Ayco may offer Ayco Marketplace, an integrated marketplace of digital product and service solutions to its clients.

Reliance on Information. In providing Financial Counseling, Ayco relies on the accuracy and completeness of information provided by or on behalf of clients, and does not assume responsibility to independently verify the accuracy or completeness of such information. Ayco does not assume responsibility to review, respond to, or incorporate into its services any materials uploaded by or on behalf of the client to any electronic storage system made available to clients. Clients must consult with their designated Financial Advisor (as defined below) regarding any specific materials they would like to include in Ayco's services.

Client's Obligation to Take Action. Except as otherwise expressly agreed by Ayco in writing, Ayco does not assume any duties to take action pursuant to recommendations, advice or financial planning strategies that Ayco may provide to clients, which ultimately remain the client's obligation. It is the client's responsibility to determine if and how the suggestions made in connection with Ayco's Financial Counseling should be implemented or otherwise followed. Clients should carefully consider all relevant factors in making these decisions, including consulting with other professionals (e.g., tax and legal counsel).

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

Advisory Personnel. Associates responsible for providing Ayco's Financial Counseling directly to clients are sometimes referred to as "Financial Advisors". Financial Advisors are, to the extent required, registered investment adviser representatives of Ayco and representatives of Ayco's affiliate, Mercer Allied Company, L.P. ("Mercer Allied"). Mercer Allied is a broker-dealer registered with the SEC. Financial Advisors responsible for providing Partners Family Office services are, to the extent required, investment adviser representatives of Ayco and broker-dealer representatives of Ayco's affiliate, GS&Co. For purposes of this brochure, the term "Financial Advisors" does not include Investment Professionals. Please refer to Ayco's Investment Management Brochure for more information on Investment Professionals and their services, as well as for information on Financial Advisors who may provide investment only services.

Financial Counseling clients are, to the extent required, provided ADV 2B brochure supplements highlighting applicable Financial Advisors' relevant backgrounds (e.g., education and business experience, disciplinary information, other business activities, compensation, and supervision).

Ancillary Offerings. In addition to Financial Counseling, Ayco (itself or through affiliates) offers certain investment management services. Clients generally elect to custody their Ayco-managed assets with either GS&Co. (the "GS Platform"), and/or Fidelity Brokerage Services LLC and National Financial Services LLC (together, "Fidelity" and the "Fidelity Platform"). Ayco is not affiliated with Fidelity. Financial Advisors do not provide discretionary management over client investments. Ayco's investment management services are further described in Ayco's Investment Management Brochure. Ayco's investment management services are available to financial counseling clients and non-financial counseling clients.

Financial Advisors may also refer clients to personnel within Ayco's Wealth Strategies Group ("Ayco WSG") for the distribution of variable life insurance policies and variable annuity contracts (together, "Variable").

Products”), and placement of other insurance products and annuities. Such distribution is accomplished through one or more of Ayco’s affiliates, Mercer Allied, The Ayco Services Agency, L.P. (“ASA”), and/or The Ayco Services Insurance Agency, Inc. (“ASIA”) and are available to financial counseling clients and non-financial counseling clients. Unless otherwise agreed by Ayco in writing or through separate notice to or from an Ayco affiliate, in cases where insurance products or annuities are made available to non-financial counseling clients, such engagement does not result in an investment advisory relationship with Ayco, and Ayco has no corresponding fiduciary duty with respect to such non-financial counseling clients.

When Ayco refers clients to affiliates, including GSAM, ASA, ASIA, GS PFM and PFE Advisers, Inc. in connection with certain services, it may receive referral fees subject to applicable law and may compensate its employees for such referrals. Referral payments may be made for insurance contracts.

Certain advisory personnel may also offer advisory services as part of GS PFM. Such services may be more limited than those offered to other Ayco clients. Services offered through GS PFM may include financial guidance services (“Financial Guidance”). Financial Guidance provides clients with certain financial planning services that are distinct from those described in this brochure. Please see Ayco’s Investment Management Brochure for additional details on GS PFM.

Ayco (itself or through affiliates) also offers certain non-investment advisory services, such as tax preparation, insurance servicing for products and annuities placed through Ayco WSG, bill pay services, and various administrative services. Such non-investment advisory services may be made available to financial counseling clients and non-financial counseling clients, and provision of any such services to a non-financial counseling client does not result in that person becoming an Ayco financial counseling client. In cases where such services are made available to financial counseling clients, they are intended to supplement Financial Counseling. Unless otherwise agreed by Ayco in writing or through separate notice from an Ayco affiliate, in cases where such services are made available, such engagement does not result in an investment advisory relationship with Ayco, and Ayco has no corresponding fiduciary duty with respect to such services.

Except in the case of limited financial planning that may be provided through APAS (which is premised on Ayco’s management of investment accounts), Financial Counseling clients are not required to implement their financial plans through Ayco or its affiliates (each in their capacity as asset manager, insurance agency, bank or broker-dealer). Clients deciding to implement any portion of their financial plans through Ayco or its affiliates do so by entering into separate agreements with Ayco or its affiliates.

Ayco’s Fiduciary Status. When Ayco acts in an investment advisory capacity as part of its Financial Counseling services, it has a fiduciary obligation to act in its advisory client’s best interests in accordance with the Advisers Act and applicable law. Fiduciary status under the Advisers Act is different from fiduciary status under other laws, including the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or the Internal Revenue Code of 1986, as amended (the “IRC”). ERISA and the IRC are sometimes referred to together as “Retirement Regulations”. Therefore, the fact that Ayco may be acting as a fiduciary for purposes of the Advisers Act does not mean that it is a fiduciary under any other law. Ayco only acts as a fiduciary in accordance with the Retirement Regulations when it provides “investment advice” (e.g., specific investment recommendations or advice, as such term is used in Section 3(21) of ERISA, as opposed to general “investment education”, as described in Section 3(21) of ERISA) for individual retirement accounts (“IRAs”), tax-qualified retirement accounts, including ERISA and Keogh plans, and Coverdell education savings accounts.

Ayco’s fiduciary status with respect to its investment management services is described in Ayco’s Investment Management Brochure. Unless otherwise indicated by Ayco or its affiliates in writing, when Ayco acts in a non-investment advisory capacity or provides non-investment advisory services to financial counseling or non-financial counseling clients (e.g., tax preparation and insurance servicing), it does not have or accept fiduciary obligations pursuant to the Advisers Act or the Retirement Regulations.

C. Tailoring Financial Counseling.

Ayco's Financial Counseling is typically designed to be personalized to the client and such client's unique circumstances and needs, personal financial goals, net worth, and/or complexity. Accordingly, the scope, duration, advisory personnel, deliverables, and channels through which Ayco's Financial Counseling is provided will vary among clients. Financial Counseling will also vary among clients as a result of agreements between Ayco and the client, and program parameters that may be established by Ayco or by and between Ayco and Corporate Partners. Financial Counseling will even vary among individuals participating within the same Corporate Partner-sponsored program.

Ayco's Financial Counseling may not address every aspect of a client's financial life. Omission of one or more financial counseling topics from discussions with Financial Advisors may be the result of differences described above and/or insufficient information provided by or on behalf of a client. Such omissions do not indicate that the financial counseling topic is not relevant or applicable to the client's financial situation, and clients are encouraged to consult with their other advisors regarding such topic (e.g., tax and legal counsel). When Ayco provides tax planning and advice or provides tax preparation services to the client, except as otherwise expressly agreed by Ayco in writing, Ayco does not undertake any obligation to review investment accounts for the application of wash sales as they may relate to any tax loss realization election. When Ayco provides tax planning and advice, but is not otherwise the client's tax preparer, the client should consider consulting with its own tax preparer.

Depending on a client's particular circumstances and goals, Ayco may introduce the Ayco Trust Advisory Service ("ATAS"), the Ayco Charitable Foundation ("ACF"), and/or the Goldman Sachs Philanthropy Fund ("GSPF"). Where appropriate for a client's estate plan, Ayco, as part of an ATAS offering, will recommend that the client appoint a corporate trustee as a fiduciary with the direction or delegation that the trust engage Ayco as an investment adviser for the cash and securities owned by the trust. Corporate trustees from whom Ayco will accept this engagement include Ayco affiliates Goldman Sachs Trust Company, N.A. and Goldman Sachs Trust Company of Delaware, and a limited number of third-party corporate trustees. Ayco is available to confer with the trustee in furtherance of the trustee's decisions regarding tax, distributions and estate planning, as well as the grantor and/or trust beneficiaries, on a periodic basis. ACF or GSPF may be introduced to clients with philanthropic planning goals. ACF and GSPF are 501(c)(3) public charities that sponsor donor advised funds in which each donor maintains a limited ability to recommend charitable grants to 501(c)(3) public charities, certain private operating foundations and certain qualified governmental units and has limited input into how their donations are invested.

In addition to personalized Financial Counseling, Ayco periodically provides seminars to eligible employees of its Corporate Partners. Unless otherwise indicated by Ayco or its affiliates in writing, when Ayco provides such seminars, it does not undertake fiduciary obligations to employee participants pursuant to the Advisers Act or the Retirement Regulations.

