

**Goldman Sachs & Co. LLC – Merchant Banking Business**

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

**Additional information about Goldman Sachs & Co. LLC's Merchant Banking Business is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**March 31, 2021**

This brochure describes the investment advisory services provided by the Merchant Banking Business of Goldman Sachs & Co. LLC ("GS&Co."). A separate brochure has been prepared for GS&Co.'s Private Wealth Management group.

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## **Item 2 – MATERIAL CHANGES**

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There have been no material changes to this brochure (this “Brochure”) from the last update dated March 31, 2020. However, the Merchant Banking Business has updated and expanded disclosures relating to its business operations, including certain recent changes and consolidations, particularly in the following areas:

Item 4 – Advisory Business

Item 5 – Fees and Compensation

Item 7 – Types of Clients

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

Item 9 – Disciplinary Information

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

Item 12 – Brokerage Practices

For ease of reference, capitalized terms that are defined when first used in the Brochure are also set forth in the Glossary.

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## Item 4 - ADVISORY BUSINESS

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### Introduction

This brochure (this “Brochure”) relates to the investment advisory services offered by the Merchant Banking Business (“GS Merchant Banking”) of Goldman Sachs & Co. LLC (“GS&Co.”). GS&Co. is a wholly-owned subsidiary of The Goldman Sachs Group, Inc. (together with its affiliates, the “Firm”). The Firm, through GS Merchant Banking, offers a variety of investment products and arrangements including multi-asset pooled investment vehicles that have been privately placed and have not been registered under the Investment Company Act of 1940 (the “GS Merchant Banking Funds”), securitization vehicles and other co-investment mandates, including separately managed accounts, multi-strategy arrangements, co-investment opportunities (on a deal-by-deal basis) and co-investment vehicles for individual investors or individual investments (collectively, “Co-Investment Mandates”). GS Merchant Banking Funds, securitization vehicles and / or Co-Investment Mandates sponsored, managed or advised by GS Merchant Banking are referred to in this Brochure, as the context requires, as “Advisory Accounts.”

The Firm is a public company that is a bank holding company and a financial holding company under the Bank Holding Company Act of 1956, as amended (“BHCA”), and a worldwide, full-service financial services organization. GS Merchant Banking, together with its predecessor business areas, has been in operation since 1986. GS&Co. has been a registered investment adviser since 1981.

In June 2019, the Firm announced the unification of several businesses across the Firm into one direct alternatives investing platform through GS Merchant Banking. The businesses that have been combined are GS Merchant Banking, the Global Special Situations Group (“GSSG”), the Principal Strategic Investment Group and Goldman Sachs Asset Management’s Private Real Estate Group (“PRE”) and the Realty Management Division (together, the “Combined Businesses”). References herein to “GS Merchant Banking” include the Combined Businesses unless the context indicates otherwise. In addition, GS Merchant Banking was combined with other asset management businesses of Goldman Sachs, including Goldman Sachs Asset Management, into a unified Asset Management Division effective January 1, 2021 (the “Asset Management Division”).

The investment management businesses carried out by Goldman Sachs Asset Management and the Private Wealth Management group are not described in this Brochure. Additional information about Goldman Sachs Asset Management and / or the Private Wealth Management Group, including descriptions of the conflicts of interest applicable in respect thereof (some of which are different than the conflicts that apply to GS Merchant Banking with respect to the Advisory Accounts) is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Unless otherwise specified, references in this Brochure to the advisory services provided by GS&Co. mean advisory services provided by GS Merchant Banking.

### Merchant Banking Business Advisory Services

The Advisory Accounts generally make long-term investments, primarily in privately negotiated transactions, in the following asset classes: corporate equity, infrastructure equity, corporate credit, real estate equity, real estate credit, consumer credit, special situations, growth equity, environmental or climate solutions, impact investments, direct project investments, strategic solutions, liquidations, opportunistic investments and other similar securities or instruments. GS Merchant Banking manages each discretionary Advisory Account with full discretion to negotiate the purchase and sale of investments in accordance with the authority granted to GS&Co. under the offering materials, governing agreements and / or other correspondence for that Advisory Account (together, the “Offering Materials”). In addition, GS Merchant also provides investment advice to separately managed accounts on a non-discretionary basis in certain circumstances. In this case, the owner of the separately managed account may elect whether to participate in the investment recommended by GS Merchant Banking (by opting-in or opting-out of the investment) and, if it elects to make the investment, then the investment typically will be managed by GS Merchant Banking on a discretionary basis. In certain cases, an investor with a separately managed account may grant GS&Co. discretionary authority to negotiate the purchase and sale of investments while retaining certain authority with respect to assets held in the accounts (including

certain voting and other rights). Additional information about the specific types of investments made by a particular Advisory Account is found in the Offering Materials for each Advisory Account.

### **Investment Guidelines**

The investment guidelines and terms applicable to each Advisory Account are described in the relevant Offering Materials. Each GS Merchant Banking Fund generally provides investors with the right to opt out of investments if an investor is prohibited from making the investment, including for legal, regulatory or other policy reasons that may be unique to the investor. A separately managed account client may impose additional restrictions on the management of its account, including by restricting particular securities or types of investments or may retain certain control with respect to assets held in their accounts (including certain withdrawal and termination rights, certain voting rights and certain rights to act as a direct security holder with respect to the assets held in their account).

### **Assets Under Management**

As of December 31, 2020, GS Merchant Banking had regulatory assets under management of approximately \$170,910,900,000 (which includes assets under management from the Combined Businesses and uncalled capital, cash and receivables), \$170,387,000,000 of which was managed on a discretionary basis and \$523,900,000 of which was managed on a non-discretionary basis. The regulatory assets under management also include the total estimated fair market value of all GS Merchant Banking investments (including GS Merchant Banking-managed investments held on the Firm's balance sheet and employee fund investments).<sup>1</sup>

## **Item 5 - FEES AND COMPENSATION**

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### **Fees for Advisory Services**

GS Merchant Banking generally receives an annual management fee from each Advisory Account. In addition, the Firm and / or its employees, directly or indirectly, generally receives an incentive allocation or incentive fee (including performance fees and carried interest, collectively, "Carried Interest") from an Advisory Account if the Advisory Account (or investments underlying such Advisory Account) has satisfied certain performance thresholds. The amount and calculation of fees charged by GS&Co. to an Advisory Account may vary, including by investment strategy and by asset class. Specific information about fees charged to an Advisory Account is provided in its applicable Offering Materials. GS Merchant Banking may agree to a reduction in the fees payable by an Advisory Account in certain circumstances depending, among other things, on the size and timing of the capital commitment, or whether the investor has a multi-strategy or multi-asset class investment program (a "Multi-Strategy Arrangement") with the Firm or GS Merchant Banking.

### **Calculation and Deduction of Advisory Fees**

The management fee charged by GS Merchant Banking to an Advisory Account is generally calculated as a percentage of: (i) invested capital (inclusive or exclusive of leverage), (ii) committed capital during the period when the Advisory Account is permitted to make investments and thereafter on invested capital, (iii) total asset cost or (iv) net asset value of an Advisory Account (i.e., on the realized and unrealized appreciation of assets). The management fee generally ranges from 0.5% to 2.0%. The Carried Interest is generally 10-20% of each Advisory Account's profits (at either an Advisory Account or investment level) after the Advisory Account (or investments underlying such Advisory Account) achieves a preferred return that generally ranges between 5% and 8% depending on the Advisory Account. Generally, management fees and Carried Interest are not payable by funds raised for the benefit of the Firm's employees ("GS Merchant Banking Employee Funds") that, subject to applicable law, often invest in, or alongside, the Advisory Accounts and / or the Firm. In certain cases, investors receive fee reductions of all or a portion of the management fee (and / or Carried Interest) attributable to an investor's interest in the Advisory Account, or invest with no or reduced fees in such Advisory Account and pay negotiated fees outside of such Advisory Account, which may be based on a separate fee

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<sup>1</sup> The assets under management and the regulatory assets under management exclude any accounts managed by any business unit, division or affiliate of GS&Co. other than GS Merchant Banking.

schedule agreed upon by GS Merchant Banking and / or its affiliates and the applicable investor. GS Merchant Banking may also manage Advisory Accounts in connection with a specific investment, and any fees chargeable in connection with the investment, may differ from those described above.

Management fees are generally paid to GS Merchant Banking semi-annually from the assets in each Advisory Account using net proceeds from investment dispositions and / or current cash flow of an Advisory Account. However, GS Merchant Banking may issue capital calls to investors for the payment of the management fees. In addition, in certain instances, GS Merchant Banking may decide to waive, reduce or defer management fees. Generally, no management fees are charged on investments during the period they are valued at zero. Moreover, management fees may be offset, in full or in part, in respect of other fees received by GS Merchant Banking (described below), which generally may include monitoring fees, whether or not accelerated, transaction or sponsor fees, break-up fees and commitment fees. The Carried Interest is generally paid to the Firm and / or its employees from time to time out of proceeds from investment dispositions received by the Advisory Account. Specific information about the management fee and Carried Interest charged to each Advisory Account (and any management fee offsets) is provided in the Advisory Account's Offering Materials.

### **Other Fees Payable to GS Merchant Banking**

In certain circumstances, GS Merchant Banking will charge Advisory Accounts and / or Portfolio Companies a sponsor or transaction fee in connection with acquisitions, dispositions and certain financings and recapitalizations. These fees generally are structured as payments of a percentage of either the enterprise value of a company, in the case of an acquisition or disposition, or the aggregate amount of the financing, in the case of financings or recapitalizations. Over the life of an investment, GS Merchant Banking may receive multiple sponsor or transaction fees with respect to an investment. GS Merchant Banking may also charge Portfolio Companies annual monitoring fees (e.g., fees for time regularly devoted to a Portfolio Company). Monitoring fees may be payable as fixed dollar amounts or may be calculated as a percentage of EBITDA (or other similar metric) of the Portfolio Company. In addition, in certain cases, monitoring fees will be accelerated in connection with the sale or initial public offering of the underlying Portfolio Company. In such a case, GS Merchant Banking will receive a payment equal to all or some portion of future annual monitoring fees. GS Merchant Banking expects to generally offset each investor's pro rata share of accelerated monitoring fees against the applicable management fee. To the extent applicable, additional information regarding the portion of any sponsor, transaction or other fees that is offset against the applicable management fee is disclosed in the Offering Materials for the relevant Advisory Account.

In certain circumstances, GS Merchant Banking also receives commitment fees and break-up fees in connection with investments in Portfolio Companies, or potential investments. GS Merchant Banking expects to generally offset each investor's pro rata share of such fees against the applicable management fee.

Additionally, GS Merchant Banking and / or its affiliates have been and in certain circumstances will be paid a financing fee in connection with the Firm (including GS Merchant Banking) arranging and structuring any financing or refinancing of an Advisory Account's leverage facilities. The amount of such fee will not offset the management fee payable by the relevant Advisory Account.

In addition, the Firm's officers, employees, consultants or other advisors in certain circumstances receive fees, stock or other equity securities paid and granted to directors on the boards of directors of Portfolio Companies; in the case of officers and employees, such payments are generally held for the benefit of the Firm (and such cash compensation and, in certain circumstances, non-cash compensation will generally offset the management fee payable by the relevant Advisory Account), while consultants or other advisors may retain such payments (and such amounts will generally not offset the management fee payable by the relevant Advisory Account). Additional information regarding the above fees and / or the portion thereof shared with Advisory Accounts is disclosed in the Offering Materials for such Advisory Account.

Each investor's pro rata share of the offsets described herein will generally be calculated based on such investor's indirect interest in the applicable Portfolio Company; the offsets attributable to the Firm, GS Merchant Banking Employee Funds and / or other investors in such Portfolio Company (including investors in Co-Investment Mandates) that are not charged any management fees will not be shared with other investors.

## **Investment Banking, Lending and Other Service Fees**

Subject to applicable law, the Firm in certain circumstances will perform investment banking and other services for (i) Advisory Accounts, (ii) Portfolio Companies and / or (iii) other parties in connection with investments in Portfolio Companies or otherwise. These services can include underwriting, merger advisory, other financial advisory, restructuring, lending or otherwise raising leverage, placement agency, selling agency, foreign currency, interest rate or other hedging, brokerage and asset management services. In some cases, the fees for the foregoing services will be charged directly to an Advisory Account. In many of the cases, the services will be provided to Portfolio Companies (rather than directly to an Advisory Account) and will be paid for by the Portfolio Company. In this regard, the Firm may provide various services to a Portfolio Company over the life of the investment and receive multiple fees for such services.

In connection with managing Advisory Accounts, a variety of investment banking and other financial services are often required to pursue the objectives of the Advisory Account. When the Firm acts as a broker, dealer, agent or lender or in other commercial capacities for an Advisory Account or Portfolio Company, it is anticipated that the compensation, including the commissions, mark-ups, markdowns, financial advisory fees, underwriting and placement fees, sales fees, financing and commitment fees, brokerage fees, other fees, compensation or profits, rates, terms and conditions charged by the Firm will be, in its view, commercially reasonable; however, they may not be negotiated and, from time to time, may be more or less than what a comparable third party might charge. The Firm, including its sales personnel, has an interest in obtaining fees and other amounts for such services which are favorable to the Firm and its sales personnel. Fees and other compensation paid to the Firm in respect of these types of services are not shared with the Advisory Accounts or their investors, and, subject to applicable law, details of such fees and other compensation are not typically disclosed to investors in the Advisory Accounts.

Additionally, the Firm will generally receive compensation in connection with the management of discretionary managed accounts or investment funds (including money market funds) to which Advisory Accounts directly or indirectly allocate assets. Certain Advisory Accounts that invest in such products pay advisory fees to GS Merchant Banking that are not reduced by any fees payable by such Advisory Accounts to the Firm as manager of such products, other than in certain specified cases, including as may be required by applicable law.

Further, certain affiliates of GS&Co., including divisions of GS Merchant Banking such as Goldman Sachs Realty Management, LLC ("GSRM"), may perform a variety of services for the Advisory Accounts and / or for Portfolio Companies. These services vary depending on the Advisory Account, but they may include, among other things, arranging or placing asset-backed leverage, sourcing, acquisition, asset management, underwriting, due diligence, financing and disposition of real estate investments. In exchange for these services, GSRM will generally receive cost, or cost plus profit, reimbursement from certain Advisory Accounts (including an allocable portion of the Overhead Costs of GSRM) as further described in the Offering Materials of the applicable Advisory Accounts. With respect to certain Advisory Accounts or the investments of certain Advisory Accounts, GSRM may receive a fixed fee in lieu of cost, or cost plus profit, reimbursement. In other instances, GSRM may receive a fee in addition to cost reimbursement or fixed fee, including incentive or disposition fees (based on performance hurdles). No portion of such reimbursement or fees is expected to offset the management fee payable by the relevant Advisory Accounts. Additional information regarding the above fees and / or the portion thereof shared with Advisory Accounts is disclosed in the Offering Materials for such Advisory Account.

## **Prepaid Fees**

GS Merchant Banking generally does not charge Advisory Accounts fees in advance.

## **Other Expenses**

An Advisory Account generally bears all or a portion of the expenses incurred in connection with its organization and the offering of its interests to investors, as described in the Offering Materials. In addition, the Advisory Account would generally bear the ongoing expenses it incurs, unless otherwise stated in the Offering Materials.



Expenses charged to the Advisory Accounts generally include:<sup>2</sup>

- (i) investment-related costs and expenses, including expenses relating to identifying, investigating, evaluating, registering, valuing, due-diligence and researching, structuring, closing, purchasing, monitoring, managing,<sup>3</sup> servicing, holding, tracking and harvesting of investments and potential investments, and expenses relating to background checks;
- (ii) debt-related costs and expenses, including expenses related to raising leverage, refinancing, administering and servicing debt and the cost of compliance with lender requests;
- (iii) costs and expenses related to hedging, including currency, interest rate and / or other hedging strategies;
- (iv) third-party legal, tax and accounting costs and expenses, including costs and expenses for preparation of annual audited financial statements, tax return preparation, routine tax and legal advice, wire transfer fees, mailing costs and expenses, amendments to the Offering Materials, any costs and expenses related to winding-up, dissolution, liquidation or termination of an Advisory Account, and legal costs and expenses associated with indemnity, litigation, claims, and settlements;
- (v) consultant fees, costs and expenses (as described further below);
- (vi) insurance premiums (which insurance may cover numerous Advisory Accounts, in which case each participating Advisory Account is responsible for a share of the premiums);
- (vii) costs and expenses related to compliance by an Advisory Account with any applicable law, rule or directive or any other regulatory requirement, or compliance with the foregoing requirements by GS Merchant Banking or its affiliates to the extent such compliance relates to an Advisory Account's activities, including in each case, expenses relating to reporting and filings done by external professionals or service providers or for outside consultants engaged to assist GS Merchant Banking personnel with regard to such functions;
- (viii) costs and expenses related to warehousing investments and the subsequent conveyance of any such warehoused investments to an Advisory Account;
- (ix) costs and expenses of operating Advisory Accounts, including, in certain circumstances, fees payable to third party general partners, alternative investment managers or similar control persons;
- (x) costs and expenses for travel, lodging and meal expenses for certain LPAC Members to attend in-person meetings called and scheduled by GS Merchant Banking and costs and expenses of external counsel and other advisors to the limited partner advisory committee of an Advisory Account (the "Limited Partner Advisory Committee" and formerly known as the "Investment Advisory Committee"), in each case, to the extent contemplated in the Offering Materials of the Advisory Accounts and reimbursement of the Firm for its reasonable out-of-pocket expenses, if any, in connection with its services and participation on the Limited Partner Advisory Committee;
- (xi) costs, expenses and fees paid by certain Advisory Accounts in connection with activities or meetings of special committees, councils or other advisory groups formed by GS Merchant Banking with respect to such Advisory Accounts;
- (xii) fees payable to the Firm for services provided by the Firm or the Firm's affiliates to Advisory Accounts (including internal accounting services), which (A) reflect (in some cases as a flat fee per annum) an

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<sup>2</sup> In all relevant cases, including travel and entertainment expenses, including any expenses of private air travel when deemed appropriate by GS Merchant Banking in its reasonable discretion (after taking into account the risks associated with public health crises such as the COVID-19 pandemic).

<sup>3</sup> Including costs and expenses of attending and / or sponsoring industry conferences or other meetings.



allocable portion of Overhead Costs of the departments providing such services and which are determined by the Firm by reference to the amount of time spent by and the seniority of the employee providing the in-house services and (B) shall include an allocable portion of fees and expenses charged by Broad Street Luxembourg S.à r.l. in connection with its services as an administrator to an Advisory Account; *provided that*, for the avoidance of doubt, since the in-house expense allocation process relies on certain judgments and assessments that, in turn, are based on information and estimates from various individuals, the allocations that result may not be exact and may be subject to human error; and

(xiii) any other costs and expenses that may be authorized by the Offering Materials or that may be necessary or appropriate in managing an Advisory Account.

Individual consultants or advisors (some of whom may be former employees of the Firm) are engaged by GS Merchant Banking on behalf of Advisory Accounts and / or Portfolio Companies to provide consulting or advisory services to GS Merchant Banking, Advisory Accounts and / or Portfolio Companies, including, without limitation, sourcing, operational consulting, industry consulting, asset level consulting and other services, and, in certain cases, otherwise assisting the Advisory Accounts with respect to the oversight of Portfolio Companies in which investments are made. These consultants or advisors may not work exclusively for GS Merchant Banking, the Advisory Accounts and / or the Portfolio Companies, and are not employees of GS Merchant Banking, even if most or all of their work is performed on behalf of GS Merchant Banking or at the direction of GS Merchant Banking. The appropriate level of compensation for such advisors, consultants or other persons may be difficult to determine, especially if the expertise and services the individual provides are unique and / or tailored to the specific engagement. Compensation paid to these consultants or advisors for consulting / advisory services related to the Advisory Account or the Portfolio Companies is generally borne by the Advisory Account, and is not offset against the management fee paid by the Advisory Account (which may incentivize GS Merchant Banking to retain these advisors, consultants and other persons as independent contractors, rather than hiring them as employees) and may include an annual fee and / or a discretionary performance-related bonus. In addition to consultant / advisory fees, the consultant / advisor may also receive the opportunity to invest in Advisory Accounts or specific investments on a no-fee / no-Carried Interest basis or at reduced rates. The scope of services provided under the consulting / advisory agreements may include serving on the board of Portfolio Companies. When determining directors of Portfolio Companies, GS Merchant Banking in some situations may designate a third party who is not an employee of the Firm who has specific skills and experience that would benefit the Portfolio Company, such as strategic advisory or other consulting group members (as described below) or other consultants. Consultants / advisors and such third parties may receive compensation for serving on the board of a Portfolio Company in addition to the compensation noted above, which may be paid by a Portfolio Company or, in certain cases, by the Advisory Account or GS Merchant Banking. Such consultants or other third parties are entitled to retain those sources of compensation, and such compensation is not expected to offset management fees payable by Advisory Accounts. As such, when determining directors for Portfolio Companies, GS Merchant Banking seeks to choose individuals to maximize the long-term value of the investment, not the amount of the applicable management fee that may be offset. Moreover, GS Merchant Banking has formed one or more advisory and / or consulting groups or councils ("Consulting Groups") with respect to certain Advisory Accounts whose members include and are expected to include certain experts, consultants, thought leaders, subject matter experts, advisors, or other persons (including current and former employees of the Firm) who, in the judgment of GS Merchant Banking, are expected to add value to such Advisory Accounts' and / or Portfolio Companies' activities by virtue of their association with the Firm, such Advisory Accounts and / or Portfolio Companies, including existing or prospective Portfolio Companies. Members of such advisory groups are expected to be admitted as investors in certain Advisory Accounts or as investors in Portfolio Companies, in each case, on terms that are more favorable than the terms given to the other investors in such Advisory Accounts, including that such members may bear no or reduced Carried Interest or management fees on all or a portion of their commitments to such Advisory Accounts and / or may receive equity compensation from such Portfolio Company. Certain members of a Consulting Group may participate in one or more of the other Consulting Groups and / or serve as individual consultants or advisors, and, as a result, such members also may receive compensation from their participation in each such Consulting Group and / or their services as individual consultants or advisors.

GS Merchant Banking, on behalf of Advisory Accounts and their Portfolio Companies, expects to engage service providers (including attorneys and consultants), some of which may also provide services to the Firm and other clients managed by other parts of the Firm and their Portfolio Companies. In addition, certain service providers

to the Firm, GS Merchant Banking, Advisory Accounts or their Portfolio Companies may also be Portfolio Companies or other affiliates of the Firm, GS Merchant Banking or Advisory Accounts (for example, a Portfolio Company of an Advisory Account may retain a Portfolio Company of another Advisory Account). To the extent it is involved in such selection, GS Merchant Banking intends to select these service providers based on a number of factors, including expertise and experience, knowledge of related or similar products, quality of service, reputation in the marketplace, and price. These service providers may have business, financial, or other relationships with the Firm or its employees, including being a Portfolio Company of, or otherwise affiliated with, the Firm, GS Merchant Banking or an Advisory Account, which may influence GS Merchant Banking's selection of these service providers for Advisory Accounts or their Portfolio Companies. In such circumstances, there may be a conflict of interest between the Firm and the Advisory Accounts (or their Portfolio Companies) or between Advisory Accounts (or their Portfolio Companies) if the Advisory Accounts (or their Portfolio Companies) determine not to engage or continue to engage these service providers. In addition, GS Merchant Banking may, in its sole discretion, determine to provide, or engage an affiliate of GS Merchant Banking to provide, certain services to Advisory Accounts and their Portfolio Companies, instead of engaging one or more third parties to provide such services. Subject to the governing documents of a particular Advisory Account, GS Merchant Banking or its affiliates will receive compensation in connection with the provision of such services. As a result, GS Merchant Banking faces a conflict of interest when selecting service providers for Advisory Accounts and their Portfolio Companies. In addition, GS Merchant Banking may, in its sole discretion, determine to engage a third-party service provider to provide services to an Advisory Account that were previously provided by GS Merchant Banking in connection with its investment management services to such Advisory Account. In such circumstances, the Advisory Account will bear the fees charged by such service providers in addition to the advisory fees payable to GS Merchant Banking. Notwithstanding the foregoing, the selection of service providers will be conducted in accordance with GS Merchant Banking's fiduciary obligations to Advisory Accounts. The service providers selected by GS Merchant Banking might charge different rates to different recipients based on the specific services and / or the complexity of the services provided, the personnel providing the services, or other factors. As a result, the rates paid with respect to these service providers by Advisory Accounts or their Portfolio Companies, on the one hand, may be more or less favorable than the rates paid by the Firm, including GS Merchant Banking, on the other hand. In addition, the rates paid by GS Merchant Banking or the Advisory Accounts or their Portfolio Companies, on the one hand, may be more or less favorable than the rates paid by other parts of the Firm or clients managed by other parts of the Firm or their Portfolio Companies, on the other hand.

The Firm may provide services to an Advisory Account, including, but not limited to, services such as internal legal and accounting services. An Advisory Account will generally be responsible for the fees and expenses associated with these services, and amounts paid to the Firm by the Advisory Account with respect to these services are in addition to the management fees.

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

Other than as described elsewhere in this Item 5, neither GS Merchant Banking nor GS Merchant Banking's supervised persons accept compensation for the sale of securities held by Advisory Accounts. Other business units of the Firm may receive this type of compensation from time to time. See Item 10 "*–Broker-Dealer, Municipal Securities Dealer, Government Securities Dealer or Broker*" and Item 11 "*–Principal, Agency Cross and Other Securities Transactions*" for additional information. GS Merchant Banking chooses the brokers with whom to execute transactions in accordance with its duty of best execution and may choose either affiliated or unaffiliated brokers, depending upon the circumstances and in conformance with applicable law. GS Merchant Banking does not reduce its management fees to offset execution charges paid to its affiliates.

### **Allocation of Expenses; Broken-Deal Expenses**

Expenses are generally allocated to Advisory Accounts and / or the Firm, depending on whose behalf the expenses are incurred. Where multiple Advisory Accounts and / or the Firm participate in a particular investment or collectively incur other expenses, GS Merchant Banking generally allocates investment-related and other expenses in a manner that GS Merchant Banking determines to be fair and equitable over time. Generally, in the case of investment-related expenses, such allocations will be made on a pro rata basis, and Advisory Accounts are expected to bear deal expenses and other costs and expenses related to any

potential opportunity evaluated for such Advisory Account or in which the Advisory Account may have participated (whether or not the associated investment opportunity is consummated by one or more Advisory Accounts), including fees and expenses related to the organization of any Co-Investment Mandates and other investment mandates offered by the Firm, whether for the benefit of other investors or other third parties, and the marketing or placement of interests therein; provided, that GS Merchant Banking may determine in its discretion to allocate such expenses in a different manner. However, where appropriate, GS Merchant Banking will specifically allocate investment-related or other expenses to one or more particular Advisory Accounts and / or the Firm. For the avoidance of doubt, since such expense allocation process relies on certain judgments and assessments that, in turn, are based on information and estimates from various individuals, the allocations that result may not be exact or may be subject to human error.

Advisory Accounts (other than non-discretionary Advisory Accounts) will generally incur expenses in connection with the operation or management thereof (which may include, without limitation, research expenses, technology expenses, expenses relating to participation in bondholder groups, restructurings, class actions and other litigation, and insurance premiums) with respect to the active consideration and pursuit of specific transactions that are not ultimately consummated (“broken-deal expenses”). Examples of broken-deal expenses for a particular non-consummated transaction may include (i) research expenses, (ii) fees and expenses of legal, financial, accounting, consulting or other advisers (including with respect to the Consulting Groups and other Co-Investment Mandates) in connection with conducting due diligence or otherwise pursuing such transaction, (iii) fees and expenses in connection with arranging financing for such transaction, (iv) travel, entertainment and overtime meal and transportation costs (v) deposits or down payments that are forfeited or paid as a penalty in connection with such transaction, and (vi) other expenses (including travel and entertainment costs) incurred in connection with activities related to such transaction. Broken-deal expenses generally will be allocated to Advisory Accounts in a manner that GS Merchant Banking determines to be fair and equitable, which generally will be *pro rata* (based on the amount of expected investment) across the Advisory Accounts for which a transaction was considered (whether or not the associated investment opportunity is consummated by other Advisory Accounts). However, in some cases, GS Merchant Banking may have offered (or have intended to offer) certain co-investors, including Co-Investment Mandates, an opportunity to participate alongside other Advisory Accounts in a transaction that ultimately is not consummated. Such potential co-investors, including Co-Investment Mandates, may be allocated a portion of the broken-deal expenses or the full amount of such broken-deal expenses may be allocated entirely to the relevant Advisory Accounts, which will depend on the arrangements and agreements in place with Advisory Accounts and co-investors.

### **Inducements / Non-major monetary benefits**

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

From time to time, the Firm and its affiliates and personnel receive the benefit of “friends and family” and similar discounts from Portfolio Companies of Advisory Accounts under which such Portfolio Companies make their goods and / or services available at reduced rates. Since many Portfolio Companies typically offer such discounts to customers other than GS Merchant Banking and other such persons as part of their standard commercial practices to expand their respective customer bases, GS Merchant Banking believes that the potential for conflicts relating to such discounts is mitigated. GS Merchant Banking and its affiliates and personnel generally refrain from requesting or negotiating for such discounts.

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

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As described in Item 5, GS Merchant Banking may be entitled to receive performance-based fees from Advisory Accounts. GS Merchant Banking also manages certain Advisory Accounts that are not required to pay

performance-based fees, including GS Merchant Banking Employee Funds. Advisory Accounts that do not pay (or pay reduced) performance-based fees may co-invest with Advisory Accounts that pay performance fees. The existence of performance-based fees at different rates, or subject to different hurdle rates, may create an incentive for GS Merchant Banking or its affiliates to favor Advisory Accounts that pay performance-based fees at higher rates (or are subject to a lower hurdle rate) when allocating resources, services, functions or investment opportunities among Advisory Accounts, and as further described in Item 8 “*Material Risks for Investment Strategies—Advisory Account Leverage*”, GS Merchant Banking may be incentivized to fund the acquisition of investments and ongoing capital needs of the Advisory Accounts with the proceeds of borrowings in lieu of drawing down available capital commitments. Moreover, the annual compensation of certain GS Merchant Banking professionals depends, in part, on the financial results of GS Merchant Banking and its investments, which includes the existing Advisory Accounts managed by GS Merchant Banking and, over time, will include future Advisory Accounts. GS Merchant Banking has adopted written policies, procedures and guidelines designed to address conflicts of interest in allocating investment opportunities among the Advisory Accounts that it manages, as described further in item 11 “*Allocation of Investment Opportunities; Other Investment Activities of the Firm.*” However, no assurance can be made that these policies and procedures will have their desired effect.

## **Item 7 - TYPES OF CLIENTS**

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GS Merchant Banking provides investment advice to a range of individual and institutional clients worldwide. In addition to the Advisory Accounts and Co-Investment Mandates, GS Merchant Banking also has client and other relationships with other entities, including special purpose acquisition vehicles (“SPACs”) and operating companies. GS Merchant Banking provides various services to these entities, including management and other services in relation to their business strategies and operations. GS Merchant Banking (or an affiliate thereof) receives compensation in exchange for these services, which may include asset and / or performance-based compensation or other forms of compensation (e.g., equity interests in such entities). GS Merchant Banking does not provide services to these entities pursuant to investment advisory contracts and GS Merchant Banking’s relationships with these clients are not investment advisory relationships. As a result, investors in such entities generally do not have the protections of the substantive provisions of the Advisers Act and may not have the protections of the substantive provisions of certain other laws and regulations. However, GS Merchant Banking in its discretion may, and in many cases does, operate such entities in accordance with, and take such entities into account for purposes of, certain of the policies and procedures described herein. In particular, such entities generally receive allocations of opportunities from GS Merchant Banking, and generally are included in GS Merchant Banking’s allocation procedures. In addition, GS Merchant Banking’s activities on behalf of such entities in certain situations creates conflicts of interest between such entities, on the one hand, and Advisory Accounts, on the other hand, that are the same as or similar to the conflicts that arise between Advisory Accounts, or between an Advisory Account, on the one hand, and an Account, on the other hand, as described in Item 6 “*Performance Based Fees and Side-By-Side Management*” and Item 11 “*Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*”.

The minimum amount investors must invest in an Advisory Account is set forth in the Advisory Account’s Offering Materials and varies (generally ranging from \$1 million to \$25 million). This minimum may be reduced or waived by GS Merchant Banking, and GS Merchant Banking Employee Funds and GS Merchant Banking Employee Access Funds have lower minimum investment amounts. Investors must meet certain net worth, net asset or other sophisticated investor criteria set forth in various securities and commodities laws and regulations.

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

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### **Methods of Analysis and Investment Strategies**

GS&Co., through GS Merchant Banking, together with its predecessor business areas, has three decades of experience as a private investor. GS Merchant Banking has a history of investing in equity for over 30 years, credit for over 20 years, real estate for over 25 years and infrastructure equity for over 10 years. GS Merchant Banking has a global presence and access to internally generated, proprietary investment



opportunities. By utilizing investment professionals located around the world and its local market relationships, knowledge and expertise, GS Merchant Banking can source, assess and make opportunistic investments in different markets with a knowledgeable local perspective. The Firm, including the Investment Banking Division, maintains a broad network of relationships with companies, investment firms, investors, entrepreneurs and financial intermediaries around the world. Subject to regulatory restrictions and information barriers, these Firm relationships generate a substantial flow of opportunities which allow GS Merchant Banking to be selective in committing capital to investments in situations that GS Merchant Banking believes have attractive risk / reward characteristics.

The process of investing in or lending to a company is primarily carried out by (i) a team of investment professionals (the "Investment Team"), (ii) investment committees comprised of the senior professionals in GS Merchant Banking and other Control-Side Professionals of the Firm (each, an "Investment Committee") and (iii) one or more other Firm committees or working groups, as may be applicable, such as the Firmwide Physical Commodity Review Committee, the Firmwide Reputational Risk Committee, the Structured Product Committee, the Firmwide Investment Policy Committee and / or other committees focused on a specific asset class. The Investment Team may also hire external advisors and consultants and seek advice from a network of professionals within the Firm. Once the Investment Team identifies an investment opportunity, it prepares a memorandum and presentation for the relevant Investment Committee to review. In assessing potential investments, GS Merchant Banking conducts business, financial and legal due diligence, among other things, to review key risk areas. Environmental, social and corporate governance considerations may be one of the many factors considered in assessing investments, particularly when material to the assessment of risk and / or value or where the investment objective of the relevant Advisory Account includes one or more of such factors. Based on the analyses, investment thesis, results of due diligence, reputational considerations and recommendation presented at the Investment Committee meeting, the Investment Committee then determines whether GS Merchant Banking and / or any Advisory Account should make the investment, which may be subject to certain conditions. If the Investment Committee decides to pursue the opportunity, the Investment Team, in conjunction with internal and external advisers, completes business, accounting, legal and other due diligence on the investment opportunity, helps structure the transaction, including any associated financing, and finalizes definitive agreements relating to the transaction. GS Merchant Banking monitors the performance of the investment after closing, with a focus on value creation. Members of the Investment Team may also serve on the board of directors of a Portfolio Company after the investment is made. As directors, these members will be in a position to monitor and focus on the company's performance and strategy. In this regard, having a director also helps GS Merchant Banking monitor the company's risk profile and potential reputational risk, including environmental, health and safety risks and compliance issues. During internal GS Merchant Banking meetings, the Investment Team discusses the potential exit timing of an investment. Typical exit methods for equity interests (whether corporate, infrastructure or real estate) may include: (i) sale through a public offering or a private placement; (ii) sale to a strategic or financial buyer; and (iii) recapitalization. For credit investments, the exit process may also be completed through repayment or refinancing with a third party. Throughout the exit process, the Investment Team, in conjunction with the respective Investment Committee, typically negotiates the sale price, structures the exit of the investment and coordinates with internal and external advisers involved in the exit process. In certain cases, an investor with a separately managed account may have the right to withdraw their securities from their Advisory Accounts or request an exit via the methods described herein.

***Advisory Accounts should understand that all investment strategies and the investments made pursuant to GS Merchant Banking's strategies involve risk of loss, including the potential loss of the entire investment in the account, which Advisory Accounts should be prepared to solely bear. The investment performance and the success of any investment strategy and / or particular investment can never be predicted or guaranteed, and the value of an Advisory Account's investments will fluctuate due to market conditions and other factors. The types of risks to which an Advisory Account is subject, and the degree to which any particular risks impact an Advisory Account, may change over time depending on various factors, including the investment strategies, investment techniques and asset classes utilized by the Advisory Account, the timing of the Advisory Account's investments, prevailing market and economic conditions, and the occurrence of adverse social, political, regulatory or other developments. The investment decisions made and the actions taken for Advisory Accounts will be subject to various market, liquidity, legal, regulatory, currency, economic, political and other risks, and investments may lose value. GS Merchant Banking generally expects that during the wind-down phase***

***following the conclusion of an Advisory Account's term, which may take several years due to the illiquid nature of the investments underlying the Advisory Accounts, Advisory Accounts may continue to bear management fees and expenses, in addition to Carried Interest.***

## **Material Risks for Investment Strategies**

***Introduction.*** The following description is a summary of the material risks that relate to GS Merchant Banking's investment strategies. This list does not purport to be a complete list or explanation of the risks involved in GS Merchant Banking's business. In addition, as each Advisory Account's investment program develops and changes over time, there may be additional and / or different risk factors. Prior to making an investment in an Advisory Account, prospective investors are encouraged to read the Offering Materials for the applicable Advisory Account and are encouraged to consult with their own advisors before deciding whether to invest in an Advisory Account.

***Advisory Account Losses Borne by Investors.*** The possibility of partial or total loss of an Advisory Account's capital exists, and prospective investors should not invest in an Advisory Account unless they can readily bear the consequences of a complete loss of their investment. In that regard, prospective investors in an Advisory Account are hereby advised that any losses in such Advisory Account will be borne solely by investors in such Advisory Account and not by GS Merchant Banking, the general partner of the Advisory Account, the Firm or their respective affiliates. Ownership interests in an Advisory Account are not insured by the U.S. Federal Deposit Insurance Corporation (the "FDIC"), and are not deposits, obligations of, or endorsed or guaranteed in any way, by any banking entity.

***Inability to Meet Investment Objective or Execute Investment Strategy.*** The success of an Advisory Account depends on GS Merchant Banking's ability to identify and select appropriate investment opportunities, as well as the ability to acquire, manage and exit those investments effectively. The market for investments targeted by the Advisory Accounts can be highly competitive. Additional sponsors or competitors may enter the market, increasing competition and making it difficult for GS Merchant Banking to find attractive investment opportunities. Some of these competitors may have advantages not shared by the Advisory Accounts, including different return thresholds than the Advisory Accounts, the ability to incur leverage to finance their debt investments at levels or on terms more favorable than those available to the Advisory Accounts, or greater operational flexibility due to a relative lack of regulation. In addition, GS Merchant Banking may not be able to obtain as favorable terms and / or as many investment opportunities as it would otherwise be able to in a less competitive investment environment. Identifying attractive investment opportunities is difficult and involves a high degree of uncertainty. Even if investment opportunities are identified and available for an Advisory Account, there is no assurance that an Advisory Account's efforts to acquire interests in those investments will be successful. An Advisory Account's inability to meet its objectives and execute its strategy will have a negative effect on the investment results of an Advisory Account.