Unless otherwise specifically agreed to by Ayco, Financial Counseling is not designed to be specific to any particular investment account. Any asset management services provided to clients are governed by a separate investment management agreement (as may be applicable). In no case will Financial Counseling or the terms of a Corporate Partner program modify the terms and conditions governing a client's investment accounts.

An advisory client's ability to impose certain reasonable investment restrictions on Advisory Accounts is described in Ayco's Investment Management Brochure.

D. Portfolio Management Services in Wrap Fee Programs.

Please refer to Ayco's ADV Part 2A – Appendix 1 – Private Access Account Strategies (a copy of which is available through the SEC's Investment Adviser Public Disclosure website, www.adviserinfo.sec.gov, and delivered to applicable clients) ("Wrap Brochure") for a description of the wrap fee program sponsored by Ayco.

E. Assets Under Management.

Except in the case of limited financial planning that may be provided through APAS (which is premised on Ayco's management of investment accounts), Ayco's financial counseling services do not include the management of client assets by Ayco or its affiliates on a discretionary or non-discretionary basis. As of December 31, 2019, Ayco managed approximately \$12,758,157,752 of client assets. Since the last update to this Brochure, Ayco transitioned all fixed income accounts it was previously managing to its affiliate, Goldman Sachs Asset Management, L.P. Such transfer, along with the transition of certain non-discretionary accounts formerly offered by Ayco, reduced Ayco's assets under management accordingly.

Although this information does not apply to Ayco's financial counseling services, it provides additional background regarding Ayco's activities as an investment adviser.

Item 5 – FEES AND COMPENSATION

A. Compensation for Financial Counseling.

Financial Counseling Fees. Ayco typically receives an annual Financial Counseling fee. Such fee may be payable, in whole or in part, by the client, client's employer or, in some cases, a third party pursuant to an arrangement with the client or client's employer (e.g., third party trustee). The general range for Ayco's annual individual Financial Counseling fee is between \$2,000 and \$100,000. This range reflects the individualized form of engagements (individual versus Corporate Partner program) and types of services offered (including Coaching, Planning, Counseling, Family Office, or APAS), and will vary depending on the client's individual circumstances and needs. Ayco may add a 15% surcharge for services provided by Ayco's West Coast office. Financial Counseling fees may include the cost of certain non-investment advisory services (e.g., tax preparation). In certain limited circumstances, Ayco may offer Financial Counseling on an hourly basis (typically between \$180 and \$570 an hour for non-administrative associates).

Fees are typically higher for Ayco Family Office clients, and may require a minimum annual fee of \$100,000 for new clients. In addition, new Ayco Family Office clients may pay a one-time integration fee that typically ranges between \$10,000 and \$25,000.

Fees for Coaching programs generally range from \$15 to \$240 per eligible program participant annually. Ayco may also negotiate alternative fee arrangements for telephonic Coaching programs that are based upon a specified number of calls anticipated over a certain period of time and depend upon a number of factors including the eligible population, scope of topics addressed, and timing of the program, with call blocks generally ranging from \$25,000 to \$200,000. Minimum fees and fee ranges may be charged based upon: (i) number of eligible participants, (ii) volume of calls, (iii) usage rates, (iv) scope of services, or (v) other negotiated factors.

Program fees for specific life event programs and services (e.g., services tailored to serious illness or death of individual client or client's family member) range from \$750 to \$7,500 per client.

In addition to individual Financial Counseling fees, Corporate Partners may pay fees on a one-time or recurring basis that will vary depending on program complexity and configuration requirements. Such program fees may include: (i) an annual account maintenance fee that covers collection and analysis of the Corporate Partner's benefits and compensation plans for the purpose of counseling individuals participating in the Ayco program; (ii) fees for direct access to certain services offered by Ayco's Quality, Training & Development's Benefits Team; (iii) ongoing administration fees for the Ayco program; and (iv) in the context of the Coaching program, management, integration, and development fees (typically between \$15,000 and \$100,000), as well as annual administration fees (typically between \$2,500 and \$20,000).

Seminar fees vary depending upon the duration of the program, delivery method (live/live webinar), the number of eligible participants, and the customization of the program itself. Ayco's seminar fee ranges from \$3,000 to \$4,000 per day.

Fees are Negotiable. Ayco's fees are negotiable or may be waived altogether in Ayco's discretion. Financial Counseling fees will vary as programs and services themselves vary (based on the factors described in Item 4.C. above). This will result in one client or third party (e.g., Corporate Partner) paying different Financial Counseling, program, and/or seminar fees (as applicable) than another client or third party for similar services. Lower fees for comparable services described may be available from other sources.

B. Billing and Fee Adjustments.

Billing arrangements related to Financial Counseling, program, and seminar fees are negotiable, though typically Financial Counseling fees are payable on a semi-annual basis in advance. Clients and/or third parties responsible for payment for services (e.g., Corporate Partners) may be billed directly, and/or the client may authorize the payment of fees directly from certain eligible investment accounts held through Fidelity or GS&Co. Payment of fees from a client's investment account will impact the overall investment return relative to such account. Unless otherwise agreed and as specifically noted below, upon termination of a Financial Counseling relationship before prepaid services are rendered, Ayco will refund such portion of the fee that has been prepaid but remains unearned.

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

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

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

C. Other Fees and Expenses Incurred in Connection with Advisory Services.

Financial Counseling fees only cover Financial Counseling and do not cover any other services, accounts, or products that clients may obtain from Ayco or its affiliates. Clients who receive investment management services through Ayco will pay additional fees and expenses in connection with such services. Those fees and expenses are described in detail in Ayco's Investment Management Brochure.

D. Pre-Paid Fees and Refunds.

Please refer to Item 5.B. above.

E. Compensation for the Sale of Securities and Other Investment Products.

Compensation. Ayco and, in many cases, the Financial Advisors responsible for providing Financial Counseling, receive compensation based upon the sale of securities, banking products and other investments and services to clients. Such compensation creates a potential conflict of interest that gives Ayco and certain Financial Advisors an incentive to recommend such securities, banking products and other investments or services based upon the compensation received. Fees may be higher for some products or services, and the compensation paid to Ayco and certain Financial Advisors may be greater in certain cases. Clients are not entitled to receive any portion of such additional compensation.

Ayco's affiliated broker-dealer, Mercer Allied, and Ayco's affiliated insurance agencies, ASA and ASIA, receive insurance commissions from insurers for the distribution of insurance policies and annuities,

including Variable Products, which inure to the benefit of Ayco. Financial Advisors licensed as insurance agents may refer clients to Ayco WSG and receive referral fees, subject to applicable law. Compensation to appropriately licensed Financial Advisors will vary based on the insurance or annuity product type selected. As compared to managed investment strategies available through Ayco or its affiliates, the amount of compensation to Financial Advisors, may be more or less depending on many factors, including the strategy selected and the length of time assets remain under management. Moreover, the timing of compensation to Financial Advisors differs as between investment products and annuities. Such compensation creates a potential conflict of interest that gives Ayco and such Financial Advisors an incentive to recommend such insurance policies and annuities, based on the compensation received.

In addition to the information contained in this Brochure, other potential conflicts of interest may be disclosed in strategy and transaction specific documents provided to clients from time to time and in separate agreements, including agreements for investment management services.

Availability of Securities and Other Investments. Except in the case of limited financial planning provided through APAS (which is premised on Ayco's management of investment accounts), clients are not required to open and/or maintain accounts or purchase insurance or annuities through Ayco or its affiliates. Clients have the option to purchase investment products, insurance and annuities through brokers or agents that are not affiliated with Ayco.

Please refer to Ayco's Investment Management Brochure for a description of compensation received by Ayco and its advisory personnel, including Financial Advisors, related to referral of investment management services offered through Ayco.

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

Ayco does not charge performance-based fees as part of its Financial Counseling. Financial Advisors do not provide discretionary management over client investments.

Item 7 – TYPES OF CLIENTS

Types of Clients. Ayco's Financial Counseling is typically provided to individuals who enter into Financial Counseling agreements directly with Ayco, receive Financial Counseling through programs sponsored by Corporate Partners, or through such other arrangements as may be approved in writing by Ayco. Ayco may, on a limited basis, provide Financial Counseling directly to trusts pursuant to Financial Counseling agreements entered into directly by the trust. Unless otherwise indicated by Ayco in writing, its Financial Counseling clients do not include any other individuals or entities (e.g., spouses, partners, estates, or other related parties that are neither signatories to Financial Counseling agreements nor sponsored by Corporate Partners), and Ayco undertakes no investment advisory obligation and has no corresponding fiduciary duty with respect to such other individuals or entities.