***Illiquid Investments.*** The investments of the Advisory Accounts are likely to be illiquid and long-term and equity investments are unlikely to provide current income. Illiquidity may result from the absence of an established or liquid market for investments as well as legal and contractual restrictions on their resale by the Advisory Account. These risks may be more pronounced in connection with an Advisory Account's investments in securities of issuers located in countries that are not included in the Organization for Economic Cooperation and Development. Even if the investments of the Advisory Accounts are successful, they are unlikely to produce a realized return for a period of years. In addition, the Offering Materials of the Advisory Accounts generally provide that GS Merchant Banking may take appropriate reserves in distributing any income or gains, which can delay distributions to the investors and GS Merchant Banking generally expects there to be a wind-down phase following the expiration of the term of each Advisory Account and, that during the wind-down phase, which may take several years due to the illiquid nature of the investments, the Advisory Account may continue to bear management fees and expenses, in addition to Carried Interest.

***Adverse Effect of Global Economic Conditions.*** The ongoing volatility and instability in the markets may be prolonged and severe, and as a result, it may adversely affect the Advisory Accounts and their investments. By way of example, a prolonged continuation of the current pandemic and similar other public health concerns (as described in "*—Public Health Risk*" below), as well as the current disruption and volatility in the energy industry,

can exacerbate disruption of global markets and magnify the risk of a material adverse impact on the performance of an Advisory Account. Periods of prolonged market stability may adversely affect the investment opportunity set available to an Advisory Accounts.

Advisory Accounts may be adversely affected by unanticipated changes in the financial markets and economic conditions throughout the world, some of which may magnify the risks described herein and have other adverse effects. The deterioration of global market conditions and continued uncertainty regarding economic conditions generally will likely result in declines in the market values of potential investments, which could lead to weakened investment opportunities, failure to meet investment objectives, investment losses for Advisory Accounts and / or increased illiquidity of investments. Though certain economic conditions could have a favorable impact on the investment prospects of the Advisory Accounts, weak global rates of growth and / or economic conditions that are weak pose risks of systematic defaults by Portfolio Companies, market volatility (including the availability of, and interest rate movements with respect to, certain Advisory Accounts' short- and long-term borrowings), inflationary or exchange-rate pressures, geopolitical disturbances, or negative market performance of equity securities, any of which could adversely affect Advisory Account returns.

**Lack of Diversification.** There can be no assurance that GS Merchant Banking, on behalf of Advisory Accounts, can make a suitable number of investments. Consequently, the aggregate returns realized by investors may be substantially adversely affected by the unfavorable performance of a small number of these investments. This risk is magnified for Advisory Accounts relating to a specific investment.

**Possibility of Differing Returns.** GS Merchant Banking may make investments on behalf of an Advisory Account alongside the Firm and / or other Advisory Accounts sponsored or managed by GS Merchant Banking. Although uncommon, if the Firm or other Advisory Accounts make such investments at different times and / or on different terms or exit an investment at different times and / or on different terms, the Firm and the various Advisory Accounts would likely realize different investment returns. In addition, certain Advisory Accounts may only make a subset of the investments made by other Advisory Accounts, either because the opportunity to participate in such investment is not offered to such Advisory Account or because the investor has retained discretion and has elected not to participate in the opportunity. The Firm and other Advisory Accounts may also realize different investment returns if the Firm or other Advisory Accounts invest, on an unlevered basis, in an investment which is made by an Advisory Account using leverage, and vice versa, and such differences may be substantial. In addition, decisions made by the Firm with respect to the nature, structuring and timing of investments, which may be more beneficial for certain Advisory Accounts than other Advisory Accounts, or which may be more beneficial for one type of investor in a GS Merchant Banking Fund than for another type of investor in such GS Merchant Banking Fund.

As a result of such differences, the returns and performance of an Advisory Account may differ materially and potentially adversely from those of another.

The Firm may also take tax or other reporting positions that are more favorable for one class or type of investor than another class or type of investor, and the Firm may face certain tax risks based on such positions in respect of the GS Merchant Banking Funds, including as a withholding agent. The Firm reserves the right on behalf of itself and its affiliates to take positions adverse to such GS Merchant Banking Fund in these circumstances, including withholding amounts to cover actual or potential tax liabilities.

**Firm Co-Investment Alongside Advisory Accounts.** The Firm will, including as a result of regulatory capital or other considerations, co-invest (or commit to co-invest) alongside the investments to be made by certain Advisory Accounts, rather than committing capital to the Advisory Account. For example, the Firm expects to co-invest alongside certain GS Merchant Banking Funds when raising them or, if the GS Merchant Banking Fund already exists, the Firm may restructure its investment in the fund to a co-investment alongside it. Such an arrangement could lead to certain risks and / or conflicts of interest among and between the Advisory Accounts, its investors and the Firm. For example, the Firm may determine, in its sole discretion, not to participate in an investment opportunity that is otherwise suitable for an Advisory Account and may cause the Advisory Account not to pursue the investment or to cause the Advisory Account to participate in a larger share of an investment where the Firm is constrained in whole or in part from participating alongside such Advisory Account in such investment as a result of legal, tax, regulatory or similar reasons (including where the relevant investment is (i) in



a Portfolio Company is primarily engaged in financial activities or (ii) in non-pass loans). In addition, any Firm co-investment alongside an Advisory Account may be structured in a way that the Firm would not utilize the credit facility, if any, related to the Advisory Account.

In addition, in certain circumstances, the entities comprising a GS Merchant Banking Fund (e.g., several entities in a GS Merchant Banking Fund family), regardless of whether a contractual arrangement is adopted, will be expected to cooperate in connection with the acquisition, management and harvesting of investments, and when exercising any rights, powers and privileges under the operative documents of an investment, and GS Merchant Banking and / or the Firm will in those circumstances consider the interests and objectives of all the entities party to the agreement as a whole, rather than the interests and objectives of an individual entity. Such coordination may expose investors in a particular entity to risks and potential conflicts of interest, including as a result of the Firm causing the sale of an investment at a time that might not be the most advantageous for a particular entity.

**Firm Employee Investment.** The Firm has established, and will in the future establish, GS Merchant Banking Employee Funds to invest alongside certain Advisory Accounts, and will raise certain annual feeder investment vehicles to invest in one or more of such GS Merchant Banking Employee Funds for a given year (each such feeder, a “GS Merchant Banking Employee Access Fund”). Certain participants in an Employee Fund will be eligible to participate in leverage provided by the Firm and / or benefit from leverage provided to the relevant Advisory Accounts, consistent with the “Volcker Rule.” References herein to any GS Merchant Banking Employee Funds include the participation therein from time to time by any GS Merchant Banking Employee Access Funds unless the context indicates otherwise.

As a result of legal, tax, regulatory or other similar considerations (including those described above in Item 8 “—*Firm Co-investment Alongside Advisory Accounts*”), the Firm and / or GS Employee Fund co-investment alongside an Advisory Account may not participate in all investments made by such Advisory Account or may participate in such investments through a different, potentially more beneficial structure from such Advisory Account. Because of these differences, the returns to investors in an Advisory Account will differ from the returns to any Firm and / or GS Merchant Banking Employee Fund co-investment alongside such Advisory Account.

**Multi-Strategy Investment Vehicles.** GS Merchant Banking expects to form one or more investment vehicles each calendar year beginning in 2021 (each, a “Multi-Strategy Annual Fund”) with investment objectives expected to focus principally on participating in investments made during such calendar year by other Advisory Accounts. Each Multi-Strategy Annual Fund is expected to deploy a specified percentage of its capital commitments into investments made by other Advisory Accounts it invests alongside during the relevant calendar year, and each Multi-Strategy Annual Fund’s allocable share of such investments is expected to be based on sharing percentages to be determined from time to time by GS Merchant Banking in its discretion. Such sharing percentages applicable to a Multi-Strategy Annual Fund may change periodically during the investment period of such Multi-Strategy Annual Fund, including taking into account such Multi-Strategy Annual Fund’s expected investment pace and to the extent that GS Merchant Banking determines necessary or desirable to achieve a diversified portfolio of investments for such Multi-Strategy Annual Fund. Notwithstanding the foregoing, (a) in each case the participation of any Multi-Strategy Annual Fund may be subject to any minimum and / or maximum participation requirement with respect to a particular investment and (b) with respect to certain Advisory Accounts, any Multi-Strategy Annual Fund will only participate in any excess capacity available for co-investment (which capacity with respect to such Advisory Accounts may be limited or non-existent). The participation of the Multi-Strategy Annual Funds will reduce the portion of each investment that would otherwise have been allocated to the other Advisory Accounts alongside which such Multi-Strategy Annual Fund is expected to invest. In addition, the Multi-Strategy Funds are expected to invest alongside GS Merchant Banking and certain other Advisory Accounts on an overflow or opportunistic basis.

GS Merchant Banking has entered into, and expects to enter into special arrangements with investors that, as part of a multi-strategy or multi-asset class investment program established for one or more single investors and / or structured as a commingled investment vehicle for multiple investors or otherwise, commit capital to a range of the platform of products of GS Merchant banking and / or its affiliates (any such arrangement, a “Multi-Strategy Arrangement” and together with any Multi-Strategy Annual Fund, “Multi-Strategy Investment Vehicles”). Certain of such Multi-Strategy Arrangements are expected to include preferential terms, including blended fees and performance compensation rates which, when applied to the entire investment program, are expected to be lower

than those applicable to investors in the Advisory Accounts in which such Multi-Strategy Arrangements participate, notwithstanding that the commitment to any such Advisory Account pursuant to such Multi-Strategy Arrangement may be smaller than the commitment of other investors in the same Advisory Account. The Multi-Strategy Arrangements may also include different preferred return rates or co-investment rights, in each case, on terms that are more favorable than those applicable to other investors in the same Advisory Accounts, including the right to participate in co-investment opportunities alongside such Advisory Accounts on a priority basis. The foregoing special arrangements are not subject to the “most favored nation” provisions of such Advisory Account and are therefore unavailable to investors in such Advisory Account unless such investors have expressly entered into comparable arrangements.

The Multi-Strategy Annual Funds are a type of Multi-Strategy Investment Vehicle. GS Merchant Banking may establish similar Multi-Strategy Investment Vehicles in the future for large diverse groups of investors or for one or more institutional investors, as the case may be, and such Multi-Strategy Investment Vehicles may invest alongside other Advisory Accounts on preferential terms or otherwise.

By way of example, GS Merchant Banking may in the future enter into and / or form one or more additional Multi-Strategy Investment Vehicles that are structured to invest on a pro rata basis (or otherwise) alongside an Advisory Account. Any such Multi-Strategy Investment Vehicles may have terms or structures that are different from those of such Advisory Account, including (in addition to those described above) different recycling provisions, investment periods (including, in the case of the Multi-Strategy Annual Funds, investment periods structured to provide exposure to investments made only in a particular year), termination rights and terms, and they may be levered or unlevered. Any such Multi-Strategy Investment Vehicle (i) will not participate in rebalancing transactions with the relevant Advisory Accounts, (ii) will not be considered part of the relevant Advisory Accounts, (iii) are not expected to participate in leverage of the relevant Advisory Accounts, (iv) will not bear organizational or other fund-level expenses of the Advisory Accounts, (v) will not be included in the determination of the aggregate commitments to the relevant Advisory Accounts, and (vi) will not be considered a successor vehicle to any Advisory Account. As a result of the differences described above, the returns to investors in an Advisory Account are expected to differ from the returns to any Multi-Strategy Investment Vehicles participating in such Advisory Account.

**Special Purpose Acquisition Vehicles.** In addition to managing the Advisory Accounts, GS Merchant Banking expects to sponsor and / or manage a number of special purpose acquisition vehicles (“SPACs”) that may compete with the Advisory Accounts for investment opportunities, and Goldman Sachs will have a greater financial interest (including as a result of founder shares and / or private placement warrants) in SPACs than it does in the Advisory Accounts. Notwithstanding the foregoing, although no assurance can be made in this regard, GS Merchant Banking does not expect that this will raise material allocation issues between the Advisory Accounts and any GS Merchant Banking-sponsored SPAC, due to the following considerations, among others: (a) GS Merchant Banking’s expectation that corporate equity investments evaluated on behalf of GS Merchant Banking that it determines are suitable for an Advisory Account (taking into account the various factors described in Item 11 “—Allocation of Investment Opportunities; Other Investment Activities of the Firm” and any other factors that GS Merchant Banking determines from time to time in its discretion to be relevant) will be made available to Advisory Accounts before being made available to any such SPACs; (b) any such SPAC will ordinarily seek to acquire a company that is prepared to be immediately transitioned to public ownership; and (c) the expected risk-adjusted returns acceptable to GS Merchant Banking with respect to SPACs may not meet the investment parameters of an Advisory Account. In that regard, investments will be allocated as described in Item 11 “—Allocation of Investment Opportunities; Other Investment Activities of the Firm” and investments that are made by or alongside any SPAC will generally not be shared with an Advisory Account or any investors therein. Please see Item 7 “—Types of Clients” and Item 11 “—Allocation of Investment Opportunities; Other Investment Activities of the Firm”.

**Reliance on Financial Projections.** When making investments, GS Merchant Banking may rely on the accuracy of certain financial projections to analyze the viability and / or attractiveness of a particular investment opportunity. Projections are generally limited to estimates of future financial data and are reliant on third-party data and assumptions made at a certain point in time. There can be no guaranty that projected results will be realized and actual results may materially differ from projections.

**Compensation Arrangements.** In some Advisory Accounts, management fees charged by GS Merchant Banking may be calculated as a percentage of invested capital. This may create an incentive for GS Merchant Banking to invest early and / or to hold investments that have poor prospects for improvement in order to receive ongoing management fees. The management fees charged by GS Merchant Banking may also create an incentive for GS Merchant Banking to redeploy investment proceeds received by an Advisory Account to the extent permitted. In addition, as mentioned above, GS Merchant Banking generally does not charge management fees on investments during the period they are valued at zero; therefore, GS Merchant Banking may have an incentive not to value an investment at zero. If an Advisory Account achieves certain performance thresholds, the Firm and / or its employees may receive Carried Interest from the Advisory Account. This arrangement will create an additional incentive for GS Merchant Banking to cause the Advisory Account to make investments that are riskier or more speculative than would be the case if this arrangement were not in effect or, as described in “—Advisory Account Leverage” below, impact certain decisions related to such Advisory Account’s use of leverage. The simultaneous management of Advisory Accounts that bear performance-based compensation and Advisory Accounts that only bear a management fee, or that bear performance-based compensation that is calculated in a different manner, creates a conflict of interest as GS Merchant Banking has an incentive to favor Advisory Accounts with the potential to bear greater fees when allocating resources, services, functions or investment opportunities among Advisory Accounts. For example, GS Merchant Banking will be faced with a conflict of interest when allocating scarce investment opportunities, given the possibly greater compensation from Advisory Accounts that bear performance-based compensation, as opposed to Advisory Accounts that bear no performance-based compensation. In addition, GS Merchant Banking may face a conflict of interest in valuing the securities or assets in the portfolio that lack a readily ascertainable market value as the value of the assets held by an Advisory Account may affect the calculation of the Carried Interest. Further, GS Merchant Banking’s fee structure may create an incentive for GS Merchant Banking to defer the disposition of poorly performing investments in order to defer any potential clawback obligation, continue to charge management fees or possibly receive a larger Carried Interest if the value of the investment increases in the future. GS Merchant Banking generally expects that during the wind-down phase following the conclusion of an Advisory Account’s term, which may take several years due to the illiquid nature of the investments underlying the Advisory Accounts, Advisory Accounts may continue to bear management fees and expenses, in addition to Carried Interest. GS Merchant Banking may offset some or all of certain fees it receives from Portfolio Companies or Advisory Accounts (e.g., monitoring fees, whether or not accelerated, transaction or sponsor fees, break-up fees and commitment fees (see Item 5 above)) against management fees otherwise payable by Advisory Accounts. If GS Merchant Banking provides services and receives fees that could be characterized as more than one type of fee, GS Merchant Banking may be incentivized to characterize those fees in a way that minimizes the management fee offset.

**Limited Partner Advisory Committees.** GS Merchant Banking, on behalf of an Advisory Account, may establish a Limited Partner Advisory Committee consisting of selected investors who are not employees, officers, directors, partners, consultants or affiliates of the Firm. Members of the Limited Partner Advisory Committee (the “LPAC Members”) may have direct or indirect interests in the activities of the Firm and its affiliates, including other Advisory Accounts, or in investments and instruments, in some cases similar to those in which an Advisory Account invests. While a Limited Partner Advisory Committee represents an Advisory Account in connection with, among other things, any matter determined to require the consent of such Advisory Account under the Advisers Act or certain other conflicts of interest, an LPAC Member will be under no obligation to act in the best interests of the Advisory Account as a whole and may act only in the best interests of the investor with whom such LPAC Member is affiliated and / or other similarly situated investors. This may result in potential conflicts of interest between such LPAC Member and the Advisory Account and / or other investors, and any such conflicts of interest may not be resolved in favor of the interests of such Advisory Account or other investors. For instance, because one or more investors in an Advisory Account may provide leverage to such Advisory Account, certain conflicts of interest will exist among LPAC Members who represent investors who are leverage providers, on the one hand, and LPAC Members who represent investors who are not leverage providers, on the other hand. Moreover, an LPAC Member may choose to vote or not vote solely in accordance with its interests (including its interest in another Advisory Account and / or Portfolio Company and / or other unrelated interests) and in a manner that is adverse to the interests of the Advisory Account or other investors.

Furthermore, the Limited Partner Advisory Committee has the authority to consent to certain transactions on behalf of the Advisory Account. Although all investors may not agree with a particular decision of the Limited Partner Advisory Committee, the consent by the Limited Partner Advisory Committee to any matter is deemed to constitute the consent of the Advisory Account, and each LPAC Member (along with the investor that has nominated such LPAC member) will be indemnified by the Advisory Account in connection with such LPAC Member's service on the Limited Partner Advisory Committee.

***Business Dealings with Former Employees and Other Related Persons.*** The Firm may, in its discretion, recommend the Advisory Accounts and / or certain of their Portfolio Companies to have ongoing business dealings, arrangements or agreements with persons who are (i) former employees of the Firm, (ii) affiliates or other Portfolio Companies of the Firm or other Advisory Accounts, (iii) the Firm's employees' family members and / or relatives and / or certain of their Portfolio Companies or (iv) persons otherwise associated with an investor in an Advisory Account, Portfolio Company or service provider. The Advisory Accounts and / or their Portfolio Companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. These recommendations, and recommendations relating to continuing any such dealings, arrangements or agreements, may pose conflicts of interest and be based on differing incentives due to the Firm's relationships with such former employees, affiliates or other Portfolio Companies or persons otherwise associated with an investor in an Advisory Account, Portfolio Company or service provider. In particular, when acting on behalf of, and making decisions for, Advisory Accounts, GS Merchant Banking may take into account the Firm's interests in maintaining its relationships and business dealings with such persons. As a result, GS Merchant Banking faces conflicts of interest arising out of the Firm's relationships and business dealings in connection with decisions to take or refrain from taking certain actions on behalf of Advisory Accounts when doing so would be adverse to the Firm's relationships or other business dealings with such parties.

***Valuation Risks.*** General movements in prevailing market conditions could have a substantial impact on the value of investments and investment opportunities generally. Certain securities, real property, private debt and other assets in which Advisory Accounts may invest may not have a readily ascertainable market value and will be valued by GS Merchant Banking in accordance with US generally accepted accounting principles or another method as described in such Advisory Account's Offering Materials. The value of assets that lack a readily ascertainable market value may be subject to later adjustment.

***Public Securities.*** In some cases, an Advisory Account may be limited in its ability to purchase or sell investments in public securities because the Firm may have material, non-public information regarding the issuers of those securities or as a result of other Firm or GS Merchant Banking policies. The inability to purchase or sell securities in these circumstances may affect the investment results of an Advisory Account. Furthermore, in limited cases, an Advisory Account may directly hold public securities or other public instruments and be deemed to be the beneficial owner of such securities or other instruments for purposes of Section 13(d) and Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). As a result, such Advisory Account may be required to file its own reports (e.g., Schedule 13D or 13G and Forms 3 and 4), and may be subject to short-swung profit recapture under Section 16 of the Exchange Act, including with respect to other investments in the same issuer held by such Advisory Account. If an Advisory Account seeks to sell securities or other instruments under a registration statement (or is required to sell under a registration statement because such Advisory Account is an affiliate of the issuer and seeks to sell more securities or other instruments than could be permitted under Rule 144 of the Securities Act), such Advisory Account could be subject to liability under Section 11 of the Securities Act, and its identity would need to be disclosed in the registration statement. In addition, if an Advisory Account is deemed to be a "controlling person" of a public company, then its identity may need to be disclosed during a tender offer or in connection with a de-listing.

***Derivatives.*** An Advisory Account may invest in and actively trade derivatives, securities and other financial instruments and use strategies and investment techniques with significant risk characteristics, including, without limitation, risks arising from the volatility of the markets in which such Advisory Account trades, risks arising from the potential illiquidity of derivative and other instruments and of certain markets in which such Advisory Account invests, the risk of loss from counterparty defaults and the risks of borrowing, including for purposes of making investments and to meet redemption requests, and risks associated with making investments outside the U.S. These risks may be amplified by the use of leverage, to the extent that such Advisory Account uses leverage. No assurance is given or representation is made that the investment programs of an Advisory Account will be



successful, that the various trading strategies utilized or investments made by an Advisory Account will have low correlation with each other or with the financial markets in which the Advisory Account invests.

An Advisory Account may utilize, directly or indirectly, such investment techniques as option transactions, leverage, derivatives transactions, forward and futures contracts, margin transactions, short sales, repurchase agreements and reverse repurchase agreements, and other transactions involving hedging or other strategies, which practices involve substantial volatility and can substantially increase the adverse impact to which such Advisory Account may be subject. A reduction in the volatility and pricing inefficiency of the markets in which such Advisory Account seeks to invest, as well as other market factors, may reduce the number and scope of available opportunities for investment strategies relating to derivatives, securities and other financial instruments.

**Hedging Transactions.** An Advisory Account may engage in currency hedging, interest hedging or other hedging strategies in order to manage risk. While these transactions may reduce certain risks, the transactions themselves entail certain other risks, including counterparty credit risk. Hedging against a decline in the value of a portfolio position due to foreign exchange movement does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of those positions decline, but instead establishes other positions designed to gain from those same developments, thus offsetting the decline in the portfolio positions' value due to foreign exchange movement. These types of hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase. While an Advisory Account may enter into hedging transactions to seek to reduce risk, unanticipated changes in currency exchange rates, interest rates or public security prices may result in a poorer overall performance for the Advisory Account than if it had not engaged in any hedging transaction. In addition, if the fair market value of the investment changes for reasons other than foreign exchange movements, the associated foreign exchange risk may be over or under hedged, depending on the change to the fair market value of the investment and the value of the corresponding foreign exchange hedge. There is no guarantee GS Merchant Banking will use hedging techniques or that those techniques will be successful when used. In addition, certain Advisory Accounts may choose not to use GS Merchant Banking to hedge the risk associated with their GS Merchant Banking managed investments, and the Firm may hedge its positions in or alongside certain Advisory Accounts.

The Commodity Futures Trading Commission (the "CFTC"), European regulators that are designated national "competent authorities" for the purposes of the Markets in Financial Instruments Directive II ("MiFID II") and some exchanges have rules limiting the maximum net long or short positions which any person or group may own, hold or control in certain futures contracts or options on such futures contracts. Such limits may prevent an Advisory Account from acquiring positions that might otherwise have been desirable or profitable. In addition, it is possible that, in applying such limits, the CFTC, European regulators and some exchanges will require aggregation of an Advisory Account's positions in futures or options on futures with positions owned, held or controlled by other Advisory Accounts, entities and / or accounts affiliated with GS Merchant Banking. The CFTC has also adopted certain rules and rule amendments that incorporate more restrictive aggregation criteria (certain aspects of which are currently subject to CFTC staff no-action relief) which may hinder GS Merchant Banking's ability to trade certain contracts. These rules and rule amendments require, absent qualifying for CFTC no-action relief, among other things, that any entity aggregate its positions in all pools or accounts that have substantially identical trading strategies. Additionally, under these rules, there are other requirements which could limit GS Merchant Banking's use of futures or options on futures. For example, the Firm may utilize available position limits for other Advisory Accounts and as a result, an Advisory Account, rather than the Firm, could be required to limit its use of such contracts or liquidate its positions which could have an adverse effect on the operations or performance of the relevant Advisory Account. Additionally, due to certain provisions of the Volcker Rule, hedging transactions done on behalf of certain Advisory Accounts may not be able to be entered into with the Firm as counterparty; however, these provisions do not restrict GS Merchant Banking from entering into hedging transactions with the Firm as counterparty for investments made on the Firm's balance sheet. Different counterparties may charge different fees for such hedging arrangements and, as a result, the Firm and the various Advisory Accounts may realize different investment returns.

In addition, pursuant to the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), the CFTC has recently proposed adopted position limit rules for futures contracts certain physical commodity futures contracts and cash settled futures and options contracts linked to them with respect to on 25 agricultural, energy and metal commodities and, along with certain linked futures and options on futures contracts,

as well as economically equivalent swaps. If adopted, these rules may restrict the activities in which GS Merchant Banking may engage on behalf of the Advisory Accounts. For example, any such limits may prevent an Advisory Account from acquiring positions that might otherwise have been desirable or profitable. Any additional rules or rule amendments adopted by the CFTC in the future may hinder GS Merchant Banking's ability to trade such contracts or other instruments or may result in Advisory Accounts limiting their investments and could have an adverse effect on the operations and profitability of GS Merchant Banking. The CFTC and other federal and global financial regulators have also adopted margin requirements and guidelines for uncleared derivatives which require Advisory Accounts to exchange variation margin (and in some instances, initial margin) with their dealer counterparties for certain uncleared derivatives transactions, including certain FX derivatives which are used to hedge currency risks. Specifically, the margin requirements may involve additional operational and economic costs to GS Merchant Banking and the Advisory Accounts and pose a risk of problems occurring with access to dealer counterparties, higher pricing, potential decreases in market liquidity and other unforeseen consequences, which may result in an adverse impact on the ability of GS Merchant Banking to meet the investment and risk management needs of the Advisory Accounts, and thus on the performance of the Advisory Accounts.

***Risks Related to the Discontinuance of IBORs, in particular LIBOR.*** LIBOR is an estimate of the rate at which a sub-set of banks (known as the panel banks) could borrow money on an uncollateralized basis from other banks. Advisory Accounts that undertake transactions in instruments that are valued using LIBORs or IBORS or enter into contracts which determine payment obligations by reference to LIBOR or other IBOR rates may be adversely affected as a result of ongoing changes related to LIBOR. On March 5, 2021, the U.K. Financial Conduct Authority announced that certain LIBOR rates (all seven Euro and Swiss franc LIBOR tenors, overnight, one-week, two-month and 12-month sterling LIBOR, spot next, one-week, two-month and 12-month yen LIBOR, and one-week and two-month U.S. dollar LIBOR) will permanently cease immediately after December 31, 2021. Publication of the overnight and 12-month U.S. dollar LIBOR ratings will permanently cease immediately after June 30, 2023. However, the U.S. federal banking agencies have issued guidance strongly encouraging banking organizations to cease using USD LIBOR as a reference rate in new contracts as soon as practicable and in any event by December 31, 2021. It is uncertain what rate or rates may become accepted alternatives to LIBOR, or what the effect any such changes may have on the financial markets for LIBOR-linked financial instruments. Similar statements have been made by regulators with respect to the other IBORs. Until the discontinuance of IBORs, Advisory Accounts may continue to invest in instruments that reference IBORs. Regulators and market participants have been working to develop successor rates and transition mechanisms to amend existing instruments and contracts to replace an IBOR with a new rate. For example, the International Swaps and Derivatives Association ("ISDA") has amended certain of its standard derivatives documentation to implement fallbacks for certain key IBORs and has published the ISDA 2020 IBOR Fallbacks Protocol, which became effective in January 2021 to facilitate amendments to existing derivatives documentation. The ISDA fallbacks and the ISDA 2020 IBOR Fallbacks Protocol will apply if the relevant IBOR is permanently discontinued or is determined to be no longer representative, based on defined triggers. Nonetheless, the termination of LIBOR and the other IBORs presents risks to Advisory Accounts. It is not possible at this point to identify those risks exhaustively, but they include the risk that an acceptable transition mechanism may not be found or may not be suitable for Advisory Accounts. In addition, any alternative reference rate and any pricing adjustments required in connection with the transition from LIBOR or another IBOR may impose costs on Advisory Accounts or may not be suitable for Advisory Accounts, resulting in costs incurred to close out positions and enter into replacement trades. Finally, the automated systems used to administer loans in which Advisory Accounts may invest may have been developed based on LIBOR, and there may be operational difficulties as and when LIBOR is phased out.

***Risks Relating to Warehousing Investments; Seed Capital.*** The Firm may warehouse one or more investments on behalf on an Advisory Account prior to the formation or initiation of the investment program of such Advisory Account. In addition, the Firm may provide seed capital to an Advisory Account to allow the Advisory Account to acquire one or more investments prior to the admission of third party investors. To the extent that a warehoused investment is transferred to an Advisory Account or capital is contributed by investors in an Advisory Account to redeem a seed investment, the terms of such transfer from the Firm to the Advisory Account or redemption of the Firm's interest in the Advisory Account will be specified in the applicable Offering Materials. Because the value of warehoused investments may decline prior to their transfer to any such Advisory Account and / or the value of the investments acquired by such Advisory Account with seed capital may decline

prior to the redemption of the seed investment, there can be no assurance that their value will not be less than their cost to the Advisory Account, at the time of the transfer or redemption.

**Advisory Account Leverage.** In seeking to enhance returns on invested capital, GS Merchant Banking may cause certain Advisory Accounts to borrow funds to make investments as well as to defer calling committed capital. An Advisory Account, acting on its own or jointly with one or more other Advisory Accounts, may obtain indebtedness directly or indirectly and such indebtedness may be structured in a way that (i) the participating Advisory Accounts, are jointly responsible on a cross-collateralized basis for the repayment of the indebtedness and (ii) the capital commitments of the investors and related assets of the participating Advisory Accounts are pledged to secure indebtedness obtained for the benefit of the other participating Advisory Accounts. In the event of a failure to pay or other event of default under any of the indebtedness associated with a participating Advisory Account, the lenders could require the investors to fund their entire remaining capital commitments. In addition, in the event that the lenders require investors whose capital commitments have been pledged to fund their capital commitment to repay indebtedness, the failure of certain of those investors to honor their capital commitments could result in the remaining investors' payments exceeding their pro rata share of the indebtedness. Finally, lenders could require an Advisory Account to sell some or all of its investments, or could foreclose on those investments prematurely, causing the Advisory Account to suffer losses.

The extent to which an Advisory Account uses leverage may have important consequences to its investors, including, but not limited to, the following: (i) greater fluctuations in the net asset value of the account, (ii) use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for additional portfolio investments, distributions to investors or other purposes, (iii) increased interest expenses if interest rate levels were to increase, (iv) in certain circumstances, prematurely disposing of investments to service the debt obligations, (v) impairment of the liquidity or losses arising from the premature sale of the investments that secure or otherwise support such indebtedness, (vi) during the term of any borrowing, increased costs attributable to changes in applicable laws or regulations and (vii) potential adverse tax consequences. There can also be no assurance that an Advisory Account will have sufficient cash flow to meet its debt service obligations. In addition, certain types of financing obtained by an Advisory Account may include margin call or similar mandatory prepayment provisions that allow the financing provider to demand partial or full repayment of the financing if certain events occur, such as a significant reduction in the value of the investments provided by an Advisory Account to secure or otherwise support such financing. If an Advisory Account is unable to meet such a margin call or prepayment obligation, it may forfeit its interest in the collateral securing such financing and / or may be required to liquidate investments at disadvantageous prices in order to raise the funds needed to repay the financing.

In addition, because the interest payable on any borrowings is expected to be at a rate lower than the hurdle rate for the applicable Advisory Account, GS Merchant Banking may be incentivized to fund the acquisition of investments and ongoing capital needs of the Advisory Accounts with the proceeds of borrowings in lieu of drawing down available capital commitments. The use of leverage by the Advisory Accounts may make the returns of such Advisory Accounts higher than it otherwise would be without fund-level borrowing.

Loans to an Advisory Account may be made by the Firm (subject to applicable laws) or any third party, and any such loans will be made on such terms, taken as a whole, as GS Merchant Banking determines to be fair and reasonable to the Advisory Account. In addition, one or more investors in an Advisory Account may provide leverage to such Advisory Account, and may receive fees, interest and other compensation, including management fee and carried interest reductions, in exchange for providing such leverage, additional co-investment opportunities and representation on the Limited Partner Advisory Committee of such Advisory Account. In the event of financial distress of such Advisory Account, certain conflicts of interests may arise as among the investors who have exclusively made an equity investment in such Advisory Account, on the one hand, and the investors in such Advisory Account who have also provided leverage, on the other hand. One or more investors in Advisory Accounts may also provide loans or other types of financings to Portfolio Companies.

**Dilution from Subsequent Closings.** Where applicable, investors subscribing for interests at subsequent closings of an Advisory Account generally will participate in existing investments, diluting the interest of existing investors therein. Although such investors generally will contribute their pro rata share of previously made capital calls (plus potentially an additional amount thereon), there can be no assurance that this payment will reflect the



fair value of the Advisory Account's existing investments at the time such additional investors subscribe for interests. In addition, investors subscribing for interests at subsequent closings may pay different fees than investors admitted at the initial closing of an Advisory Account.

**Regulatory, Tax and Other Legal Risks.** GS Merchant Banking is subject to legal, tax and regulatory oversight, including by the SEC, CFTC, FCA, Internal Revenue Service, Board of Governors of the U.S. Federal Reserve System and similar regulators world-wide. Legislative, tax and regulatory changes and proposed changes, including MiFID II, the Dodd-Frank Act (including the "Volcker Rule"), the amendment of the Advisers Act and changes to the way derivatives and commodities are regulated, continue to impact GS Merchant Banking and Advisory Accounts. Additional legal, tax and regulatory changes and proposed changes could occur during the term of an Advisory Account that may require material adjustments to the business and operations of, or otherwise adversely affect the Advisory Account and its investment results, or some or all of the investors in an Advisory Account. New and existing regulations may also result in increased costs and operational burdens associated with the investment activity of Advisory Accounts.

The Firm is regulated as a bank holding company under the BHCA and related regulations, which together generally restrict bank holding companies from engaging in business activities other than the business of banking and certain closely related activities unless an exemption applies. The Firm has elected to become a financial holding company under the BHCA and, as such, may engage in a broader range of financial and related activities than it would otherwise be able to, as long as the Firm continues to meet certain eligibility requirements. However, the activities of the Firm and its affiliates remain subject to certain restrictions imposed by the BHCA and other applicable banking laws, rules, regulations and guidelines, and their interpretation and administration by the appropriate regulatory agencies, as further described below. For example, because the Firm is deemed to "control" certain Advisory Accounts, under the BHCA, there may be restrictions on transactions and relationships between Advisory Accounts and the Firm, as well as restrictions on the investments and transactions by, and the operations of, Advisory Accounts. In addition, the Firm and Advisory Accounts generally are not permitted under applicable law to have active roles in the day-to-day management of Portfolio Companies.

The Firm expects that each Advisory Account will conduct its activities in a manner that is consistent with the BHCA, including any applicable exemptions. However, the bank regulatory requirements applicable to the Firm and the Advisory Account may have a material or adverse effect on an Advisory Account or its investments. For example, as referenced above, an Advisory Account may be subject to certain BHCA regulations that restrict its ability to invest in certain investments, restrict its ability to be involved in the management of certain investments or limit the length of time an Advisory Account may hold an investment, without prior regulatory approval or qualification for certain exemptions under the BHCA. The Advisory Accounts may be subject to certain restrictions when considering investments in regulated industries, such as banking, insurance, energy or communications, because of the impact of these investments on the Firm. For example, there may be limits on the aggregate amount of investment by affiliated investors that may not be exceeded in certain regulated industries without the grant of a license or other regulatory or corporate consent or, if exceeded, may cause the Advisory Account, the Firm, and / or its clients to suffer disadvantages or business restrictions. As a result, the terms of the Advisory Account or investment may restrict or limit transactions or exercise of rights for the Advisory Account, or limit the amount of voting securities purchased, or restrict the type of governance rights it or GS Merchant Banking acquires or exercises in connection with its investments in regulated industries. In addition, these restrictions and limitations may require that an Advisory Account be modified, terminated or dissolved or dispose of investments (or that the Firm's investment in or alongside an Advisory Account be disposed of) earlier than previously contemplated. Furthermore, the Firm may restructure an Advisory Account, its general partner, or its investment manager, or the composition of the Investment Committee, the composition of, and / or the powers granted to, the Investment Committee, including the granting of additional powers to the Investment Committee, in order to comply with the BHCA or other legal requirements applicable to, or reduce or eliminate the impact or applicability of any bank regulatory or other restrictions on, the Firm, any of its affiliates, an Advisory Account, other investment vehicles or other funds, vehicles or accounts managed by GS Merchant Banking or its affiliates. Additionally, if the Firm no longer meets the eligibility requirements to be a financial holding company, an Advisory Account may be limited in its ability to make certain investments and could be required to terminate certain activities and / or sell certain investments if the Firm remained ineligible for a prolonged period. Furthermore, such bank regulatory requirements may change over time and may require an Advisory Account to restructure its

investments, which may have a material adverse effect on such Advisory Account, the investments such Advisory Account seeks to make and / or the governance with respect to such investments.

In addition, in September 2016, the Federal Reserve and other Federal banking agencies issued a report and recommendations for legislative and regulatory changes regarding the investment activities of bank holding companies and their affiliates, as mandated by Section 620 of the Dodd-Frank Act. In the report, the Federal Reserve recommended that the U.S. Congress repeal the authority for financial holding companies, like the Firm, and their affiliates to engage in merchant banking activities. At this stage, the Firm believes the likelihood of Congress passing legislation to repeal merchant banking authority is low. If, however, Congress were to take action to repeal merchant banking authority in the future, the Advisory Accounts could be required to reduce their commitments to investments, restructure or take other actions to conform their activities and investments to any such new laws or regulatory requirements. There can be no assurance that the bank regulatory requirements applicable to the Firm will not have a material or adverse effect on the Advisory Accounts and such requirements may cause the Firm to modify, terminate or dissolve any Advisory Account earlier than previously contemplated.