Joint Clients. In cases in which Ayco agrees in writing to provide Financial Counseling to more than one individual or entity (as used in this section, "Joint Clients"): (i) Ayco may, but is not required to, take direction from one Joint Client, without notice to others; (ii) Ayco may, in its sole discretion, require joint instruction from some or all Joint Clients before taking action; (iii) if Ayco receives instructions from a Joint Client that, in Ayco's opinion, conflict with instructions received from other Joint Clients, Ayco may comply with any of the instructions and/or advise each applicable Joint Client of the apparent conflict and/or take no action until Ayco receives instructions from any or all Joint Clients that are satisfactory to Ayco, in its sole discretion; (iv) notice to one Joint Client is deemed notice to all Joint Clients; and (v) subject to applicable law, there is no expectation of privacy as between Joint Clients.

Related Parties. Ayco may, as an accommodation to and at the request of a client, meet with certain individuals related to the client, including client's spouse, partner, and/or dependents (as used in this section, "Related Parties"), to discuss Financial Counseling provided to the client, and/or one or more financial planning topics applicable to such Related Party. Unless otherwise agreed by Ayco in writing or through separate notice to or from an Ayco affiliate: (i) clients remain Ayco's primary point of contact for

discussions with, and delivery of documents and notices (if any) to, Related Parties; (ii) such accommodations made by Ayco are not intended to result in a contractual or investment advisory relationship with Related Parties; and (iii) Ayco undertakes no corresponding fiduciary duty with respect to such Related Parties.

U.S.-Based Services. Generally, Ayco's Financial Counseling is limited to individuals who are United States citizens or residents, or otherwise subject to United States tax laws. Ayco's services may be limited for, or altogether unavailable to, clients, individuals, or entities that are not United States citizens or that reside outside the United States.

Account Requirements. With limited exceptions related to APAS services, clients are not required to open accounts or otherwise purchase insurance or annuities through Ayco or its affiliates.

If a client decides to establish investment accounts in which Ayco will maintain discretionary management authority, applicable account minimums are set forth in Ayco's Investment Management Brochure.

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

Overview. Different Financial Advisors may use different tools, analyses and other inputs, including those offered by affiliates, to advise clients. Investment advice, if any, provided by Financial Advisors may be limited to asset allocation advice. In some circumstances, Financial Advisors may recommend certain mutual funds and exchange-traded funds ("ETFs"), as described below. Financial Advisors do not provide recommendations with respect to any other types of individual securities.

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

Research Lists – Mutual Funds and ETFs. When providing Financial Counseling, Financial Advisors may also use research, research lists or a variety of other investment analysis tools made available by Ayco's affiliates, including GS&Co. and Goldman Sachs Asset Management, L.P., a registered investment adviser with the SEC ("GSAM"). For non-Retirement Accounts, Financial Advisors may recommend mutual funds and ETFs for which Ayco's affiliates act as investment adviser, as well as certain unaffiliated ETFs reviewed and approved by GSAM. Manager selection and ongoing due diligence of certain unaffiliated mutual funds and ETFs that may be recommended by Financial Advisors are performed by the AIMS Long Only Group, which is part of the Alternative Investments & Manager Selection ("AIMS") group within GSAM. Such due diligence may include, but is not limited to, on-site meetings, analytics related to historical performance, reference calls and risk reviews. Please refer to Ayco's Investment Management Brochure, Item 8, for additional information regarding the risks associated with implementing these strategies.

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

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

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

Single Stock and Bond Positions. While Ayco may, as part of its Financial Counseling, provide recommendations to clients concerning participation in corporate benefit plans and changes in investment elections under their corporate benefit plans, Financial Advisors do not make single stock or bond recommendations with respect to any positions held within such corporate benefit plans or any other accounts. With respect to a client's single stock or bond positions, investment services provided by Financial Advisors are limited to addressing asset allocation issues, and do not include any other investment advice related thereto.

Retirement Accounts. As explained above in Item 4.B, for purposes of the Retirement Regulations, Ayco's Financial Counseling is intended to be "investment education" as opposed to "investment advice" and Ayco should not be considered a "fiduciary" under the Retirement Regulations. As part of its Financial Counseling, Ayco does not provide advice or make recommendations for individual retirement accounts (IRAs), tax-qualified retirement accounts, including ERISA and Keogh plans, and Coverdell education savings accounts (collectively, "Retirement Accounts"), including whether to invest in investment companies for which affiliated persons of Ayco serve as adviser, sub-adviser, and/or distributor and receive fees for the services provided. Any investment decisions will be the sole responsibility of the clients and no information provided by Ayco should be considered in making any such investment decisions, unless Ayco otherwise agrees. If a client is presented with allocation materials in which Goldman Sachs only has one vehicle available, that vehicle may be identified; however, clients should understand that other investments may also be appropriate for that client and may be available through Goldman Sachs or other financial institutions. There are a number of factors, including cost and tax efficiency that clients may wish to consider in determining how to invest Retirement Account assets. If a client maintains both Retirement Accounts and non-Retirement Accounts, any advice or recommendations made by Ayco with respect to a non-Retirement Account does not apply to and should not be used by the client for any decision with respect to a Retirement Account, which may present different considerations.

Variable Subaccounts. In reviewing Variable Products that it makes available to clients, Mercer Allied may review issuing insurance carriers' credit rating, competitiveness of product, client service resources and general processes for manager selection for separate accounts underlying Variable Products ("Variable Subaccounts"). As an accommodation, Ayco may provide clients with model portfolios of Variable Subaccounts based on strategic asset allocation. Except in the case of certain ATAS engagements, Ayco does not conduct due diligence on any of the Variable Subaccounts or their managers and does not provide advice on or recommendations of individual Variable Subaccounts. Variable Subaccounts are not custodied at Goldman Sachs. With the exception of certain ATAS engagements, any assessment as to whether a particular Variable Subaccount fits within a client's investment objectives and any decision to allocate premiums to a particular account must be determined solely by the client and Ayco does not have discretion to allocate premiums on behalf of clients. Inclusion of any Variable Subaccounts in the model portfolio(s) is based on the information provided by the issuing carrier and/or third-party database providers and Ayco has not verified the accuracy or completeness of any information provided by or about the Variable Subaccount. Performance of a Variable Product may be adversely impacted if the client does not allocate a Variable Product to one of more Variable Subaccounts. Past performance of Variable Subaccounts may not be indicative of future results.

Clients should understand that all investment strategies and the investments made when implementing those investment strategies involve risk of loss and clients and investors should be prepared to bear the loss of assets invested and, in the case of uncovered option strategies, beyond the amount invested. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a client's or an investor's investments fluctuates due to market conditions and other factors. The

recommendations made for clients are subject to various market, liquidity, currency, economic and political risks, and will not necessarily be profitable. Please refer to Ayco's Investment Management Brochure for additional information about risks associated with Advisory Accounts.

Item 9 – DISCIPLINARY INFORMATION

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

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

Item 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Other Material Relationships with Affiliated Entities

Ayco may use, suggest or recommend its own services or the services of affiliated Goldman Sachs entities in connection with Ayco's Financial Counseling. Ayco may share resources with or delegate certain of its trading, advisory and other activities for clients to affiliated entities and portfolio management functions may be shared or moved between affiliated advisers. The particular services involved will depend on the types of services offered by the affiliate. The arrangements may involve sharing or joint compensation, or separate compensation, subject to the requirements of applicable law. Particular relationships may include, but are not limited to, those discussed below. Ayco's affiliates will retain any compensation when providing investment services to, or in connection with investment activities of, clients, subject to applicable law. Compensation may take the form of commissions, mark-ups, mark-downs, service fees or other commission equivalents. Clients will not be entitled to any such compensation retained by Ayco's affiliates.

Financial Planner

Ayco's affiliate, GS PFM, offers planning services to individual client and related accounts, which Ayco personnel may recommend to its clients.

Broker-Dealer

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

Ayco may use, suggest, or recommend that clients use, the securities, futures execution or custody services offered by Ayco's affiliates, including, but not limited to, GS&Co. Ayco and GS&Co. have overlapping

officers, personnel and share office space and certain expenses. Ayco's affiliates, including GS&Co., may receive compensation when acting as a broker-dealer executing transactions for Advisory Accounts.

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

All transactions in Advisory Accounts will generally execute through the GS or Fidelity Platforms as further described in Ayco's Investment Management Brochure, Item 12, "Broker-Dealer Selection and Directed Brokerage".

Investment Companies and Other Pooled Investment Vehicles

Ayco and certain of its affiliates, including GSAM act in an advisory or sub-advisory capacity with respect to separately managed accounts and private investment funds and in other capacities, including as trustee, managing member, adviser, administrator and/or distributor to a variety of U.S. and non-U.S. investment companies as well as other pooled investment vehicles, including collective trusts, ETFs, closed-end funds, business development companies and private investment funds. Certain Goldman Sachs personnel are also directors, trustees and/or officers of these investment companies and other pooled investment vehicles. Ayco and its affiliates, in their capacities as advisers or sub-advisers to these investment companies or pooled vehicles, including ETFs (collectively, "Funds"), will receive management or advisory fees in connection with their advisory roles. Although such fees are generally paid by the Funds, the costs are ultimately borne by clients as shareholders. These fees will be in addition to any advisory fees or other fees agreed between the client and Goldman Sachs for investment advisory and brokerage services. Clients of Ayco and its affiliates may invest in these investment companies and other pooled investment vehicles offered by Goldman Sachs. For Funds where GS&Co. applies an advisory fee, the fee that will apply is generally the same for both affiliated Funds and Third-Party Funds and clients may pay more or less than the index oriented fee depending on the agreed upon fee schedule.

Other Investment Advisers

Ayco has investment advisory affiliates in and outside of the United States that are registered with the SEC as investment advisers. These affiliates include, but are not limited to: GS&Co., GSAM, Goldman Sachs Asset Management International ("GSAMI"), Goldman Sachs Hedge Fund Strategies LLC ("HFS"), GS Investment Strategies, LLC ("GSIS"), GS PFM, and PFE Advisors, Inc. Ayco and its affiliates have or intend to have co-advisory or sub-advisory relationships with their investment advisory affiliates, as may be required for proper management of particular clients or Advisory Accounts and in accordance with applicable law. Ayco and its affiliates may receive compensation in connection with such relationships. For additional information on compensation earned when clients select other investment advisers, see "Receipt of Compensation from Investment Advisers" below. Where permissible by law, Ayco and its affiliates may share resources in connection with providing investment advisory services, including credit analysis, execution services and trade support. Please refer to Ayco's Investment Management Brochure, Item 10, for additional information on advisory services offered through affiliated investment advisers.

Subject to applicable law, Ayco 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 any of its non-US affiliated advisers. Ayco may also move or share portfolio management between affiliated advisers. This might include the movement of portfolio managers from Ayco to an affiliated adviser or the transfer of management of the portfolio to a management team within an affiliated adviser. Clients will be notified of any such movements or transfers of portfolio management in advance. Manager selection and ongoing due diligence of unaffiliated mutual funds and ETFs that may be recommended by Financial Advisors is performed by the AIMS group within GSAM.

Ayco may recommend the investment advisory services of its affiliates, including GS&Co., GSAM, and GS PFM, to its clients and receive fees from such affiliates, and vice versa. From time to time, Ayco may also refer clients to certain unaffiliated investment advisers. In each of these cases, the investment adviser may pay Ayco a portion of the investment management fee charged to the client. Ayco discloses these arrangements to its clients to the extent required by law.

A copy of the brochure of GSAM, GSAMI, GS PFM, PFE Advisors, Inc., or other affiliated investment advisers is available on the SEC's website (www.adviserinfo.sec.gov) and will be provided to clients or prospective clients upon request. Clients that want more information about any of these affiliates should contact GS&Co.

Bank or Thrift Institution

- *Banks*

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

Goldman Sachs Bank USA ("GS Bank") is a Federal Deposit Insurance Corporation ("FDIC") insured, New York State-chartered Federal Reserve member bank. GS Bank accepts brokered and omnibus deposits, lends to individuals and corporate clients, transacts in certain derivatives, and provides securities lending, custody and hedge fund administration services. Please refer to Ayco's Investment Management Brochure, Item 10, for additional information regarding GS Bank.

- *Trust Companies*

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

Insurance Company or Agency

Ayco's affiliates, ASA and ASIA, may engage in the insurance agency business for purposes of selling, brokering, co-brokering, agent of record servicing, or assisting in the sale or agent of record service of insurance contracts including, but not limited to, life insurance policies and annuity contracts (both fixed and variable), disability, and property and casualty insurance contracts for separate compensation. ASA and ASIA distribute insurance securities in conjunction with Mercer Allied, their broker-dealer affiliate. Clients are not obligated to use Ayco's affiliated persons to purchase insurance or annuities. Certain Ayco professionals, including but not limited to, Financial Advisors who are licensed insurance agents, may act as sub-producers of ASA and ASIA. Further, Ayco may pay appropriately licensed Financial Advisors for referring clients to ASA and ASIA, and the compensation received by such personnel may vary depending on the insurance company and product purchased. Such personnel may also be appointed as agents of the issuing insurer. Recommendations to purchase or exchange insurance products are made by Ayco professionals solely in their capacity as an insurance agent associated with ASA or ASIA or, in the case of variable annuities or variable insurance products, in their capacity as registered representatives of Mercer Allied. Ayco's affiliates do not use any separate investment advisory agreement when distributing insurance. Ayco employs Insurance Strategists in certain regional offices who assist with insurance sales and marketing.

Certain life insurance policies and annuity contracts, including Variable Products, may offer an allocation option reflecting the performance of an Index (stock market and other indices developed, co-developed,

owned or operated by Goldman Sachs) or otherwise managed by an affiliate (e.g. GSAM-managed subaccount). Ayco's affiliates may receive compensation if any portion of the policy's or contract's account value is allocated to that option. Such compensation is not paid to Ayco, Mercer Allied, ASA, ASIA or any Financial Advisor.

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

Sponsor or Syndicator of Limited Partnerships

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

Management Persons; Policies and Procedures

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

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

Additional information about these conflicts and the policies and procedures designed to address them is available in Item 11, Code of Ethics, "Participation or Interest in Client Transactions and Personal Trading".

Affiliated Indices and ETFs

Please refer to Ayco's Investment Management Brochure for information on affiliated indices and ETFs.

Receipt of Compensation from Investment Advisers

Ayco may recommend that clients allocate assets to one or more accounts or funds managed by one or more (i) "Affiliated Managers", managers in or with which Goldman Sachs and its personnel who support Ayco ("Personnel") have ownership or other interests or business relationships directly or with such Managers' affiliates, as described in this Brochure; or "Unaffiliated Managers", managers that are unaffiliated with Goldman Sachs (Unaffiliated Managers and Affiliated Managers are referred to collectively in this Brochure as "Managers"). The ability to recommend both Affiliated Managers and Unaffiliated Managers may create conflicts for Ayco and could impact our decisions regarding Manager selection as affiliation may be considered by Ayco, among other factors, in deciding whether to make Managers available to clients, to increase client investments with Managers, and to retain or withdraw client investments from Managers. Ayco receives compensation in connection with clients' investments in and its recommendation of such managed accounts or funds, and such compensation creates a potential conflict of interest. Please refer to Ayco's Investment Management Brochure, Item 10, for additional information regarding potential conflicts of interest related to Ayco's recommendations of Managers.

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

Code of Ethics and Personal Trading

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

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

Participation or Interest in Client Transactions

Goldman Sachs is a worldwide, full-service investment banking, broker-dealer, asset management and financial services organization and a major participant in global financial markets. As such, Goldman Sachs provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and individuals. Goldman Sachs acts as broker-dealer, investment adviser, investment banker, underwriter, research provider, administrator, financier, adviser, market maker, trader, prime broker, derivatives dealer, clearing agent, lender, counterparty, agent, principal, distributor, investor, or in other commercial capacities for accounts or companies or affiliated or unaffiliated funds in which clients may have an interest. In those and other capacities, Goldman Sachs advises and deals with clients and third parties in all markets and transactions and purchases, sells, holds and recommends a broad array of investments, including securities, derivatives, loans, commodities, currencies, credit default swaps, indices, baskets and other financial instruments and products for its own Accounts and for the Accounts of clients and of its Personnel, (such Goldman Sachs or other client accounts, relationships and products, including Advisory Accounts, collectively, the “Accounts”). In addition, Goldman Sachs has direct and indirect interests in the global fixed income, currency, commodity, equities, bank loan and other markets. Ayco may cause clients to invest in products and strategies sponsored, managed or advised by Goldman Sachs or in which Goldman Sachs has an interest, either directly or indirectly, or may otherwise restrict clients from making such investments, as further described herein. In this regard, Goldman Sachs’ activities and dealings with other clients and third parties may affect clients in ways that may disadvantage clients and/or benefit Goldman Sachs or other clients (including Advisory Accounts). The following are descriptions of certain conflicts of interest and potential conflicts of interest that may be associated with the financial or other interests that Goldman Sachs may have in advising or dealing with financial counseling clients or third parties or in acting on its own behalf. Additional conflicts of interest that may be relevant to clients with Advisory Accounts are set forth in Ayco’s Investment Management Brochure, Item 11.

Goldman Sachs Acting in Multiple Commercial Capacities

Ayco faces conflicts of interest in providing and selecting services for Advisory Accounts because Goldman Sachs provides many services and has many commercial relationships with companies and affiliated and unaffiliated funds (or their applicable personnel). In this regard, a company in which an Advisory Account has an interest may hire Goldman Sachs to provide underwriting, merger advisory, distribution, other

financial advisory, placement agency, foreign currency hedging, research, asset management services, brokerage services or other services to the company. In addition, Goldman Sachs may sponsor, manage, advise or provide services to affiliated funds (or their personnel) in which Advisory Accounts invest and may advise or provide services to unaffiliated funds (or their personnel) in which Advisory Account invest. In connection with such commercial relationships and services, Goldman Sachs receives fees, compensation and remuneration that may be substantial, as well as other benefits. For example, providing such services may enhance Goldman Sachs' relationships with various parties, facilitate additional business development and enable Goldman Sachs to obtain additional business and/or generate additional revenue. Advisory Accounts will not be entitled to compensation related to any such benefit to businesses of Goldman Sachs, including Ayco. In addition, such relationships may adversely impact Advisory Accounts, including, for example, by restricting potential investment opportunities, as described below, incentivizing Goldman Sachs to take or refrain from taking certain actions on behalf of Advisory Accounts when doing so would be adverse to such business relationships, and/or influencing Goldman Sachs' selection or recommendation of certain investment products and/or strategies over others.