Furthermore, Section 619 of the Dodd-Frank Act, known, together with the final regulations promulgated thereunder, as the “Volcker Rule,” restrict banking entities, such as the Firm, absent an applicable exclusion or exemption, from acquiring or retaining as principal any equity, partnership or other ownership interests in, or sponsoring, a private equity fund, hedge fund or other fund that relies solely on Section 3(c)(1) or 3(c)(7) of the Investment Company Act (a “Covered Fund”).

On December 12, 2016, the Federal Reserve Board issued guidance as to how banking entities may apply for extensions to provide up to an additional five years to conform investments in certain legacy illiquid funds. On the basis of this new guidance, the Firm applied for and received approval for an extension of up to five years for certain Advisory Accounts. During the conformance period, as extended, banking entities must work to bring their activities and investments into conformance with the Volcker Rule. Efforts to bring Advisory Accounts that are legacy Covered Funds into conformance with the Volcker Rule in the future may have a material or adverse effect on the operation, value or investments of such Advisory Accounts.

Under the asset management exemption to the Volcker Rule, the Firm may sponsor and advise a Covered Fund, provided all requirements and limitations of the asset management exemption are met, but is prohibited from owning more than 3% of the outstanding ownership interests of Advisory Accounts that are Covered Funds. In addition, among other things, the Volcker Rule generally prohibits banking entities, including the Firm, from (i) engaging in certain transactions or activities that would (a) subject to certain mitigants, involve or result in a material conflict of interest between the banking entity and its clients, customers or counterparties, (b) result, directly or indirectly, in a material exposure by the banking entity to high-risk assets or high-risk trading strategies, or (c) pose a threat to the safety and soundness of the Firm or the financial stability of the United States; (ii) directly or indirectly guaranteeing, assuming or insuring the obligations or performance of any Advisory Account that is a Covered Fund; (iii) making a loan or extension of credit to, or purchasing assets from, a Covered Fund that it sponsors or advises; or (iv) entering into certain other transactions that cause the Firm to have credit exposure to such a Covered Fund. Certain other transactions between the Firm and an Advisory Account that is a Covered Fund must be on terms and under circumstances, including credit standards, that are substantially the same, or at least as favorable to the Firm, as those prevailing at the time for comparable transactions with or involving other nonaffiliated companies, which, among other things, may limit the ability of the Firm, including GS Merchant Banking, to furnish services to an Advisory Account that is a Covered Fund.

Certain Advisory Accounts are not Covered Funds, and therefore are generally scoped outside the restrictions under the Volcker Rule. However, if (i) one or more of the regulatory agencies implementing the Volcker Rule were to disagree with the treatment of any Advisory Account as excluded from the definition of Covered Fund, (ii) there are changes in the laws or rules governing the Investment Company Act and / or Volcker Rule status of any Advisory Account, or (iii) such agencies or their staffs provide more specific or different guidance regarding the application of relevant provisions of, and rules under, the Investment Company Act and / or Volcker Rule, the Firm or one or more of the Advisory Accounts would need to adjust their operating strategies or assets and may need to effect sales of assets in a manner that, or at a time or price at which, it would not otherwise choose in order for such Advisory Account to not be deemed to be a Covered Fund under the Volcker Rule. In addition, in the event that the Volcker Rule were to be amended and / or modified in a manner that would permit

such Advisory Accounts to rely exclusively on the Section 3(c)(7) exemption from registration as an investment company under the Investment Company Act and permit the Firm to invest in and / or alongside such Advisory Accounts without being subject to the limitations currently imposed on “Covered Funds”, GS Merchant Banking will be permitted to amend the partnership agreement of such Advisory Account without the investor consent to (i) permit the Issuer to engage in activities with respect to which it was previously precluded from or restricted as a result of its reliance on a different exemption from registration as an investment company and the Investment Company Act and / or (ii) otherwise modify or eliminate certain provisions that are intended to ensure the Issuer’s ability to rely on such different exemption. In the event that any Advisory Account were to be deemed a Covered Fund, there could be a material or adverse effect on the operation of such Advisory Account. In such an event, GS Merchant Banking could take any action it deems necessary to remedy such situation, including additional amendments or dissolving and liquidating the Advisory Account, and the Firm could be forced to reduce its investment alongside the Advisory Account to no more than 3% or the maximum amount permitted under applicable law.

The Volcker Rule’s final rules, and certain other regulatory guidance, including frequently asked questions published on the Federal Reserve’s website, provide further information regarding how the above conditions may be interpreted or implemented.

The Firm’s policies and procedures are designed to identify and limit exposure to material conflicts of interest and high-risk assets and trading strategies in its trading and investment activities, including its activities related to Advisory Accounts. If the Volcker Rule Regulators develop guidance addressing these matters, the Firm’s policies and procedures may be modified or adapted to take any such guidance into account. Any requirements or restrictions imposed by the Firm’s policies and procedures or by the Volcker Rule Regulators could adversely affect Advisory Accounts, including because the requirements or restrictions could result in, among other things, Advisory Accounts foregoing certain investments or investment strategies or taking or refraining from other actions, any of which could disadvantage Advisory Accounts. These restrictions could adversely affect Advisory Accounts because the restrictions could prevent an Advisory Account from obtaining seed capital, loans or other commercial benefits from the Firm.

Additionally, economic sanction laws in the United States and other jurisdictions may significantly restrict or completely prohibit GS Merchant Banking and Advisory Accounts from investing or continuing to hold an investment in, or transacting with or in certain countries, individuals and companies, including, among other things, transactions with, and the provision of services to certain foreign countries, territories, entities and individuals. The U.S. Foreign Corrupt Practices Act (the “FCPA”) and other anti-corruption laws and regulations, as well as anti-boycott regulations, may also apply to, and restrict the activities of GS Merchant Banking and the Advisory Accounts (and their respective portfolio companies). GS Merchant Banking seeks to comply with economic and trade sanctions laws and regulations, the FCPA, and other anti-corruption, anti-bribery and anti-boycott laws and regulations to which it is subject and has implemented policies and procedures designed to ensure compliance with such laws and regulations. As a result, GS Merchant Banking may be adversely affected because of its unwillingness to participate in transactions that may violate such laws or regulations. In the event that GS Merchant Banking determines that an Investor is subject to any trade, economic or other sanctions imposed by the United Nations or any other applicable governmental or regulatory authority, GS Merchant Banking may take such actions as it determines appropriate to comply with applicable law, including, without limitation, (i) blocking or freezing Advisory Accounts or interests therein, (ii) where permitted by the applicable sanctions law, requiring an investor in a fund vehicle to redeem or withdraw from the vehicle, and delaying the payment of any redemption or withdrawal proceeds, without interest, until such time as such payment is permitted under applicable law, (iii) excluding an investor in a fund vehicle from allocations of net capital appreciation and net capital depreciation and distributions made to other investors, (iv) ceasing any further dealings with such investor’s interest in the Advisory Account, until such sanctions are lifted or a license is obtained under applicable law to continue dealings, and (v) excluding an investor in a fund vehicle from voting on any matter upon which investors are entitled to vote, and excluding the net asset value of such investor’s interest in the fund vehicle for purposes of determining the investors entitled to vote on or required to take any action in respect of the fund vehicle.

U.S. and international regulators devote substantial resources to their enforcement of laws relating to anti-bribery, economic sanctions, tax evasion, and other financial crimes and have sought to increase the reach of such laws, and policies and procedures relating to such laws may not be effective in all circumstances to prevent violations.

Any determination that GS Merchant Banking or the Advisory Accounts or any of their respective portfolio companies have violated any such laws or regulations could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and general loss of investor confidence, any one of which could adversely impact GS Merchant Banking's business prospects or financial position, in addition to any of the Advisory Accounts' ability to achieve their investment objectives or conduct their operations. In addition, if GS Merchant Banking determines that an investor's continued participation in an Advisory Account could result in material adverse regulatory or other consequences to an Advisory Account or its investors, GS Merchant Banking may exclude or terminate such investor's interest in one or more Advisory Accounts.

Certain investments made by Advisory Accounts could be subject to heightened regulatory scrutiny as they could be considered foreign direct investment. Foreign direct investment that implicates U.S. national security may be subject to review by the Committee on Foreign Investment in the United States ("CFIUS") under The Exon-Florio Amendment to the U.S. Defense Production Act of 1950 ("Exon-Florio Amendment"). The Exon-Florio Amendment, as amended by the Foreign Investment and National Security Act of 2007 and the Foreign Investment Risk Review Modernization Act of 2018 ("FIRRMA"), authorizes the CFIUS and the President of the United States to determine whether a particular transaction resulting in foreign control of a U.S. business poses a risk to national security. In the CFIUS context, "foreign control" can occur through minority investments where a foreign person acquires a board seat or any other ability to influence a U.S. business. In addition, CFIUS has jurisdiction over certain non-control foreign investment transactions in certain U.S. businesses if a foreign investor obtains access to material nonpublic technical information of the U.S. business, a board seat or observer right, or other substantive decision-making rights. FIRRMA's implementing regulations now require a CFIUS filing, with certain exceptions, for all foreign direct investments (both control transactions and the non-control transactions described above) in a U.S. business that designs, fabricates, develops, tests, produces, or manufactures specified critical technologies that require U.S. regulatory authorization for exports or transfers to the investor or foreign persons in its ownership chain. CFIUS's determination of what constitutes a foreign person may include an analysis of an investment fund's limited partners. However, both FIRRMA and regulations implementing FIRRMA contain exemptions for indirect investments by foreign limited partners through a U.S. investment fund if certain criteria are met ensuring that the foreign person does not obtain decision-making rights or access to material nonpublic technical information with respect to the U.S. business. CFIUS has broad authority to demand mitigation to address any perceived national security concern or, in relatively rare circumstances, the President of the United States may block a deal in its entirety or if a transaction is reviewed after a deal is complete, the President has the power to demand divestment of a U.S. business. In particular, if any transaction may raise risks with regard to CFIUS, GS Merchant Banking may take, or abstain from taking, certain actions as it deems required or advisable with respect to the transaction, including submitting certain filings to CFIUS for its approval and agreeing to certain mitigation measures. Such actions may make it difficult for the Advisory Accounts to act expeditiously or successfully on investment opportunities. Such actions also may impact an Advisory Account's ability to make certain investments, may cause an Advisory Account to be excluded from certain investments, may adversely impact the governance rights of an Advisory Account and / or may require an investment to be restructured or otherwise modified.

Each client is encouraged to be aware that (i) tax laws and regulations are changing on an ongoing basis and (ii) these laws and regulations may be changed with retroactive effect. In this regard, developments in the tax laws of the United States and any other jurisdictions could, directly or indirectly, have a material effect on the tax consequences to the investors, the Advisory Accounts and / or the Advisory Account's investments.

Uncertainty in the tax law may require an Advisory Account to accrue potential tax liabilities even in situations where an Advisory Account and / or its investors do not expect to be ultimately subject to those tax liabilities. Further, accounting standards and / or related tax reporting obligations may change, giving rise to additional accrual and / or other reporting obligations. Moreover, the interpretation and application of tax laws and regulations by certain tax authorities may not be clear, consistent or transparent. Any changes in law could result in material tax or other costs for certain Advisory Accounts and / or their investors, or require a significant restructuring of the manner in which certain Advisory Accounts are organized or operated. Each prospective investor is also encouraged to be aware that other developments in the tax laws of the United States and other jurisdictions could have a material effect on the tax consequences to investors, the Advisory Accounts and / or an Advisory Account's investments and that investors may be required to provide certain additional information to



the Firm (which may be provided to the Internal Revenue Service or other taxing authorities) or may be subject to other adverse consequences, including on a retroactive basis, as a result of that change in tax laws.

Each prospective investor is advised that it will or may be required to take into account its distributive share of all items of income, gain, loss, deduction and credit, whether or not distributed, and because of the nature of an Advisory Account's investment activities, an Advisory Account may generate taxable income in excess of cash distributions to investors. Accordingly, in any given year, a prospective investor may incur taxable income in excess of cash received from an Advisory Account. The specific U.S. federal income tax consequences to an Advisory Account and its investors will depend upon the types of investments made and the manner in which those investments are structured, among other considerations. An Advisory Account may generate losses, deductions, and other tax attributes that may be subject to special limitations and other complex rules.

In any given year, a prospective investor may incur taxable income in excess of cash received from an Advisory Account. The specific U.S. federal income tax consequences to an Advisory Account and its investors will depend upon the types of investments made and the manner in which those investments are structured, among other considerations. An Advisory Account may generate losses, deductions, and other tax attributes that may be subject to special limitations and other complex rules.

There may also be unanticipated and / or adverse legal, tax and regulatory changes, including changes in the interpretation or enforcement of existing laws and rules, from time to time, including requirements to provide additional information pertaining to an Advisory Account to the Internal Revenue Service or other taxing authorities. Regulatory changes and restrictions imposed by regulators, self-regulatory organizations and exchanges may vary from country to country and may affect the value of Advisory Accounts' investments and their ability to pursue their investment strategies. Compliance with existing law and any additional new or revised laws or regulations (including compliance with reporting requirements of the Bureau of Economic Affairs) could be difficult and expensive, and any uncertainty in respect of their implementation may result in increased taxes or other costs, reduced profit margins and reduced investment and trading opportunities, and may require a significant restructuring of the manner in which an Advisory Account is organized, all of which may negatively impact the performance of Advisory Accounts.

In addition, the Advisory Accounts are intended to be operated in a manner so as to not be regulated as an "investment company" under the Investment Company Act, which contains substantive legal requirements that regulate the manner in which investment companies are permitted to conduct their business activities. Changes in the law or regulations or changes in the interpretation of the law or regulations could result in the Advisory Accounts becoming subject to the Investment Company Act, which could have adverse consequences for investors.

On January 31, 2020, the United Kingdom ("UK") formally left the European Union ("EU"). The UK and the EU have agreed to a trade and cooperation agreement pursuant to which there will be no tariffs or quotas on goods traded between the UK and the EU. However, services are not comprehensively covered in the agreement and negotiations are ongoing in relation to provision of financial services in particular.

Political and economic uncertainty and periods of exacerbated volatility in both the UK and in wider European markets may continue for some time. It also remains possible that the UK's withdrawal from the EU may lead to a call for similar referenda in other European jurisdictions, which may cause increased economic volatility in the European and global markets.

This mid- to long-term uncertainty may have an adverse effect on the economy generally and on the ability of the Advisory Accounts to execute their strategies and to receive attractive returns. In particular, currency volatility may mean that the returns of an Advisory Account are adversely affected by market movements and may make it more difficult, or more expensive, for an Advisory Account to execute prudent currency hedging policies. Potential decline in the value of the British Pound and / or the Euro against other currencies, along with the potential downgrading of the UK's sovereign credit rating, may also have an impact on the performance of investments located in the UK or Europe.

In light of the above, no definitive assessment can currently be made regarding the impact that the United Kingdom's withdrawal from the EU will have on the Advisory Accounts, the Portfolio Companies or the investments.

On January 3, 2018, MiFID II came into force across the European Economic Area (comprising the EU as well as Iceland, Liechtenstein and Norway, together the "EEA"). MiFID II updates the regulation of a broad range of financial services activities carried out within and for clients within the EEA, which may have significant impact on GS Merchant Banking's European activities. GS Merchant Banking has established internal policies and procedures in order to ensure compliance with MiFID II requirements, but given the scope of regulatory reform under MiFID II it is possible that there will be unforeseen consequences and implications for GS Merchant Banking's European activities that have not yet been determined. This could adversely impact Advisory Accounts, whether by increased costs or impediments to the implementation of their investment objectives, or more generally through changes to existing market practices.

Effective May 25, 2018, the European Union Data Protection Directive has been replaced by a more extensive General Data Protection Regulation (the "GDPR"). GDPR increases the Firm's compliance obligations, has a significant impact on the Firm's businesses' collection, processing and retention of personal data and reporting of data breaches, and provides for significantly increased penalties for non-compliance. GDPR also may impose additional compliance obligations and liabilities on the Portfolio Companies of Advisory Accounts that may impact the performance of such investments. In addition, the California Consumer Privacy Act (the "CCPA") was enacted in June 2018 and took effect on January 1, 2020. The CCPA imposes privacy compliance obligations with regard to the personal information of California residents. Other states may, in the future, impose similar privacy compliance obligations.

On February 18, 2020, the ECOFIN committee of the EU resolved to move the Cayman Islands to the EU's Annex I list of non-cooperative jurisdictions for tax purposes (the "Annex I List") (which is often referred to as the "blacklist"), as it had concluded that the Cayman Islands "does not have appropriate measures in place relating to economic substance in the area of collective investment vehicles." This decision was reversed by the EU Council following its semi-annual review and from 6 October 2020 the Cayman Islands was no longer on the Annex I List. It is unclear what ramifications, if any, the temporary designation will have for the Advisory Accounts and one or more investors. An Advisory Account may be domiciled in the Cayman Islands and may use Cayman-domiciled subsidiaries, aggregators and Alternative Investment Vehicles. As each EU country may implement its own laws and regulations in connection with the designation, the tax and other implications an Advisory Account and investors may differ on a country-by-country and investor-by-investor basis. Any tax consequences to investors associated with this designation will be borne solely by such investors.

On March 10, 2021, the European Union Sustainable Finance Disclosure Regulation ("SFDR") came into force. This requires, amongst other things, all funds marketed into the EU to be categorized according to whether or not they promote sustainable investment or have sustainable investment as an investment objective and to make certain disclosures as to the extent to which sustainable investment forms part of the relevant manager's investment decision-making process. As future regulatory guidance relating to SFDR becomes available it is expected that compliance will become more intrusive with additional obligations in relation to those funds that are categorized as promoting sustainable investment or having sustainable investment as an investment objective, in particular obligations to carry out "principal adverse impacts" assessments and to implement good governance and do-no-significant-harm policies.

Furthermore, in the ordinary course, the Firm, the Advisory Accounts and / or individuals within the Firm are subject to periodic audits, examinations, claims, litigation, governmental and / or regulatory inquiries, investigations, requests for information, subpoenas, employment-related matters, disputes, and other regulatory or civil proceedings, which have the potential to result in findings, conclusions, settlements, charges or various forms of sanctions against the Firm or GS Merchant Banking including fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions. Such actions, investigations, litigation and claims may increase the exposure of the Advisory Accounts and the Firm 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. Increased regulatory oversight may also impose additional compliance and administrative obligations

on GS Merchant Banking and the Firm, including, without limitation, responding to investigations and implementing new policies and procedures. Additional information regarding such matters may also be available in the current public SEC filings made by the Firm.

***Advisory Account Consent Requirements.*** The Firm acts as an underwriter, placement agent, originator, administrative agent, and / or arranger in various markets and for various asset classes and instruments. Advisory Accounts may have the opportunity to invest in transactions in which the Firm acts in one or more of these roles, in connection with which the Firm may be a principal opposite Advisory Accounts or with respect to which the Firm may receive a fee or other compensation. The consummation of any such transaction or the payment of any such fee and / or certain other conflicts of interest may require the consent of the Advisory Account (or a Limited Partner Advisory Committee on behalf of the Advisory Account) or other independent party pursuant to applicable law and the guidelines or governing documents applicable to such Advisory Accounts. In such cases, the Advisory Account may only have the ability to make the investments if GS Merchant Banking receives the required consent. In addition, GS Merchant Banking may determine not to seek such consent due to timing, logistical or other considerations, in which event the Advisory Account will not have the opportunity to make the investments.

### **Risks Associated with Investing in the Advisory Accounts Generally**

***Operating and Financial Risks of Portfolio Companies.*** An Advisory Account's investments in Portfolio Companies are expected to involve a high degree of business and financial risk, including those set forth below.