In connection with providing such services, Goldman Sachs may take commercial steps in its own interest, or may advise the parties to which it is providing services, or take other actions. Such actions may benefit Goldman Sachs. For example, Ayco 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 Ayco) or in which Goldman Sachs or Accounts (including Advisory Accounts) have an equity, debt or other interest, or to engage in investment transactions that may result in Goldman Sachs or other Accounts (including through other Advisory Accounts) being relieved of obligations or otherwise divested of investments. Similarly, an Advisory Account may acquire securities or indebtedness of a company affiliated with Goldman Sachs directly or indirectly through syndicate or secondary market purchases, or may make a loan to, or purchase securities from, a company that uses the proceeds to repay loans made by Goldman Sachs. These activities by an Advisory Account may enhance the profitability of Goldman Sachs or other Accounts (including Advisory Accounts) with respect to their investment in and activities relating to such companies. Advisory Accounts will not be entitled to compensation as a result of this enhanced profitability.

Providing such services may also have an adverse effect on Advisory Accounts. For example, Goldman Sachs may make loans to, or enter into margin, asset-based or other credit facilities or similar transactions with, clients, companies, individuals, or Managers or their affiliates that may (or may not) be secured by publicly or privately held securities or other assets, including by a client's assets or interests in an Advisory Account. Some of these borrowers may be public or private companies, or founders, officers or shareholders in companies in which Goldman Sachs, funds managed by Goldman Sachs, or Advisory Accounts or other Accounts may (directly or indirectly) invest, and such loans may be secured by securities of such companies, which may be the same as, or *pari passu* with or more senior or junior to, interests held (directly or indirectly) by Goldman Sachs, funds managed by Goldman Sachs, Advisory Accounts or other Accounts. In connection with its rights as lender, Goldman Sachs may act to protect its own commercial interest and may take actions that adversely affect the borrower, including by liquidating or causing the liquidation of securities on behalf of a borrower or foreclosing and liquidating such securities in Goldman Sachs' own name. Such actions may adversely affect Advisory Accounts (e.g., if a large position in securities is liquidated, among the other potential adverse consequences, the value of such security may decline rapidly and Advisory Accounts holding (directly or indirectly) such security may in turn decline in value or may be unable to liquidate their positions in such security at an advantageous price or at all). For a discussion of certain additional conflicts associated with Ayco or clients, on the one hand, and a particular Advisory Account, on the other hand, investing in or extending credit to different parts of the capital structure of a single issuer, see "Investments in and Advice Regarding Different Parts of an Issuer's Capital Structure".

Actions taken or advised to be taken by Goldman Sachs in connection with other types of services and transactions may also result in adverse consequences for Advisory Accounts. For example, Goldman Sachs may advise a company to make changes to its capital structure, the results of which would be a reduction in the value or priority of a security held by Advisory Accounts. For more information in this regard, see "Investments in and Advice Regarding Different Parts of an Issuer's Capital Structure", below. In

addition, underwriters, placement agents or managers of IPOs, including Ayco, may require clients who hold privately placed securities of a company to execute a lock-up agreement prior to such company's IPO restricting the resale of the securities for a period of time before and following the IPO. As a result, Ayco may be restricted from selling the securities in such clients' Advisory Accounts at a more favorable price.

Goldman Sachs' activities on behalf of its clients may also restrict investment opportunities generally that may be available to Advisory Accounts. For example, Goldman Sachs is often engaged by companies as a financial advisor, or to provide financing or other services, in connection with commercial transactions that may be potential investment opportunities for Advisory Accounts. There may be circumstances in which Advisory Accounts are precluded from participating in such transactions as a result of Goldman Sachs' engagement by such companies. Goldman Sachs reserves the right to act for these companies in such circumstances, notwithstanding the potential adverse effect on Advisory Accounts. Goldman Sachs (including Ayco) may also represent creditor or debtor companies in proceedings under Chapter 11 of the U.S. Bankruptcy Code (and equivalent non-U.S. bankruptcy laws) or prior to these filings. From time to time, Goldman Sachs (including Ayco) may serve on creditor or equity committees. These actions, for which Goldman Sachs (or Ayco, as applicable) may be compensated, may limit or preclude the flexibility that the Advisory Account may otherwise have to buy or sell securities issued by those companies. Please also refer to "Firm Policies, Regulatory Restrictions and Certain Other Factors Affecting Advisory Accounts", below.

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

Potential Conflicts Related to Lending and Loan Syndication

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

Differing Advice and Competing Interests

Advice given to, or investment decisions made or other actions taken 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 Accounts, including Advisory Accounts. Goldman Sachs (including Ayco), the clients it advises, and its Personnel may have interests in and advise Accounts, including Advisory Accounts, that have investment objectives or portfolios similar to, related to or opposed to those of particular Advisory Accounts. In this regard, Goldman Sachs may make investment decisions for such Accounts that are different from the investment decisions made for Advisory Accounts, and such investment decisions or other actions taken in connection with other Accounts may adversely impact Advisory Accounts, as described below. In addition, Goldman Sachs (including Ayco), the clients it advises, and its Personnel may engage (or consider engaging) in commercial arrangements or transactions with Accounts, and/or may compete for commercial arrangements or transactions or invest in the same types of

companies, assets, securities and other instruments, as particular Advisory Accounts. Such arrangements, transactions or investments may adversely affect such Advisory Accounts by, for example, limiting clients' ability to engage in such activity or by effecting the pricing or terms of such arrangements, transactions or investments. Moreover, a particular Advisory Account on the one hand, and Goldman Sachs or other Accounts (including other Advisory Accounts) on the other hand, may vote differently on, or take or refrain from taking different actions with respect to, the same security, which may be disadvantageous to the Advisory Account. Goldman Sachs may receive greater fees or other compensation from such Accounts than Ayco does from the particular Advisory Accounts, in which case Goldman Sachs, including through GS&Co., will be incentivized to favor such Accounts.

Accounts (including Advisory 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 (including its ability to engage in a transaction or other activities). For example, an Advisory Account may buy a security, and Goldman Sachs or a Goldman Sachs client may establish a short position in that same security or in similar securities. Any such short position may result in the impairment of the price of the security that the Advisory Account holds or could be designed to profit from a decline in the price of the security. An Advisory Account could similarly be adversely impacted if it establishes a short position, following which Goldman Sachs or a Goldman Sachs client takes a long position in the same security or in similar securities. Similarly, Goldman Sachs may be engaged to provide advice to a client that is considering entering into a transaction with a particular Advisory Account, and Goldman Sachs may advise the client not to pursue the transaction with the particular Advisory Account, or otherwise in connection with a potential transaction provide advice to the client that would be adverse to the particular Advisory Account.

Clients may be offered access to advisory services through several different Goldman Sachs businesses (including through Ayco). Different advisory businesses within Goldman Sachs manage Accounts according to different strategies and may also apply different criteria to the same or similar strategies and may have differing investment views in respect of an issuer or a security or other investment. Similarly, advisory personnel can have differing or opposite investment views in respect of an issuer or a security, and the positions advisory personnel take in respect of an Advisory Account may be inconsistent with, or adverse to, the interests and activities of Advisory Accounts advised by other advisory personnel. Moreover, research, analyses or viewpoints will be available to clients or potential clients at different times. Goldman Sachs will not have any obligation to make available to Advisory Accounts any research or analysis at any particular time or prior to its public dissemination.

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

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

effectively worthless, which could undermine the potential alignment of interest between employees and third-party investors. In certain circumstances, subject to applicable law, including the Dodd-Frank Act, Goldman Sachs may offer to purchase, redeem or liquidate the interests held by one or more investors in such an Account (potentially on terms advantageous to such Account's investors) or to release one or more investors in such an Account from their obligations to fund capital commitments without offering third-party investors the same or a similar opportunity.

Investments in Different Parts of an Issuer's Capital Structure

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

For example, in the event that Goldman Sachs or an Account holds loans, securities or other positions in the capital structure of an issuer that ranks senior in preference to the holdings of a client in the same issuer, and the issuer experiences financial or operational difficulties, Goldman Sachs (acting on behalf of itself or the Account) may seek a liquidation, reorganization or restructuring of the issuer, or terms in connection with the foregoing, that may have an adverse effect on or otherwise conflict with the interests of the client's holdings in the issuer. In connection with any such liquidation, reorganization or restructuring, a client's holdings in the issuer may be extinguished or substantially diluted, while Goldman Sachs (including Ayco) or an Account may recover some or all of the amounts due to them. In addition, in connection with any lending arrangements involving the issuer in which Goldman Sachs (including Ayco) or an Account participates, Goldman Sachs (including Ayco) or the Account may seek to exercise their rights under the applicable loan agreement or other document, which may be detrimental to the particular client. Alternatively, in situations in which a client holds a more senior position in the capital structure of an issuer experiencing financial or other difficulties as compared to positions held by other Accounts (which may include those of Goldman Sachs), Goldman Sachs may determine not to pursue actions and remedies that may be available to the client or particular terms that might be unfavorable to the Accounts holding the less senior position. In addition, in the event that Goldman Sachs or the Accounts hold voting securities of an issuer in which a client holds loans, bonds or other credit-related assets or securities, Goldman Sachs or the Accounts may vote on certain matters in a manner that has an adverse effect on the positions held by the client. Finally, Goldman Sachs may have relationships or other business dealings with an issuer, other holders of credit-related assets or securities of such issuer, or other transaction participants that cause Goldman Sachs to pursue an action or engage in a transaction that may have an adverse effect on the positions held by the Advisory Account.

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

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

Considerations Relating to Information Held by Goldman Sachs

Goldman Sachs has adopted certain information barriers and other policies designed to address the sharing of information between different businesses within Goldman Sachs and within Ayco. As a result of information barriers, Ayco generally does not have access, or has limited access, to information and Personnel in other areas of Goldman Sachs relating to business transactions for clients (including transactions in investing, banking, prime brokerage and certain other areas), and generally will not advise clients with the benefit of information held by these other areas. Goldman Sachs, due to its access to, and knowledge of, funds, markets and securities based on its prime brokerage and other businesses, may make decisions based on information or take (or refrain from taking) actions with respect to interests in investments of the kind held (directly or indirectly) by clients in a manner that will be adverse to clients and will not have any obligation to share information with Ayco. Information barriers may also exist between businesses within Ayco. In addition, regardless of the existence of information barriers, Goldman Sachs will not have any obligation to make available any information regarding its trading activities, strategies or views, or the activities, strategies or views used for other Accounts for the benefit of clients. Different areas of Ayco and Goldman Sachs may take views, and make decisions or recommendations, that are different than other areas of Ayco and Goldman Sachs. To the extent that Ayco has access to fundamental analysis or other information developed by Goldman Sachs and its Personnel, Ayco will not be under any obligation to provide recommendations to clients in accordance with such analysis. In the event Goldman Sachs elects not to share certain information with clients, such clients may make investment decisions that differ from those they would have made if Goldman Sachs had provided such information, which may disadvantage the clients. Different advisory personnel within Ayco may make decisions based on information or take (or refrain from taking) actions or providing advice with respect to clients they advise in a manner that may be different from or adverse to other clients. Such advisory personnel may not share information with other advisory personnel within Ayco (or other areas of Goldman Sachs), including as a result of certain information barriers and other policies, and will not have any obligation to do so. See “Differing Advice and Competing Interests”.

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

Managing and Advising Multiple Clients

The decisions and actions of Goldman Sachs (including Ayco) on behalf of a client may differ from its decisions or actions on behalf of other clients. Advice given to, or investment decisions made for, one or more clients may compete with, affect, differ from, conflict with, or involve timing different from, advice given or investment decisions made for other clients.

Financial Incentives in Selling Advisory Accounts, Insurance Products, and Ayco Marketplace Products

Ayco and its affiliates may have a financial incentive to recommend that clients allocate Advisory Account assets to Affiliated Products rather than to accounts or funds managed by third parties. Any differentials in compensation may create a financial incentive for Ayco and Ayco personnel to recommend or select advisory products or investment strategies that will result in greater compensation and profit to Ayco and,

indirectly, to Ayco personnel involved in decision-making for Advisory Accounts. Ayco may also recommend to clients of Ayco or its affiliates that they make a charitable donation to ACF or GSPF. Such recommendations are made if Ayco believes it is in the client's best interest. The compensation described herein that Ayco receives may create an incentive for an Ayco professional to recommend ACF or GSPF.

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

As a supplement to Financial Counseling, Ayco may offer Ayco Marketplace, an integrated marketplace of digital product and service solutions to its clients. Ayco may receive compensation relating to products and services made available on Ayco Marketplace from certain service providers. Ayco's receipt of compensation described above creates a conflict of interest. As compensation varies by service provider, Ayco may be incented to recommend certain service providers relative to others. Ayco's Marketplace offerings are non-advisory in nature.

Item 12 – BROKERAGE PRACTICES

Ayco's Financial Counseling does not include the review or recommendation of broker-dealers for client transactions. Please refer to Ayco's Investment Management Brochure for further information regarding brokerage practices.

Item 13 – REVIEW OF ACCOUNTS

Review of Financial Plans and Accounts

Financial Plan Reviews

As part of Financial Counseling, Financial Advisors periodically review each of their individual client's allocations of assets among various asset groups to the extent Ayco is aware of such information. Financial Advisors do not provide discretionary management over client investments.

Financial Advisors do not recommend specific Variable Subaccounts or other securities, including single stocks or bonds, other than those selected by Ayco's affiliates, including GS&Co. and GSAM. Rather, they provide general education on asset group allocation seeking to improve the individual's return/risk ratio. Except in the case of certain ATAS engagements, Ayco does not monitor specific Variable Subaccount allocations for conformity with a policyholder's stated investment objectives, risk tolerance, financial circumstances or investment restrictions, if any. Additional information related to Variable Subaccounts appears in Item 8 above.

Client Reports

Financial Advisors may use historical market data provided by clients' custodians to periodically prepare client asset allocations with respect to risk and return.

Item 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Ayco's Financial Counseling fee may be paid, in whole or in part, by third parties, including the client's employer. From time to time, Ayco makes cash payments to affiliates and third parties for referring clients to Ayco, consistent with applicable laws, including Rule 206(4)-3 under the Advisers Act. The compensation arrangements generally are based on a percentage of the advisory fees paid to Ayco by the referred clients and are disclosed to clients. In addition, from time to time, Ayco compensates employees of Ayco and its affiliates for client referrals pursuant to applicable laws.

Item 15 – CUSTODY

Under the Advisers Act, Ayco or its affiliates may be "deemed" to have custody of client assets in connection with the receipt and redirection of client checks and provision of personal accounting or bill pay services, which are ancillary non-investment advisory services typically offered exclusively to Ayco Family Office clients. Clients will receive account statements from their bank and are encouraged to carefully review those statements.

Clients who decide to open investment accounts with Ayco generally elect to custody their Advisory Accounts with either GS&Co. or Fidelity. Ayco is not affiliated with Fidelity. Clients also may enter into separate custody agreements to maintain client funds and securities with other unaffiliated qualified custodians. Please refer to Ayco's Investment Management Brochure for further information regarding custody.

Item 16 – INVESTMENT DISCRETION

Ayco does not have discretion over client assets as part of Financial Counseling. Ayco offers discretionary investment management services which are described, along with a description of Ayco's investment advisory professionals and their activities, in Ayco's Investment Management Brochure.

Item 17 – VOTING CLIENT SECURITIES

Financial Counseling does not include proxy voting services.

Item 18 – FINANCIAL INFORMATION

A balance sheet for Ayco's fiscal year ended December 31, 2019 is attached.

Item 19 – REQUIREMENTS FOR STATE REGISTERED ADVISERS

Not applicable.

GLOSSARY

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

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

“ACF” means The Ayco Charitable Foundation, a 501(c)(3) public charity.

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

“Advisory Accounts” means client accounts maintained in strategies offered by Ayco or its affiliates for which Ayco or its affiliates serves as investment adviser.

“Affiliated Managers” means managers that are affiliated with Goldman Sachs.

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

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

“APAS” means Ayco Personal Advisor Service.

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

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

“ATAS” means Ayco Trust Advisory Service.

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

“Ayco WSG” means Ayco’s Wealth Strategies Group.

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

“Brochure” means this Ayco’s Form ADV Part 2A – Financial Counseling Services.

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

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

“ETF” means an exchange traded fund.

“FDIC” means the Federal Deposit Insurance Corporation.

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

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

“Financial Advisors” means Ayco associates responsible for providing Ayco’s financial counseling services directly to financial counseling clients.

“Financial Guidance” means services offered through GS PFM that may include, but is not limited to, estate, insurance, tax, retirement, cash flow, and investment planning.

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

“GS Bank” means Goldman Sachs Bank USA.

“GS PFM” means United Capital Financial Advisers, LLC dba Goldman Sachs Personal Financial Management.

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

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

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

“GSAMI” means Goldman Sachs Asset Management International.

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

“GSIS” means GS Investment Strategies, LLC.

“GSPF” means Goldman Sachs Philanthropy Fund.

“GSS” means Goldman Sachs Securities Services.

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

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

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

“HFS” means Goldman Sachs Hedge Fund Strategies LLC.

“Investment Management Brochure” means Ayco’s ADV Part 2A – Investment Management Services.

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

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

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

“Outside Manager” means a manager not recommended by Ayco or its affiliates, including GS&Co. and GSAM.