As described in “—Cybersecurity” below, Portfolio Companies may be vulnerable to cyber-attacks. Such vulnerabilities or other exposures may be difficult or impossible to detect, which may adversely impact the value of an Advisory Account's investment in the Portfolio Company.

Some of the Portfolio Companies may also be highly leveraged. These companies may be subject to restrictive financial and operating covenants that may impair the ability of these companies to finance their future operations and capital needs, or to make payments in respect of debt obligations or distributions to equity holders. As a result, these companies may have limited flexibility to respond to changing business and economic conditions and to business opportunities. Leverage is expected to have important consequences to the Portfolio Companies and an Advisory Account, including, as described in “—Advisory Account Leverage”. A leveraged company's income and equity will tend to increase or decrease at a greater rate than if borrowed money were not used. In addition, a Portfolio Company with a leveraged capital structure may be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of that Portfolio Company or its industry. In the event that a Portfolio Company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of an Advisory Account's investment in a Portfolio Company could be significantly reduced or even eliminated.

Moreover, Portfolio Companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and / or a larger number of qualified managerial and technical personnel. Some of the Portfolio Companies may (i) be operating at a loss or have significant variations in operating results, (ii) be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, (iii) require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, (iv) be in an early stage of development, (v) not have a proven operating history, (vi) otherwise have a weak financial condition that could result in insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant Portfolio Company, or (vii) be subject to a disruptive cyber-attack or other information security event, each of which could adversely affect the investment results of an Advisory Account.

In addition, the Firm engages in a broad range of business activities and invests in Portfolio Companies whose operations may be substantially similar to and / or competitive with the Portfolio Companies in which Advisory Accounts have invested. The performance and operation of such competing businesses could conflict with and adversely affect the performance and operation of Advisory Accounts' Portfolio Companies. From time to time, and



subject to applicable law, the Firm may recommend Portfolio Company services to other Portfolio Companies; it is possible that these services may not be the best available to the Portfolio Companies, and the Portfolio Company of the Firm or the Advisory Account providing such service will benefit, and those benefits may be greater than those received by such other Advisory Account and / or Portfolio Companies.

***Risk Arising from Potential Controlled Group Liability.*** An Advisory Account may obtain a controlling interest (i.e., 80% or more) in certain Portfolio Companies. Based on recent federal court decisions, there is a risk that such Advisory Account would be treated as engaged in a “trade or business” for purposes of ERISA’s controlled group rules. In such an event, such Advisory Account could be jointly and severally liable for a Portfolio Company’s liabilities with respect to the underfunding of any pension plans which such Portfolio Company sponsors or to which it contributes. While GS Merchant Banking anticipates evaluating each potential portfolio company’s financial strength, including with respect to the funding of its pension plans, if a Portfolio Company is determined to be liable for such obligations and proves unable to satisfy such liabilities, such liabilities could become the responsibility of an Advisory Account, causing it to incur potentially significant, unexpected liabilities for which reserves had not been established.

***Reliance on Portfolio Company Management.*** Although GS Merchant Banking may seek to be represented on the board of directors of its Portfolio Companies, there is no assurance that this representation, if sought, will be obtained. Furthermore, even in cases where GS Merchant Banking or an Advisory Account may have certain rights to (i) be represented on the board of directors of Portfolio Companies, and / or (ii) participate in certain significant business decisions and / or other management rights, GS Merchant Banking and an Advisory Account generally are not permitted under applicable law to have active roles in the day-to-day management of those companies. Accordingly, the success or failure of an Advisory Account’s Portfolio Companies, including their compliance with applicable law, will depend to a significant extent on their management. A member of a Portfolio Company’s management team or other employee may engage in activities that pose legal, regulatory, financial, reputational or other risks to the Portfolio Company and adversely impact the value of an Advisory Account’s investment in the Portfolio Company. Such activities may be difficult or impossible to detect, and GS Merchant Banking’s proper performance of its monitoring functions would generally not give it the opportunity to discover such activities within a time frame sufficient to prevent significant harm to Advisory Accounts, or at all. In addition, any such director, officer or employee of the Firm that is a member of the board of directors of a Portfolio Company may have duties to the Portfolio Company in his or her capacity as a director that conflict with GS Merchant Banking’s duties to Advisory Accounts, and may act in a manner that may disadvantage or otherwise harm Advisory Accounts and / or benefit the Portfolio Company and / or the Firm.

***Risks Relating to Portfolio Company Reputation.*** If a Portfolio Company fails to maintain the strength and value of the Portfolio Company’s brand, its value is likely to decrease. A Portfolio Company’s success often depends on the value and strength of its brand. In such cases, the name of such Portfolio Company is integral to its business as well as to the implementation of its strategies for expanding its business. Maintaining, promoting, and positioning such brand can depend largely on the success of marketing efforts and its ability to provide consistent, high quality merchandises, services and / or customer experience. A Portfolio Company’s brand could be adversely affected if it fails to achieve these objectives or if its public image or reputation were to be tarnished by negative publicity. In addition, the rapid dissemination of negative or inaccurate information about companies via social media could harm their business, reputation, financial condition, and results of operations, which could adversely affect Advisory Accounts and, due to reputational considerations, may influence GS Merchant Banking’s decision as to whether to remain invested in a company. Any of these events could result in decreases in value of a Portfolio Company.

In addition, as described in “—*Public Health Risk*” below, a Portfolio Company’s business and operations may be materially impacted during certain public health concerns, including a pandemic, which may have a material adverse impact on its reputation.

***Use of Third-Party General Partners and / or Alternative Investment Fund Managers.*** In certain circumstances, certain Advisory Accounts may utilize the services of third-party general partners and / or AIFMs (as such term is defined in the EU Alternative Investment Fund Managers Directive 2011/61/EU AIFMD (the “AIFMD”)). Such third-party general partners and / or third-party AIFMs may have direct or indirect business, financial or other relationships with the Firm, which may create conflicts of interest in connection with the roles of

GS Merchant Banking, the third-party general partners or third-party AIFMs. Such third-party general partners and third-party AIFMs will be entitled to remuneration from the applicable Advisory Account at their customary rates and for reimbursement for out of pocket expenses. In addition, an Advisory Account may be required to transition from using a GS Merchant Banking-managed AIFM to a third-party AIFM (or vice versa) in light of legal or regulatory considerations and the costs of any such transition will be borne by the relevant Advisory Account. GS Merchant Banking generally will not have the right to control or direct the actions of a third-party general partner or a third-party AIFM. A third-party general partner or a third-party AIFM may take actions that could result in an adverse effect on an Advisory Account. The directors of any third-party general partner and / or third-party AIFM will be non-executive directors and will not be required to provide their full time and attention to the business of the Advisory Account. They may be engaged in any other business and / or be concerned or interested in or act as directors, managers or officers of any other company or entity. While such directors are responsible for the overall management and control of the general partner and / or AIFM, they will, to the extent permitted by applicable law, delegate oversight and management of the Advisory Account to GS Merchant Banking, as described in the applicable Advisory Account Offering Materials. In addition, a third-party AIFM may act as the AIFM for multiple funds for various clients in addition to an Advisory Account, and will thus be in the possession of confidential information in respect of each of those clients. The robustness of a third-party AIFM's confidentiality procedures cannot be guaranteed; as such, there is a potential risk that confidential information in relation to an Advisory Account may be disclosed, accidentally or otherwise, to third parties.

***Risks of Global Investing Generally.*** Certain Advisory Accounts invest capital outside the U.S. in non-U.S. companies. These investments involve additional risks compared with investing exclusively in the United States.

Because investments in non-U.S. companies may involve non-U.S. dollar currencies, the Advisory Accounts may be affected unfavorably by changes in currency exchange rates (including as a result of the devaluation of a foreign currency) and may incur transaction costs in connection with conversions between various currencies. Further, destabilizations in the functioning of currencies across countries and regions may subject the Advisory Accounts to additional currency exchange risks. While GS Merchant Banking may engage in hedging transactions, subject to legal and regulatory considerations, on behalf of the Advisory Accounts to mitigate the risks of changes in currency rates, the strategy of an Advisory Account may not be successful and may exacerbate the degree of currency exchange risk to which an Advisory Account is exposed.

Depending on where they are located, Portfolio Companies may be subject to accounting, auditing and financial reporting requirements that differ, in some cases significantly, including with respect to completeness and quality of information, from those applicable in the United States, and, accordingly, the financial statements of a company may not reflect its financial position or results of operations in the way that this information would be reflected had the financial statements been prepared in accordance with U.S. Generally Accepted Accounting Principles. Moreover, differences between the U.S. and any non U.S. financial markets may result in price volatility and lack of liquidity. Additionally, for companies that keep accounting records in local currency, some countries' inflation accounting rules require, for both tax and accounting purposes, that certain assets and liabilities be restated on the company's balance sheet in order to express items in terms of constant purchasing power, while others do not permit such restatement. Financial information that is incomplete or of low quality may affect an Advisory Account's investment decisions as well as the information that it is able to provide to investors.

Certain countries are subject to a greater degree of economic, political and social instability than other more developed countries, thereby significantly increasing the risks associated with investing in portfolio companies located within these countries. Further, the economies of certain countries and regions are influenced to varying extents by economic and market conditions that differ from those affecting other countries or regions. The risks associated with global investing are magnified in emerging markets. Extreme short-term price volatility in these markets is not unusual and markets that are generally considered to be liquid may become illiquid. In addition, inflation has, and may continue to have, negative effects on the economies of certain countries, including currency risks.

There also may be differences in the legal regime and the regulatory environment between the various countries. As such, the laws applicable to any relevant market may be less developed and / or extensive than U.S. laws. It also may be difficult to enforce contractual or other legal rights in certain countries. For example, legal

proceedings in certain jurisdictions may take longer to conclude than similar proceedings in other countries. Moreover, once a judgment is obtained, a variety of causes may make enforcement or collection of that judgment difficult. In addition, certain countries may have an increased potential for corrupt business practices.

In addition, many countries are subject to a significant degree of economic, political and social instability. Governments in certain countries also participate to a significant degree in their economies through ownership interests and / or regulation. Social, political and economic instability and actions by certain governments significantly increase the risk of Portfolio Companies located within the affected countries.

Further, investment in certain countries may be restricted or controlled to varying degrees, which may limit or preclude investment and / or impose investment restrictions and may increase the risk and / or expenses associated with certain Advisory Accounts. The repatriation of income, capital or the proceeds of securities sales is often subject to restrictions such as the need for certain governmental consents. Such restrictions may make it difficult for Advisory Accounts to invest in such countries, and Advisory Accounts could be adversely affected by delays in, or a refusal to grant, any required governmental approval for such repatriation. Even where there is no outright restriction on repatriation, the mechanics of repatriation or, in certain countries, the inadequacy of the US dollar currency available to non-governmental entities, may affect certain aspects of the operations of Advisory Accounts, including requiring such Advisory Accounts to establish special custodial or other arrangements prior to investing. Furthermore, an Advisory Account's ability to invest in the securities markets of several countries is restricted or controlled to varying degrees by laws restricting non-US investments, and these restrictions may, in certain circumstances, prohibit such Advisory Account from making direct investments.

Government regulations and restrictions in some countries, such as the CFIUS approval process in the United States and similar restrictions in other countries (including India, Australia and Japan), may restrict or control investment in certain countries to varying degrees. These restrictions or controls may at times limit investment and may increase the risk associated with the investments, including adversely impacting the Advisory Account's ability to make or sell investments in Portfolio Companies. For example, certain countries may: (i) require governmental approval prior to investment in companies or industries deemed important to national interests; (ii) limit the amount of investment by persons who are not citizens; (iii) limit investments by persons who are not citizens to only a specific class of securities of a company that may have less advantageous terms than the classes available for purchase by citizens of the country; and / or (iv) impose additional taxes on investors who are not citizens, including expropriation and / or confiscatory taxes, as well as withholding taxes and import duties. Such restrictions may affect the market price, liquidity and rights of securities that may be purchased by GS Merchant Banking on behalf of Advisory Accounts, and may increase such Advisory Accounts' expenses. These measures could adversely affect the returns associated with certain investments.

In addition, as described in "*—Public Health Risk*" below, certain public health concerns, including a pandemic, can have a material adverse impact on supply chains and global trade.

**Trade Protectionism.** Advisory Accounts may be materially affected by market, economic and political conditions globally and in the jurisdictions and sectors in which they invest or operate, including economic outlook, factors affecting interest rates, the availability of credit, currency exchange rates and trade barriers. These factors are outside the Advisory Accounts' control and could adversely affect the Advisory Accounts' investments. Recent populist and anti-globalization movements, particularly in the United States, may result in material changes in economic trade and immigration policies, all of which could lead to significant disruption of global markets and could have adverse consequences on the Advisory Accounts' investments. Restrictions on or rising costs of global free trade may require the Portfolio Companies to relocate some of their activities, such as manufacturing, which could entail significant costs and could have an adverse effect on investments in certain Advisory Accounts.

**Nature of Bankruptcy and Other Proceedings.** Investments in Portfolio Companies that become debtors in reorganization or liquidation proceedings under U.S. bankruptcy law present a number of risks not normally applicable to investments in financially sound Portfolio Companies. These risks include adverse and permanent effects of the proceedings on the Portfolio Company, such as the loss of its market position and key personnel, the Portfolio Company otherwise becoming incapable of restoring itself as a viable entity and, if converted to a liquidation, a possible liquidation value of the Portfolio Company that is less than the value that was believed to exist at the time of the investment. Many events in bankruptcy proceedings are adversarial and the duration of a

bankruptcy case is generally difficult to predict. Stockholders, creditors and other interested parties are all entitled to participate in bankruptcy proceedings and will attempt to influence the outcome for their own benefit. The bankruptcy courts have extensive power and, under some circumstances, may alter contractual obligations of a bankrupt company. The reorganization of a company under U.S. bankruptcy law usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve legal, professional and administrative costs to the company and it is subject to unpredictable delays. An Advisory Account's return on investment can be impacted adversely by these delays. The debt of companies in reorganization or liquidation will in most cases not pay current interest. Also, certain claims, such as for taxes, may have priority by law over the claims of certain creditors. In addition, under certain circumstances, lenders who have inappropriately exercised control of the management and policies of a debtor may have their claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of these actions. In addition, under certain circumstances, payments to an Advisory Account and distributions by an Advisory Account to its investors may be reclaimed if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

Certain Advisory Accounts will invest in the securities of companies that are non-U.S. issuers. Non-U.S. issuers may be subject to bankruptcy and reorganization processes and proceedings that are not comparable to those in the United States and that sometimes will be less favorable to the rights of lenders, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

***Dependence Upon Investment Manager.*** Investors in an Advisory Account generally have no right or power to participate in the management or control of the business of such Advisory Account and thus must depend solely upon the ability of GS Merchant Banking with respect to making, managing and exiting investments. In addition, investors will generally not have an opportunity to evaluate the specific investments made by the Advisory Accounts or the terms of any investment. Investors in Co-Investment Mandates, in certain circumstances, have greater rights with respect to these matters than investors in GS Merchant Banking Funds and therefore may be less dependent solely upon GS Merchant Banking's management and decision-making.

From time to time, there may be personnel changes within GS Merchant Banking or the Investment Committee. The loss of investment professionals by GS Merchant Banking could have a material adverse effect on Advisory Account performance. Furthermore, as described in Item 4 above, the Firm announced the unification of several businesses into one direct alternatives investing platform through GS Merchant Banking. Accordingly, GS Merchant Banking may inherit certain legacy obligations as a result of certain non-competition agreements or other similar undertakings made by the Combined Businesses prior to the unification thereof which may impact the ongoing operations of GS Merchant Banking, including by restricting GS Merchant Banking from taking certain actions.

***Absence of Recourse to the Investment Manager and General Partner.*** Applicable Advisory Account Offering Materials limit the circumstances under which the Firm and its employees, officers and affiliates (as well as any third-party general partners and / or AIFMs of such Advisory Account) can be held liable to the relevant Advisory Account. As a result, investors may have a more limited right of action in certain cases than they would in the absence of such provisions.

***Failure to Make Capital Contributions.*** If an investor in an Advisory Account fails to contribute funds to such Advisory Account as required under the terms of the applicable Advisory Account Offering Materials or if an investor in an Advisory Account is excused from participating in an investment of such Advisory Account, then the other investors in such Advisory Account may be required to contribute additional capital to make up for such shortfall (including, in certain cases, additional capital to make up for any shortfall as a result of one or more investors not funding or funding less than their pro rata share of the shortfall), and their exposure to such investment may be non-pro rata to their capital commitment to the Advisory Account and more concentrated. As a result, the Advisory Account may make fewer investments and be less diversified than if all investors had contributed capital. Additionally, under the Dodd-Frank Act, the Firm is generally not permitted to provide liquidity to certain Advisory Accounts to make up for such shortfall, and if such Advisory Account is not able to obtain alternative sources of liquidity, the Advisory Account may default on its funding obligations and may be obligated



to pay associated termination or other fees. Moreover, such alternative sources of liquidity, if obtained, may not be on terms advantageous to such Advisory Account. In addition, upon default by an investor in an Advisory Account, GS Merchant Banking may undertake various actions in its sole discretion that may be adverse to the investor.

***Restriction on Transferability and Withdrawal.*** Investors in an Advisory Account should be prepared to retain their interests until the Advisory Account liquidates. An investor generally may not directly or indirectly sell, assign, encumber, mortgage or transfer his or her interest except in the manner prescribed by the offering materials for the Advisory Account. Generally, investors may not withdraw capital or withdraw from the Advisory Account prior to its termination. Any transfer by an investor without the prior written consent of the general partner of the Advisory Account will be void and subject to cancellation, and such investor attempting to transfer its interest may be deemed to be a defaulting investor. However, certain separately managed accounts have the ability to terminate commitments on specified days' notice or, in certain cases, immediately withdraw cash, securities or other financial instruments at any time. The Firm, subject to applicable law, may transfer or pledge any of its interests in an Advisory Account, in whole or in part, including to any subsidiary or affiliate of, or successor to, the Firm or to any entity controlled by employees of the Firm.

***Board Participation and / or Creditors Committee.*** In connection with some of its investments, GS Merchant Banking may, but is not obligated to, seek representation on boards of directors and / or official and unofficial creditors' committees of the Portfolio Companies. While this representation may enable GS Merchant Banking to enhance the value of its investments, it may also prevent an Advisory Account from disposing of its investments in a timely and profitable manner. If representation on a board and / or a creditors committee causes an Advisory Account and / or the Firm to be deemed an affiliate or related party of the Portfolio Company, the securities of the Portfolio Company held by an Advisory Account may become restricted securities, which are not freely tradable. Board representation and / or participation on a creditors committee may also subject an Advisory Account to additional liability to which it would not otherwise be subject as an ordinary course, third party investor. As described in item 5, consultants who serve as GS Merchant Banking representatives on Portfolio Company boards may receive cash fees and / or stock of the Portfolio Company as compensation for board service. The consultants who receive such stock generally will be able to determine the timing of the stock's disposition, which creates in certain circumstances a conflict of interest between such consultants, on the one hand, and the Advisory Accounts, on the other hand. In addition, Consulting Group members, in their capacity as officers or directors on the boards of Portfolio Companies, may have a conflicting division of loyalties and responsibilities between the Advisory Accounts, on the one hand, and such portfolio companies, on the other hand.