“Personnel” means personnel of Goldman Sachs who support Ayco.

“Retirement Accounts” means, collectively, individual retirement accounts (IRAs), tax-qualified retirement accounts, including ERISA and Keogh plans, and Coverdell education savings accounts.

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

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

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

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

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

“Variable Subaccounts” means separate accounts underlying Variable Products.

“Wrap Brochure” means Ayco’s ADV Part 2A – Appendix 1 – Private Access Account Strategies.

The Ayco Company, L.P.
Balance Sheet
December 31, 2019

The Ayco Company, L.P.
Index
December 31, 2019

	Page(s)
Report of Independent Auditors	1
Balance Sheet.....	2
Notes to the Balance Sheet	3–11



Report of Independent Auditors

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

We have audited the accompanying balance sheet of The Ayco Company, L.P. (the "Company") as of December 31, 2019.

Management's Responsibility for the Balance Sheet

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

Auditors' Responsibility

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

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

Opinion

In our opinion, the accompanying balance sheet presents fairly, in all material respects, the financial position of the Company as of December 31, 2019, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the balance sheet, the Company has entered into significant transactions with The Goldman Sachs Group, Inc., a related party. Our opinion is not modified with respect to this matter.

PricewaterhouseCoopers LLP

March 20, 2020

The Ayco Company, L.P.
Balance Sheet
December 31, 2019

Assets

Current assets

Cash and cash equivalents	\$ 1,565,244
Accounts receivable, net of allowance of \$1,426,820	41,085,804
Prepaid expenses	3,143,217
Due from affiliates	<u>211,943,372</u>

Total current assets 257,737,637

Property, leasehold improvements and equipment, net	7,888,912
Right-of-use assets, net	30,330,347
Investments in affiliates	16,893,722
Goodwill	274,001,135
Customer relationships, net	40,249,999
Other assets	<u>660,165</u>

Total assets \$627,761,917

Liabilities and Partners' Capital

Current liabilities

Accrued compensation and benefits	\$ 84,162,841
Due to affiliates	76,943,327
Deferred income	3,999,843
Income taxes payable	26,117,194
Pensions, postretirement and deferred compensation liabilities	12,002,151
Lease liabilities	7,043,222
Other liabilities and accrued expenses	<u>8,028,680</u>

Total current liabilities 218,297,258

Net deferred tax liabilities	57,086,482
Lease liabilities	25,588,818
Pensions, postretirement and deferred compensation liabilities	<u>3,817,059</u>

Total liabilities 304,789,617

Commitments, contingencies and guarantees

Partners' capital	<u>322,972,300</u>
-------------------	--------------------

Total liabilities and partners' capital \$627,761,917

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

The Ayco Company, L.P.

Notes to the Balance Sheet

1. Description of Business

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

2. Basis of Presentation

This financial statement is prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) and all reference to 2019 refer to the Partnership's year ended, or the date, as the context requires, December 31, 2019.

3. Significant Accounting Policies

Use of Estimates

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

Cash and Cash Equivalents

The Partnership defines cash equivalents as highly liquid overnight deposits held in the ordinary course of business. Cash balances are maintained at various institutions, some of which are insured by the Federal Deposit Insurance Corporation to the extent provided by law. At December 2019, the Partnership had \$809,715 held in banks in excess of the insured limits.

Accounts Receivable

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

Property, Leasehold Improvements and Equipment

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

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

The Ayco Company, L.P.

Notes to the Balance Sheet

Operating Lease Right-of-Use Assets

The Partnership enters into operating leases for real estate used in connection with its operations. The firm adopted ASU No. 2016-02 in January 2019, which required the firm to recognize, for leases longer than one year, a right-of-use asset representing the right to use the underlying asset for the lease term, and a lease liability representing the liability to make payments. The lease term is generally determined based on the contractual maturity of the lease. For leases where the firm has the option to terminate or extend the lease, an assessment of the likelihood of exercising the option is incorporated into the determination of the lease term. Such assessment is initially performed at the inception of the lease and is updated if events occur that impact the original assessment.

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

For leases where the Partnership has ceased using the space and management has concluded that the Partnership will not derive any future economic benefits, the firm records an impairment of right-of-use assets. There were no such impairments during 2019.

Investments in Affiliates

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

Goodwill

The goodwill balance relates to the acquisition of The Ayco Company, L.P. and its affiliates by GS Ayco Holding LLC on July 1, 2003. Goodwill is the cost of acquired companies in excess of the fair value of net assets, including identifiable intangible assets, at the acquisition date. During 2019, the carrying value of goodwill decreased by \$454,191 related to a life to date adjustment for the amortization of tax goodwill.

Goodwill is assessed for impairment annually in the fourth quarter or more frequently if events occur or circumstances change that indicate an impairment may exist. When assessing goodwill for impairment, first, qualitative factors are assessed to determine whether it is more likely than not that the estimated fair value of the Partnership is less than its estimated carrying amount. If the results of the qualitative assessment are not conclusive, a quantitative goodwill test is performed. Alternatively, a quantitative goodwill test can be performed without performing a qualitative assessment. The quantitative goodwill impairment test compares the estimated fair value of the Partnership with its estimated net book value (including goodwill and identifiable intangible assets). If the Partnership's estimated fair value exceeds its estimated net book value, goodwill is not impaired. An impairment is recognized if the estimated fair value of the Partnership is less than its estimated net book value, with the amount of impairment equal to the difference between those values.

Goodwill was tested for impairment using a quantitative test, without first performing a qualitative test, during the fourth quarter. The estimated fair value of the Partnership exceeded its net book value. Accordingly, goodwill was not impaired. The Partnership uses a price-to-earnings multiple of comparable competitors to the Partnership's net earnings to estimate fair value because the Partnership believes market participants would use this technique to value the Partnership.

Customer Relationships

Customer relationships are amortized over their estimated useful lives using the straight-line method. Customer relationships are tested for potential impairment whenever events or changes in circumstances suggest that an asset's or asset group's carrying value may not be fully recoverable. To the extent the carrying value of an asset or asset group exceeds the projected undiscounted cash flows expected to result from the use and eventual disposal of the asset or asset group, the Partnership determines the asset or asset group is impaired and records an impairment loss equal to the difference between the estimated fair value and the carrying value of the asset or asset group. During 2019, the Partnership did not record an impairment.

Deferred Income

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

Recent Accounting Developments

Leases (ASC 842)

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)." This ASU requires that, for leases longer than one year, a lessee recognize in the balance sheet a right-of-use asset, representing the right to use the underlying asset for the lease term, and a lease liability, representing the liability to make lease payments. It also requires that for finance leases, a lessee recognize interest expense on the lease liability, separately from the amortization of the right-of-use asset in the statement of earnings, while for operating leases, such amounts should be recognized as a combined expense. It also requires that for qualifying sale-leaseback transactions the seller recognize any gain or loss (based on the estimated fair value of the asset at the time of sale) when control of the asset is transferred instead of amortizing it over the lease period. In addition, this ASU requires expanded disclosures about the nature and terms of lease agreements.

The Partnership adopted this ASU in January 2019 under a modified retrospective approach. The impact of adopting this ASU was a gross up of \$35,929,347 on the Partnership's balance sheet as of January 1, 2019.

Measurement of Credit Losses on Financial Instruments (ASC 326).

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments—Credit Losses (Topic 326) — Measurement of Credit Losses on Financial Instruments." This ASU amends several aspects of the measurement of credit losses on certain financial instruments, including replacing the existing incurred credit loss model and other models with the Current Expected Credit Losses (CECL) model and amending certain aspects of accounting for purchased financial assets with deterioration in credit quality since origination (Purchased Credit Deteriorated or PCD loans).

The firm adopted this ASU in January 2020 under a modified retrospective approach. As a result of adopting this ASU, the firm's allowance for credit losses on financial assets and commitments that are measured at amortized cost will reflect management's estimate of credit losses over the remaining expected life of such assets. Expected credit losses for newly recognized financial assets and commitments, as well as changes to expected credit losses during the period, will be recognized in earnings. These expected credit losses will be measured based on historical experience, current conditions and forecasts that affect the collectability of the reported amount. There was no cumulative effect of measuring the allowance under CECL as a result of adopting this ASU as of January 1, 2020.

The Ayco Company, L.P.

Notes to the Balance Sheet

4. Property, Leasehold Improvements and Equipment

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

Leasehold improvements	\$ 16,046,263
Furniture, fixtures and equipment	<u>14,627,118</u>
	30,673,381
Less: Accumulated depreciation	<u>(22,784,469)</u>
	<u>\$ 7,888,912</u>

5. Customer Relationships

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

Gross carrying amount	\$161,000,000
Accumulated amortization	<u>(120,750,001)</u>
Net carrying amount	<u>\$ 40,249,999</u>

The customer relationships are being amortized over their estimated useful life of 22 years. The weighted average remaining lives at December 2019 of customer relationships is approximately 5.5 years.