Additionally, although the interests of an Advisory Account as a shareholder in a Portfolio Company will generally align with the interests of shareholders more broadly, it is possible that, where GS Merchant Banking obtains representation on the board of a Portfolio Company, GS Merchant Banking's fiduciary duties to the Portfolio Company and its shareholders as a director may conflict with the interests of the Advisory Account. For example, it may be inconsistent with a director's fiduciary duties to share information he/she receives regarding the relevant Portfolio Company with other Advisory Accounts even though that information would be beneficial to those Advisory Accounts, and as described in Item 11 "*—Client Relationships*", there may be certain rights or activities that the Firm will not exercise or undertake on behalf of Advisory Accounts (including in respect of director representation and recusal).

***Operational and Reputational Risk Management.*** Portfolio companies can generate various risks for GS Merchant Banking and Advisory Accounts and investors, including operational risk and reputational risk. When evaluating an investment opportunity, the Firm assesses these and other risks associated with the potential investment, and may decide not to pursue an investment opportunity on behalf of any Advisory Account based on its evaluation of such risks. However, no assurance can be given that the Firm will foresee all of the operational and / or reputational risks associated with an investment opportunity which may have an adverse effect on the Firm, GS Merchant Banking and / or such Advisory Accounts.

***Risk of Liability when Acquiring Investments.*** A concern in originating and purchasing the investments is the possibility of becoming subject to unknown liabilities, with limited recourse (or no recourse) against the prior owners of the Investments, and no assurance can be given that GS Merchant Banking will have an understanding

of all circumstances that may adversely affect an investment. An Advisory Account will rely upon the accuracy and completeness of representations made by sellers, but cannot guarantee such accuracy or completeness. Moreover, the recourse to the sellers will be subject to customary limitations. As a result, an Advisory Account may bear the responsibility for substantial liabilities that are unknown at the time of an investment is purchased and an Advisory Account may be required to expend a significant amount of money to contest or settle third party claims relating to such liabilities. There can be no assurance that an Advisory Account will be able to detect or prevent any issues or irregularities with respect to an investment during the due diligence phase or during its efforts to monitor an investment on an ongoing basis or that any risk management procedures implemented by an Advisory Account will be adequate. In the event of fraud by any investment or any of its affiliates, an Advisory Account may suffer a partial or total loss of capital invested in that investment. An additional concern is the possibility of material misrepresentation or omission on the part of the investment or the seller. Such inaccuracy or incompleteness may adversely affect the value of the investments. An Advisory Account may rely upon the accuracy and completeness of representations made by portfolio entities and / or their former owners in the due diligence process to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to an Advisory Account may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

**Environmental, Health and Safety Risks.** Portfolio companies may be subject to statutes, rules and regulations relating to environmental protection, human health and safety (“EHS”), and may be liable for non-compliance with applicable environmental, health and safety requirements. Although GS Merchant Banking has policies and practices to mitigate any such liability for non-compliance, an Advisory Account may be exposed to risk of loss from such claims arising in respect of such a Portfolio Company.

In particular, investments in commodities-related companies (e.g., companies engaged in the exploration and production of petroleum products and / or natural gas) may increase GS Merchant Banking’s and / or Advisory Accounts’ exposure to EHS risks. Such companies are subject to comprehensive federal, state and local regulatory regimes and regulators have been increasingly focused on risks associated with commodity investments. Furthermore, the operation of oil, gas, and other natural resource extraction and / or refining facilities is subject to risks inherent in such activities, including but not limited to blowouts, explosions, pollution, leakage, injuries and other EHS risks.

**Public Health Risk.** An Advisory Account could be materially adversely affected by the widespread outbreak of infectious disease or other public health crises, including the current COVID-19 pandemic. As further described below, public health crises such as the COVID-19 pandemic, together with any containment or other remedial measures undertaken or imposed, could have a material and adverse effect on an Advisory Account and its investments, including by (i) disrupting or otherwise materially adversely affecting the human capital, business operations or financial resources of GS Merchant Banking, the Advisory Account, the Advisory Account’s Portfolio Companies and / or service providers to the Advisory Account or its Portfolio Companies and (ii) severely disrupting global, national and / or regional economies and financial markets and precipitating an economic downturn or recession that could materially adversely affect the value and performance of an Advisory Account and its investments (see “—Adverse Effect of Global Economic Conditions” above).

Public health crises and efforts to address them may result in (or, in the case of the COVID-19 pandemic, have already resulted in) any or all of the following: (i) the closure of GS Merchant Banking’s or a Portfolio Company’s offices or other businesses, including office buildings, factories, retail stores, distribution channels and other commercial venues, (ii) workforce, trade or travel disruptions or restrictions (including border closures), (iii) an increase in cybersecurity breaches as a result of personnel of a portfolio company—working from home, (iv) difficulty in valuing an Advisory Account’s assets or closures or disruptions of financial markets, including bans on short-selling or the trigger of stock exchange circuit-breakers, (v) disruptions in regional or global trade markets and the logistics necessary to import, export and deliver products to Portfolio Companies and their customers, (vi) the lack of availability or price volatility of raw materials or component parts necessary to a Portfolio Company’s business (e.g., supply-chain disruptions or delays), (vii) depressed demand for a Portfolio Company’s products or services because of reduced consumer confidence or because quarantines, restrictions on public gatherings or interactions or the forced closures of certain businesses significantly inhibit consumption, (viii) major governmental regulation of or intervention into an industry, which could result in compulsory cancellation, unwinding, or sale of an Advisory Account’s direct or indirect investment in a portfolio company without the

Advisory Account receiving adequate compensation thereof, (ix) the aggravation of political, social and economic risks in certain countries, particularly in developing and emerging market countries with less established healthcare systems, (x) a reduction in the availability and / or adverse changes in the terms of capital or leverage, and (vii) an increased risk of investors defaulting on their obligations to an Advisory Account. Any of the foregoing could have a material adverse impact on an Advisory Account, an Advisory Account's direct or indirect investments (including, in the case of debt investments, by adversely impacting the ability of borrowers to repay indebtedness and the value of any collateral securing such indebtedness) and an Advisory Account's ability to monitor, manage, value and dispose of existing direct or indirect investments, and to source or complete new direct or indirect investments, and the Advisory Account's ability to fulfil its obligations and raise capital.

In addition, public health crises such as the COVID-19 pandemic and containment efforts may adversely affect the ability, or the willingness, of a party to perform its obligations under its contracts and lead to uncertainty over whether such failure to perform (or delay in performing) might be excused under so called "material adverse change," force majeure and similar provisions in such contracts. As a result, (i) counterparties and service providers to an Advisory Account or Portfolio Companies may fail to perform (or delay the performance of) their obligations to an Advisory Account or its Portfolio Companies, (ii) pending transactions (including acquisitions and sales of assets by an Advisory Account) may not close on time or at all, (iii) an Advisory Account, GS Merchant Banking or a Portfolio Company may be forced to breach (or may determine not to perform its obligations under) certain agreements, and (iv) related litigation would likely ensue. Any of these occurrences would likely have a material adverse effect on an Advisory Account and its investments.

The extent of the impact of COVID-19 on Advisory Accounts and their direct or indirect investments will depend largely on future developments, including the severity, duration and spread of the outbreak throughout the world, the cope and interval of any related border and business closures, travel advisories, and other restrictions on a wide range of activity, and the effects on the global economy and the markets in which Advisory Accounts invest, all of which are highly uncertain and cannot be predicted, but the impact is likely to be material.

**Force Majeure.** Portfolio Companies may be vulnerable to a force majeure event, including acts of God, war and strike, which could result in the destruction, impairment or loss of profitability for the Portfolio Companies. In addition, the damage caused by the *force majeure* event may adversely affect a party's ability to perform its obligations until it is able to remedy the damage. Insurance coverage of these risks may be limited, subject to large deductibles or completely unavailable, and GS Merchant Banking will determine in its discretion whether to seek insurance coverage of, or seek alternative ways to manage or mitigate, these risks. In addition, insurance coverage, particularly business interruption insurance, may be limited or unavailable to Portfolio Companies upon the occurrence of a force majeure event, which may adversely impact such Portfolio Companies.

**Inflation.** Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on the economies and financial markets, particularly in emerging economies. For example, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on an Advisory Account's returns.

**Market Disruption and Terrorism Risk.** The military operations of the United States and its allies, the instability in various parts of the world and the increasing prevalence of terrorist attacks throughout the world could have significant adverse effects on the global economy. Terrorist attacks, in particular, may exacerbate some of the general risk factors related to the investments of the Advisory Accounts, which could adversely affect the profitability of investments.

**Cybersecurity.** The operations of the Firm, GS Merchant Banking and the Advisory Accounts each rely on the secure processing, storage and transmission of confidential and other information in the Firm's computer systems and networks. The Firm is regularly the target of attempted cyber-attacks, including denial-of-service attacks, and must continuously monitor and develop its systems to protect its technology infrastructure and data from misappropriation or corruption. In addition, due to the Firm's interconnectivity with third-party vendors, central agents, exchanges, clearing houses and other financial institutions, the Firm, and thus indirectly the



Advisory Accounts, could be adversely impacted if any of them is subject to a successful cyber-attack or other information security event. Although the Firm takes protective measures and endeavors to modify its computer systems, software and networks as circumstances warrant, they may be vulnerable to theft, unauthorized access or monitoring, misuse, loss, destruction or corruption of financial assets and confidential and highly restricted data, computer viruses or other malicious code and other events that could have a security impact and render the Firm or GS Merchant Banking unable to transact business on behalf of Advisory Accounts. If one or more of such events occur, this potentially could jeopardize the confidential and other information of GS Merchant Banking and the Advisory Accounts, to the extent such information is processed and stored in, and transmitted through, the Firm's computer systems and networks. Such events could also cause interruptions or malfunctions in the operations of GS Merchant Banking and the Advisory Accounts as well as the operations of their Portfolio Companies, beneficial owners, clients and counterparties and the operations of third parties such as service providers, which could impact their ability to transact with GS Merchant Banking or the Advisory Accounts. Such events could result in significant losses to Advisory Accounts or Portfolio Companies and reputational damage to GS Merchant Banking and Advisory Accounts. The increased use of mobile and cloud technologies can heighten these and other operational risks. The Firm is expected to expend additional resources on an ongoing basis to modify its protective measures and to investigate and remediate vulnerabilities or other exposures. The cost of such ongoing cybersecurity prevention efforts, including maintaining insurance coverage, deploying additional personnel and protection technologies, training employees and engaging third party experts and consultants, may be significant. Nevertheless, GS Merchant Banking and the Advisory Accounts may be subject to litigation and financial losses that are either not insured against or not fully covered through any insurance. In the event of a cyber-attack, the cost of engaging in remediation efforts, addressing reputational harm, and the loss of competitive advantage may be significant.

The Firm, GS Merchant Banking and the Advisory Accounts routinely transmit and receive personal, confidential and proprietary information by email and other electronic means. The Firm has discussed and worked with, and where applicable, contracted with Portfolio Companies, clients, vendors, service providers, counterparties and other third parties to develop secure transmission capabilities and protect against cyber-attacks, but the Firm does not have, and may be unable to put in place, secure capabilities with all of its clients, vendors, service providers, counterparties and other third parties and the Firm may not be able to ensure that these third parties have appropriate controls in place to protect the confidentiality of the information. An interception, misuse or mishandling of personal, confidential or proprietary information being sent to or received from a client, vendor, service provider, counterparty or other third-party could result in legal liability (including for violation of privacy and other laws), regulatory action (including regulatory fines or penalties), compliance, legal and remediation costs, and reputational harm to GS Merchant Banking or the Advisory Accounts.

**Data and Information Sharing.** The Advisory Accounts, GS Merchant Banking, and / or their respective affiliates, Portfolio Companies and other investments (collectively, the "Data Parties") often possess data and information that they may utilize for various purposes and which they would not otherwise possess in the ordinary course of their businesses. For example, information relating to business operations, trends, budgets, customers or users, assets, funding and other metrics that the Data Parties possess or acquire through their management of client accounts and / or their own businesses and investment activities may be used by the Firm to identify and / or evaluate potential investments for the Advisory Accounts and to facilitate the management of the Advisory Accounts, including through operational improvements. Conversely, the Firm may use data and information that it has or acquires in connection with an Advisory Account's activities for the benefit of its own businesses and investment activities and their portfolio companies and other investments.

From time to time, the Firm may commission third-party research, at an Advisory Account's expense, in connection with the diligence of an investment opportunity or in connection with its management of a Portfolio Company, and such research is expected to subsequently be available to other investment vehicles (and such persons will generally not be required to compensate an Advisory Account for the benefit they receive from such research). Such benefits could be material and the Firm will have no duty, contractual, fiduciary or otherwise, not to use such information in connection with the business and investment activities of itself, the Other Investment Vehicles and / or their portfolio companies and other investments.

Furthermore, except for contractual obligations to third parties to maintain confidentiality of certain information, regulatory limitations on the use of material nonpublic information, and the Data Parties' information walls, the

Firm is generally free to use data and information from an Advisory Account's activities to assist in the pursuit of its various other interests and activities, including to trade for the benefit of the Firm or another client. The Advisory Accounts and other sources of such data and information may not receive any financial or other benefit from having provided such data and information to the Firm. The potential ability to monetize such data and information may create incentives for the Firm to cause an Advisory Account to invest in entities and companies with a significant amount of data that it might not otherwise have invested in or on terms less favorable than it otherwise would have sought to obtain.

**Technological Innovations.** Recent technological innovations have disrupted numerous established industries and those with incumbent power in them. As technological innovation continues to advance rapidly, it could impact one or more of an Advisory Account's strategies. Moreover, given the pace of innovation in recent years, the impact on a particular Investment may not have been foreseeable at the time the Advisory Account made the investment. Furthermore, an Advisory Account could base investment decisions on views about the direction or degree of innovation that prove inaccurate and lead to losses.

**Regional Geopolitical Risk.** Regional tensions, conflicts, hostilities, terrorist attacks or threats of terrorist attacks and political unrests may create an unstable geopolitical climate that could have a material effect on general economic conditions, market conditions and market liquidity. The Advisory Accounts could therefore be adversely affected by social instability, changes in government administrations and policies, or economic, political, legal, or regulatory developments that are not within the GS Merchant Banking's control. In addition, the foregoing list of factors could impact imports from, or exports to, a given region with adverse impact on the economy as a whole, any industry, and / or the operations of any particular Portfolio Company. Any serious dispute between the U.S. and another nation may escalate the tension in the region with negative implications for economic fundamentals and overall consumer confidence, which in turn may result in adverse financial losses.

**Risks Relating to Investments in Europe and Asia.** Portfolio Companies may include companies that are headquartered and / or have operations in Europe and / or Asia. Making such investments involves certain risks—such as risks relating to the exposure to the direct and indirect consequences of potential political, economic, social and diplomatic changes with respect to European or Asian countries—that may not exist for (or that may be less applicable to) other potential investment opportunities of the Advisory Accounts, which such risks, if realized, may adversely affect the value of an Advisory Account's investments and returns, and adversely impact an Advisory Account's investment program and strategy.

### **Material Risks for Certain Asset Classes**

#### **Risk Associated with Investing in Private Securities Relating to Infrastructure Assets**

**Governmental Regulation Relating to Infrastructure Assets.** Certain investments related to infrastructure assets or companies ("Infrastructure Investments") will be subject to governmental regulation, and certain governments may have discretion in implementing regulations that could impact the business of Infrastructure Investments. In addition, the operations of Infrastructure Investments may rely on government permits, licenses, concessions, leases or contracts that are generally complex and may result in a dispute over interpretation or enforceability. Government entities generally have influence over these companies in respect of the various contractual and regulatory relationships they may have. These government entities may exercise their authority in a manner that causes delays in the operation of the business of the Infrastructure Investments or increases administrative expenses. In addition, Infrastructure Investments may be especially susceptible to increased government regulation during an economic downturn or other period of market disruption. In this regard, the nature and extent of government regulation can also be a key driver of value and returns.

#### **Risks Associated with Investing in Growth Equity**

**Growth Equity Transactions.** The Advisory Accounts may target growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk that can result in substantial or total loss, including as a result of substantial capital

needs and intense competition from more established companies with greater resources. Growth-equity Portfolio Companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and / or to expand or develop management resources. Growth-equity Portfolio Companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

**Early-Stage Investments.** The Advisory Accounts may make investments in companies that are in a conceptual or early-stage of development. These companies are often characterized by short operating histories, new technologies and products, quickly evolving markets and management teams that may have limited experience working together, all of which enhance the difficulty of evaluating these investment opportunities. The management of these companies will need to implement and maintain successful marketing, finance, personnel and other operational strategies in order to become and remain successful. Other substantial operational risks to which these companies are subject include uncertain market acceptance of the company's products or services, a high degree of regulatory risk for new or untried and / or untested business models, products and services, high levels of competition among similarly situated companies, lower capitalizations and fewer financial resources and the potential for rapid organizational or strategic change.

Early-stage investments may need additional capital to support growth or to maintain their competitive position. Such capital may not be available on attractive terms from private sources. An Advisory Account's capital and concentration tolerance may be limited and may not be adequate to protect the Advisory Account from dilution in multiple rounds of funding. The public market for emerging opportunistic technology companies is highly volatile. Such volatility may adversely affect the ability of Portfolio Companies to raise capital when needed, the ability of an Advisory Account to dispose of investments and the value of an Advisory Account's investment securities on the date of sale or distribution.

**Investments in Junior Securities.** The Advisory Accounts may invest in companies that have already received one or more rounds of financing. The securities in which an Advisory Account will invest in these instances may be among the most junior in a Portfolio Company's capital structure and thus subject the Advisory Account to a greater risk of losing all or part of its invested capital. There will often be no collateral to protect the investment in such securities once made.

### **Risks Associated with Investing in Technology**

**Investments in the Technology Sector.** Certain Advisory Accounts will make investments in the technology sector ("Technology Investments"). The technology sector is challenged by various factors, including rapidly changing market conditions and / or participants, short product cycles, new competing products, services and / or improvements in existing products, rapid obsolescence of products and government regulation. Technology Investments will compete in this volatile environment. There is no assurance that products or services sold by Technology Investments will not be rendered obsolete or adversely affected by competing products and services or that the Technology Investments will not be adversely affected by other challenges. Moreover, competition can result in significant downward pressure on pricing. Certain Advisory Accounts may invest in internet companies that provide goods or services that compete either directly or indirectly (e.g. through the "sharing" economy) with existing non-internet based providers which, in some cases, are subject to regulations that the internet companies are not. In some instances in the industry, laws or regulations have been adopted in jurisdictions where internet based companies operate that impose regulations on the companies that may pose material challenges to the company's business model.

**Software Code Protection.** Source code is often critical to Technology Investments. If an unauthorized disclosure of a significant portion of source code occurs, a Technology Investment could potentially lose future trade secret protection for that source code. This could make it easier for third parties to compete with such Technology

Investment's products by copying functionality, which could adversely affect revenue and operating margins. Unauthorized disclosure of source code could also increase security risks (e.g., viruses, worms and other malicious software programs that may attack the products and services). Costs for remediating the unauthorized disclosure of source code and other cyber security breaches, may include, among other things, increased protection costs, reputational damage, loss of market share and liability for stolen assets or information and repairing system damage that may have been caused. Remediation costs may also include incentives offered to customers or other business partners in an effort to maintain the business relationships after a security breach.