6. Income Taxes

Provision for Income Taxes

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

The Partnership is treated as a single member limited liability company (SMLLC), and therefore considered a disregarded branch of the parent for U.S. Federal tax purposes. The parent is a "C" corporation for U.S. Federal tax purposes. Therefore, the Partnership is required to accrue U.S. Federal, state and local tax as the entity was a "C" corporation. The Partnership is included with Group Inc. and subsidiaries in the consolidated corporate federal tax returns as well as consolidated/combined state and local tax returns. The Partnership computes its tax liability on a modified separate company basis and settles such liabilities with Group Inc. pursuant to the tax sharing arrangement. To the extent the Partnership generates tax benefits from losses it will be reimbursed by Group Inc. pursuant to the tax sharing arrangement. The Partnership's state and local tax liabilities are allocated to reflect its share of the consolidated/combined state and local income tax liability. As of December 2019, the Partnership's income tax payable in the balance sheet was \$26,117,194.

The Ayco Company, L.P.

Notes to the Balance Sheet

Deferred Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities. These temporary differences result in taxable or deductible amounts in future years and are measured using the tax rates and laws that will be in effect when such differences are expected to reverse. Valuation allowances are established to reduce deferred tax assets to the amount that more likely than not will be realized. Deferred taxes are recorded in the balance sheet, until the underlying temporary differences reverse and the taxes become currently payable or receivable. At December 2019, the Partnership had net deferred tax liabilities of \$57,086,482 primarily related to deferred tax liabilities on tax amortization of customer relationships and goodwill of \$77,629,164 and operating lease right-of-use assets of \$7,525,986, offset by deferred tax assets related to deferred compensation of \$19,329,484, operating lease liabilities of \$8,076,299 and other book tax differences of \$662,885. No valuation allowance is required as it is considered more likely than not that the deferred tax assets will be utilized.

Unrecognized Tax Benefits

The Partnership recognizes tax positions in the balance sheet only when it is more likely than not that the position will be sustained on examination by the relevant taxing authority based on the technical merits of the position. A position that meets this standard is measured at the largest amount of benefit that will more likely than not be realized on settlement. A liability is established for differences between positions taken in a tax return and amounts recognized in the balance sheet. As of December 2019, the Partnership did not record a liability related to accounting for uncertainty in income taxes.

Regulatory Tax Examinations

The Partnership is subject to examination by the U.S. Internal revenue Service (IRS) and other taxing authorities in jurisdictions where the Partnership has significant business operations such as New York State and City. The tax years under examination vary by jurisdiction. New York State and City examinations of 2011 through 2014 began in 2017.

U.S. Federal examinations of Group Inc. for calendar years 2011 and 2012 began in 2013. Group Inc. has been accepted into the Compliance Assurance Process program by the IRS for each of the tax years from 2013 through 2020. This program allows Group Inc. to work with the IRS to identify and resolve potential U.S. Federal tax issues before the filing of tax returns. The 2013 through 2018 tax years remain subject to post-filing review.

7. Employee Benefit Plans

Postretirement Benefits

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

The Ayco Company, L.P.

Notes to the Balance Sheet

At December 2019, accumulated other comprehensive income, included in Partners' capital in the balance sheet, is comprised of an unrecognized gain and unrecognized prior service cost of \$658,917 and (\$72,107), respectively.

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

	Postretirement Benefits
Accumulated postretirement benefit obligation	\$ 3,461,139
Plan assets at fair value	<u>-</u>
Unfunded liability	<u>3,461,139</u>
Liability recognized in the balance sheet	<u>\$ 3,461,139</u>

For the year ended December 2019, the projected benefit obligation increased in the aggregate by \$904,412 due primarily to a change in participation assumptions and a decrease in the discount rate from 4.56% at December 2018 to 3.46% at December 2019.

Weighted-average assumptions and other benefit information as of December 2019:

	Postretirement Benefits
Discount rate	3.46%
Benefit cost	\$ 147,946
Employer contributions	93,795
Benefits paid	93,795

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

	Postretirement Benefits
2020	\$ 103,513
2021	109,471
2022	115,224
2023	121,218
2024	127,251
2025–thereafter	724,877

The Ayco Company, L.P.

Notes to the Balance Sheet

Other Employee Benefits

The Partnership maintains a nonqualified deferred compensation plan for eligible employees. The cost of such plan is accrued over the period of active employment from the employee's participation date in the plan. At December 2019, the deferred compensation payable amount was \$621,818, of which \$199,200 is included in the current portion of pensions, postretirement and deferred compensation liabilities.

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

The Partnership maintains a deferred compensation (401(k)) plan which covers substantially all employees who have met certain service requirements. The plan permits participants to contribute up to 85% of salary, including commissions and bonuses, subject to IRS limitations. The Partnership's matching contribution is 100% of the participant's total elective deferred contribution up to a maximum of 4% of the participant's compensation up to the Internal Revenue Code Section 401 (a) (17) limit. Participants elect to have their contributions invested in a number of investment funds made available by the plan sponsor. The plan administrator may limit the maximum contributions per participant to comply with the IRS regulations. At December 2019, matching contributions payable under the plan and included in current portion of pensions, postretirement and deferred compensation liabilities were \$7,010,786.

The Partnership maintains an additional retirement account which covers all employees who have met certain service requirements. Benefits are based on employee's years of participation in the plan. The Partnership's funding policy is to contribute annually an amount equal to the benefit. At December 2019, retirement contributions payable under the plan and included in the current portion of pensions, postretirement and deferred compensation liabilities were \$4,678,744.

The Partnership maintains an unfunded supplemental pension plan for certain retirees. The accumulated benefit obligation for this plan is \$46,723, of which \$9,908 is included in the current portion of pensions, postretirement and deferred compensation liabilities as of December 2019.

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

The balance sheet includes a liability at December 2019 for the foregoing plans of \$15,819,210, of which \$12,002,151 is current.

8. Operating Lease Liabilities

The firm adopted ASU No. 2016-02 in January 2019, which required the firm to recognize, for leases longer than one year, a right-of-use asset representing the right to use the underlying asset for the lease term, and a lease liability representing the liability to make payments. See Note 3 for information about operating lease right-of-use assets.

The Ayco Company, L.P.

Notes to the Balance Sheet

The table below presents information about operating lease liabilities as of December 2019:

2020	\$ 8,156,682
2021	7,205,646
2022	4,987,895
2023	4,757,040
2024	3,364,603
2025–thereafter	8,199,971
Total undiscounted lease payments	36,671,837
Imputed Interest	4,039,797
Total operating lease liabilities	<u>\$ 32,632,040</u>

Weighted average remaining lease term	6 years
Weighted average discount rate	3.88%

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

9. Restricted Stock Units

Group Inc. grants restricted stock units (RSUs) to employees of the Partnership under The Goldman Sachs Amended and Restated Stock Incentive Plan (2018), primarily in connection with year-end compensation. RSUs are generally valued based on the closing price of the underlying shares on the date of grant after taking into account a liquidity discount for any applicable post-vesting and delivery transfer restrictions. RSUs generally vest and underlying shares of common stock deliver (net of required withholding tax) as outlined in the applicable award agreements. Award agreements generally provide that vesting is accelerated in certain circumstances, such as on retirement, death, disability and conflicted employment. Delivery of the underlying shares of common stock, which generally occurs over a three-year period, is conditioned on the grantees satisfying certain vesting and other requirements outlined in the award agreements. At December 2019, amounts payable to Group Inc. for the vested portion of RSUs are included within accrued compensation and benefits and due to affiliates in the balance sheet.

10. Commitments, Contingencies and Guarantees

Legal Proceedings

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

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

The Ayco Company, L.P.

Notes to the Balance Sheet

11. Related Party Transactions

In 2019, the Partnership provided certain counseling services to partners of Group Inc. and had cash advances to Group Inc. recorded in due from affiliates. In addition, the Partnership reimburses Group Inc. for share issuances to Partnership employees under the restricted stock units program, discussed in Note 9. At December 2019, amounts due from affiliates, include a loan receivable from affiliate in the amount of \$187,623,674. The interest on the loan receivable is based on prevailing market rates, computed at an internal cost of funds (3.24% at December 2019) and is payable on demand. The carrying value of the loan approximates fair value. In addition, \$121,000,000 was paid to Group Inc. in equity distributions during 2019.

12. Disclosure About Fair Value of Financial Instruments

Financial instruments, other than those discussed in Note 11, mainly consist of accounts receivable. The Partnership would have classified the financial instruments as Level 2 in the Partnership's fair value hierarchy since there is reasonable level of price transparency and the inputs in the valuation of these instruments is observable. The carrying amount of accounts receivable approximates fair value due to the short-term nature of the instruments.

13. Subsequent Events

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally and continued into the first quarter. The extent of the impact of COVID-19 on the Partnership's operational and financial performance, or that of Group Inc., will depend on future developments, including the duration and continued spread of the outbreak. Management is unable to estimate the projected impact, based on currently available information; however, it is possible that the outcomes could be material.

The Partnership evaluated subsequent events through March 20, 2020, the date the balance sheet was issued, and determined that there were no other material events or transactions that would require recognition or additional disclosure in the balance sheet.