### **Risk Associated with Investing in Environment and Climate Solutions**

***Environmental Investment Risks.*** Certain Advisory Accounts will make investments in environmental and climate solutions ("Environmental and Climate Solutions Investments"). Environmental and Climate Solutions Investments may be subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements. There is a risk that Environmental and Climate Solutions Investments may incur environmental costs and liabilities due to the nature of their businesses and the potentially hazardous materials they handle as part of their operations. Environmental and Climate Solutions Investments may be subject to stringent and complex non-U.S. and U.S. federal, state and local environmental laws, regulations or enforcement policies, which could significantly increase such companies' compliance costs and the cost of any remediation that may become necessary. Failure to comply with any of these (or any similar) laws and regulations may trigger a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties, the imposition of remedial requirements and the issuance of orders enjoining future operations. Certain environmental statutes and regulations impose strict, joint and several liability for costs required to clean up and restore sites where hazardous substances have been disposed of or otherwise released.

***Policy and Political Considerations.*** Certain Environmental and Climate Solutions Investments may be dependent upon governments continuing to support international and national commitments to climate change, sustainability and environmental issues, to reduce the level of greenhouse gas emissions, promote sustainability, and to promote low carbon technology and environmental infrastructure development. Accordingly, the success of Environmental and Climate Solutions Investments may be affected by changes in legislation, environmental policies and / or the removal or change of support measures for the sector, such as in relation to tariffs and subsidies. The economic viability of a particular Environmental and Climate Solutions Investment may depend on certain taxation, financial and regulatory conditions in a particular jurisdiction. Changes in these conditions may adversely affect the marketability and financial performance of Environmental and Climate Solutions Investments.

***Risks of Investments In Renewable Energy and Related Projects.*** Certain Advisory Accounts may make investments in renewable energy projects ("Renewable Energy Projects"). Renewable Energy Projects involve many significant, relatively unique and acute risks. Revenues can be affected by a number of factors, including, without limitation, economic conditions, political events, competition, regulation, and the financial position and business strategy of customers. Unanticipated changes in the availability or price of inputs necessary for the operation of Renewable Energy Projects may adversely affect their overall profitability. The energy sector has experienced significant volatility at times, which may also occur in the future, and which could negatively affect the returns on any Renewable Energy Projects. As a general matter, the operation and maintenance of Renewable Energy Projects involve various risks, many of which may not be under the control of the relevant Advisory Accounts or GS Merchant Banking, including labor issues, failure of technology to perform as anticipated, structural failures and accidents, and the need to comply with the directives of governmental authorities. Although assets may be insured to protect against certain risks (such as business interruption insurance that is intended to offset loss of revenues during an operational interruption), where available on reasonable commercial terms, such insurance generally is subject to customary deductibles and coverage limits and may not be sufficient to recoup all of a Renewable Energy Project's losses and the relevant Advisory Account is not obligated to, may not be able to, and may choose not to obtain insurance in respect of all assets. Many such risks may also be inherent in the generation, storage, transmission, distribution, and marketing of solar, wind, natural gas, and other clean sources of energy, and in the managing or producing of such commodities. These risks could result in substantial losses due to personal injury or loss of life, severe damage to and destruction of property and equipment and pollution, or other



environmental damage, and may result in the curtailment or suspension of project operations, any and all of which could adversely affect the performance of Renewable Energy Projects.

**Siting Requirements.** Renewable Energy Projects will be subject to siting requirements that are similar in many respects to those applicable to fossil fuels plants and other new land developments. Proposals to site a renewable energy plant or any associated infrastructure, including energy storage and distribution-related structures, may be challenged based on alleged security concerns, disturbances to natural habitats for wildlife and adverse aesthetic impacts, as well as federal, state, local, foreign and private site selection concerns. Community and environmental groups may protest the development or operation of power generation assets which may induce government action to the detriment of the relevant Advisory Accounts. Although GS Merchant Banking intends to carefully evaluate the expected environmental and sociological impact of all potential investments, there can be no assurance that an Environmental and Climate Solutions Investment will not be subject to such claims. In addition, there is the possibility that political and societal challenges could delay or prohibit the construction of a renewable power project or impair its operations.

**Uncertainty of Renewable Energy Market.** The market for renewable energy products (e.g., products related to wind, solar, geothermal, wave, biomass and biofuels energy) is emerging and rapidly evolving and its future success is uncertain. If renewable energy technology proves unsuitable for widespread commercial deployment or if demand for renewable energy products fails to develop sufficiently, investments related to the applicable renewable energy products could be unable to generate enough revenue to achieve and sustain profitability. Many factors will influence the widespread adoption of renewable energy technology and demand for renewable energy products, including the cost-effectiveness, performance and reliability of renewable energy technology, changes in weather and climate and availability of government subsidies and incentives. Volatility in the prices of commodities, such as crude oil and corn, may adversely affect the competitiveness and market price of renewable energy fuels. Sharp increases in the prices for feedstock, such as corn, may negatively affect the profitability and production of alternative energy fuels, such as ethanol and biodiesel.

**Environmental Project Regulation.** Environmental laws, regulations and regulatory initiatives play a significant role in the renewable power industry and can have a substantial impact on Renewable Energy Projects. The relevant Advisory Accounts may invest in Renewable Energy Projects that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and regulatory initiatives. There can be no guarantee that all costs and risks in connection with the compliance with environmental laws, regulations and regulatory initiatives can be identified or mitigated. New and more stringent environmental laws, regulations and regulatory initiatives or stricter interpretations of current laws, regulations and regulatory initiatives that target solar and wind or the components, materials or processes that go into such initiatives could impose substantial additional costs on investments. Compliance with such current or future environmental laws, regulations and regulatory initiatives does not guarantee that the operations of a Renewable Energy Project will not cause injury to the environment or that a Renewable Energy Project will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a material adverse effect on an investment, and there can be no assurance that a Renewable Energy Project will at all times comply with all applicable environmental laws, regulations and regulatory initiatives. Any noncompliance with these laws and regulations could subject the relevant Advisory Account and its investments to material administrative, civil or criminal penalties or other liabilities and bringing an investment into compliance could impose additional costs and delays.

**Environmental Litigation.** Renewable Energy Projects are susceptible to litigation challenges brought by local groups or environmental conservation groups and other competing power generators. Although GS Merchant Banking intends to carefully evaluate the expected impacts of all potential Investments, there can be no assurance that a Renewable Energy Project will not be subject to such claims.

## **Risk Associated with Investing in Private Securities Related to Real Estate**

**General Real Estate Considerations.** Real estate investments are relatively illiquid and, therefore, will tend to limit an Advisory Account's ability to vary the Advisory Account's portfolio promptly in response to changes in economic or other conditions. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuation and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of investments. In addition, the ability of an Advisory Account to realize anticipated rental and interest income on its equity and debt investments will depend on many factors which may be beyond the control of GS Merchant Banking or an Advisory Account, including, on the financial reliability of the investments' tenants and borrowers, the location and attractiveness of the properties in which it invests and other market factors, including general economic conditions. There is no assurance that investments will be profitable or that cash flow will be available for distribution to investors. Other risks include (a) changes in general economic or local conditions, including market conditions; (b) changes in or promulgation and enforcement of laws and regulations; (c) changes in operating expenses and other cash-flow risks; (d) changes in real estate tax rates or interest rates; (e) changes in costs and terms of financing or its unavailability; (f) changes in the relative popularity of properties; (g) the financial condition of borrowers and of tenants, buyers and sellers of property; (h) construction risks and the ongoing need for capital improvements; (i) environmental liabilities; (j) uninsured losses; and (k) natural catastrophes or acts of war, terrorism or civil unrest; and other factors beyond the control of GS Merchant Banking or an Advisory Account. As investments in real estate generally are not liquid, there is no assurance that there will be a ready market for investments.

In addition, an Advisory Account may be exposed to risks related to specific real estate asset classes, including risks related to (i) development and redevelopment properties; (ii) rental properties; (iii) multifamily residential properties; (iv) retail properties; (v) office properties; (vi) industrial properties; and (vii) hospitality properties.

**Dependence on Operating Partners.** Investments made by certain Advisory Accounts may rely on the expertise of operating partners who help to identify, evaluate, underwrite, operate, manage and dispose of assets. The selection of an operating partner is inherently based on subjective criteria, making the true performance and abilities of a particular operating partner difficult to assess. This reliance on third parties to manage or operate investments poses significant risks, including risks associated with decisions taken by any such operating partner. For example, an operating partner may suffer a business failure, become bankrupt or engage in activities that compete with investments. These and other problems, including the deterioration of the business relationship between an Advisory Account and the operating partner, could have a material or adverse effect on the assets managed by the operating partner.

**Development Risks.** Real estate investments may require development or redevelopment, which carries risks including those relating to the availability and timely receipt of zoning, land-use, building, occupancy, environmental and other regulatory approvals, the cost and timely completion of construction (including risks due to weather or labor conditions, insolvency of building contractors, defects in plans and specifications or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of an Advisory Account. In addition, properties under development carry the risk that the properties will not achieve anticipated occupancy levels or sustain anticipated rent levels. Development or redevelopment projects also carry an increased risk of litigation with contractors, subcontractors, suppliers, partners and others. Properties under development or properties acquired for development or redevelopment may receive little or no cash flow from the date of acquisition through the date of completion of development or redevelopment and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development that make such development less attractive than at the time it was commenced.

**Risks Relating to the Acquisition and Ownership of Undeveloped Land.** An Advisory Account may invest in transactions involving the acquisition of, or may otherwise hold interests in, undeveloped land for residential or

commercial land banking purposes. In addition to risks associated with real estate development, due to the long-term investment holding period often associated with land banking investments, entitlement and other regulatory risks may be heightened. Further, until the disposition or development of such undeveloped land, an Advisory Account would not realize any income from such land banking investment. Undeveloped land is also a highly illiquid investment, and an Advisory Account may not be able to dispose of undeveloped land when desired due to various changes in market conditions.

***Impact of Recessionary Environment on Real Estate Investments.*** The real estate industry is particularly sensitive to economic downturns; specific market conditions may result in occasional or permanent reductions in property values. Investments in real estate may be adversely affected by deteriorations and uncertainty in the financial markets and economic conditions throughout the world. The values of securities of companies in the real estate industry may go through cycles of relative under-performance and out-performance in comparison to equity securities markets in general. Real estate historically has experienced significant fluctuations and cycles in value and local market conditions which may result in reductions in the value of real property interests. All real estate-related investments are subject to the risk that a general downturn in the national or local economy will depress real estate prices. Recent economic developments have increased, and may continue to increase, the risk associated with investing in real estate investments. Given the volatile nature of the current market disruption and the uncertainties underlying efforts to mitigate or reverse the disruption, GS Merchant Banking may not timely anticipate or manage existing, new or additional risks, contingencies or developments, including regulatory developments and trends in new products and services, in the current or future market environment. Such a failure could adversely affect the Advisory Accounts and their investment objectives or could require Advisory Accounts to dispose of investments at a loss while such unfavorable market conditions prevail.

***Risks Associated with Investments in Workforce Housing.*** Certain Advisory Accounts will make direct or indirect investments in workforce and affordable housing (“Workforce Housing”) located in metropolitan areas in the U.S. In addition to the general risks associated with residential real estate and certain property types, a large number of factors may adversely affect the value and successful operation of Workforce Housing properties, including local corporate restructurings and / or layoffs, industry slowdowns and other factors that adversely affect the local economy; an oversupply of, or a reduced demand for, apartment homes; a decline in household formation or employment or lack of employment growth; the inability or unwillingness of residents to pay rent increases; rent control or rent stabilization laws, or other laws regulating housing, that could prevent an Advisory Account from raising rents sufficiently to offset increases in operating costs; and economic conditions that could cause an increase in such Advisory Account’s operating expenses, such as increases in property taxes, utilities, compensation of on-site associates and routine maintenance. Workforce Housing markets tend to be rapidly-changing neighborhoods and the evaluation of investments in such neighborhoods will depend on numerous assumptions about economic or population growth, commercial and infrastructure developments, obtaining variances or waivers from certain government regulations and / or the availability of governmental programs, including tax subsidies and rent subsidies that attract developers and tenants to these neighborhoods.

***REIT Risks.*** In addition to the risks associated with investments in the real estate industry (see “—*Real Estate Industry Risks*” above), real estate investment trusts (“REITs”) whose underlying properties are concentrated in a particular industry or geographic region are also subject to risks affecting such industries and regions. The securities of REITs involve greater risks than those associated with larger, more established companies and may be subject to more abrupt or erratic price movements because of interest rate changes, economic conditions and other factors. Securities of such issuers may lack sufficient market liquidity to enable the Advisory Account to effect sales at an advantageous time or without a substantial drop in price. These risks may be exacerbated with respect to non-traded REITs, which may be subject to increased price volatility, reduced liquidity (including as a result of investor suitability requirements), increased hold periods and / or reduced correlation between the share price of such non-traded REIT and the net asset value thereof. The failure of a company to qualify as a REIT could have adverse consequences for an Advisory Account invested in the company.

***Failure to Qualify as a REIT Would Result in Higher Taxes.*** Each REIT in which an Advisory Account invests will operate in a manner intended to qualify as a REIT for U.S. federal income tax purposes. A REIT’s compliance with the REIT income and asset requirements depends, however, upon its ability to successfully manage the

composition of its income and assets on an ongoing basis. If any REIT were to fail to qualify as a REIT in any taxable year, it would be subject to U.S. federal, state and local income tax, including any applicable alternative minimum tax, on its taxable income at regular corporate rates, and distributions by the REIT would not be deductible by such REIT in computing its taxable income. Even if a REIT remains qualified for taxation as a REIT, it may be subject to certain U.S. federal, state and local taxes on its income and assets under certain circumstances.

### **Risks Associated with Investing in Debt**

**Debt Securities Risk.** Certain Advisory Accounts may invest in debt, which is subject to interest rate risk and the risk that the issuer or the guarantor of the security will be unable or unwilling to make timely principal and / or interest payments, or otherwise to honor its obligations. These Advisory Accounts' debt investments may be unsecured and structurally or contractually subordinated to senior indebtedness. Moreover, these debt investments may not be protected by financial covenants or limitations upon additional indebtedness. The foregoing risks could adversely affect the investment results of an Advisory Account.

**Senior Debt.** Certain Advisory Accounts may invest in senior debt. The characterization of certain investments as senior debt, or senior secured debt, does not mean that such debt will necessarily be repaid in priority to all other obligations of the businesses in which the Partnership invests. Documentation for investments that are senior secured debt may permit or contemplate certain types of asset-based debt, such as debt secured by receivables, inventory or equipment of a Portfolio Company or its subsidiary guarantors, in which case the liens on such assets securing such debt will rank senior to the liens securing such investments or such assets will not secure such Investments at all. Further, first lien senior secured investments may be secured by liens on assets of Portfolio Companies or their subsidiary guarantors that rank, by operation of a "waterfall" or other intercreditor arrangements, junior to the liens that may secure a tranche of "super senior" first lien senior secured debt, and junior lien senior secured investments, in turn, may be secured by liens on assets of Portfolio Companies or their subsidiary guarantors that rank junior in priority to the liens securing first lien senior secured debt. Finally, to the extent any investments are unsecured, they will generally rank junior in priority to any secured debt issued by such Portfolio Company, to the extent of the value of the assets securing such other secured debt. The terms of any lien or payment subordination are often set forth in intercreditor agreements that, in addition to setting forth the relative payment or lien subordination, may also limit the ability of the Advisory Account as holder of the impacted investments to amend documents relating to such investments, transfer such investments, accept prepayments, exercise remedies (through "standstill" periods) and control decisions made in bankruptcy proceedings relating to such Portfolio Companies.

**Mezzanine Debt.** Mezzanine debt is typically subordinated to the obligations of a company to senior creditors, trade creditors and employees. As such, an investment in mezzanine debt is generally riskier than an investment in senior debt. The ability of an Advisory Account that invests in mezzanine debt to influence a company's affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors. In addition, the subordinated nature of the mezzanine debt may limit an Advisory Account's rights under and its recovery on the mezzanine loan if the issuer becomes the subject of bankruptcy or insolvency proceedings.

**Risks of Investing in Distressed Debt, Opportunistic Debt and Undervalued Debt.** An Advisory Account may directly or indirectly invest in distressed debt and portfolios of distressed debt (including, structured products and portfolios of assets sold by hedge funds, business development corporations, regional commercial banks, specialty finance companies and other types of financial firms), and in other opportunistic debt that GS Merchant Banking views as having an attractive risk-reward profile. Although these types of purchases may result in significant returns, they involve a high degree of risk and may not show any return for a considerable period of time, if ever. Many of these instruments ordinarily remain unpaid unless and until the company reorganizes and / or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. If a Portfolio Company, expected to be stable, deteriorates and becomes involved in a reorganization or liquidation proceeding, an Advisory Account may lose its entire investment or may be required to accept cash or other assets with a value less than its original investment. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that GS Merchant Banking will correctly evaluate the nature and magnitude of the various



factors that could affect the prospects for a successful reorganization or similar action. In addition, distressed investments may require active participation by GS Merchant Banking and its representatives and there may be situations where GS Merchant Banking and its representatives determine to not so participate due to regulatory, tax, reputational or other considerations. This may expose such Advisory Account to greater litigation risks than may be present with other types of investing, or may restrict the Advisory Account's ability to dispose of its investment. The Advisory Account may also be required to hold such assets for a substantial period of time before realizing their anticipated value and / or to sell assets which were believed to be undervalued when acquired at a substantial loss if such assets are not in fact undervalued. Under such circumstances, the returns generated from the Advisory Account's investments may not compensate investors adequately for the risks assumed.

As part of its lending activities, an Advisory Account may originate loans to companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although the terms of such financing may result in significant financial returns to an Advisory Account, they involve a substantial degree of risk. Issuers of lower-rated securities generally are more vulnerable to real or perceived economic changes, political changes or adverse industry developments. If an issuer's financial condition deteriorates, accurate financial and business information may be limited or unavailable. In addition, lower-rated investments may be thinly traded and there may be no established secondary or public market. The level of analytical sophistication, both financial and legal, necessary for successful financing to companies experiencing significant business and financial difficulties is unusually high. There is no assurance that an Advisory Account will correctly evaluate the value of the assets collateralizing such Advisory Accounts loans or the prospects for a successful reorganization or similar action.

**Non-Performing Loan Risk.** Advisory Accounts may invest in non-performing loans, which are loans that are in default or close to being in default. There can be no assurance as to the amount and timing of payments with respect to such loans. In addition, non-performing loans may encounter trading delays due to their unique and customized nature, and transfers may require the consent of an agent bank or borrower.

Non-performing loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of the principal of the loan and / or the deferral of payments. Commercial and industrial loans in workout and / or restructuring modes and the bankruptcy or insolvency laws are subject to additional potential liabilities, which may exceed the value of an Advisory Account's original investment. In the event of a default by a borrower, these restrictions as well as the ability of the borrower to file for bankruptcy protection, among other things, may impede the ability to foreclose on or sell the collateral or to obtain net liquidation proceeds sufficient to repay all amounts due on the related loan. Under certain circumstances, payments to Advisory Accounts may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. Although GS Merchant Banking will attempt to manage these risks, there can be no assurance that the Advisory Account's investments in non-performing loan portfolios will prove profitable or that an Advisory Account will not incur significant losses.

**Collateral Securing Investments.** Debt investments may also be subject to the risk that an Advisory Account's security interests in the underlying collateral are not properly or fully perfected. Compounding these risks, the collateral securing the debt investments may be subject to casualty or devaluation risks. Even where the debt held by an Advisory Account is secured by a perfected lien over a substantial portion of the assets of a Portfolio Company and its subsidiaries, the Portfolio Company and its subsidiaries will often be able to incur other indebtedness, which may have an exclusive or priority lien over particular assets. As a result of the liens granted to the holders of this other indebtedness, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a Portfolio Company, holders of these other secured debt instruments may have priority that ranks senior to an Advisory Account's investment in that Portfolio Company with respect to these assets. Furthermore, these other assets over which other lenders have a lien may be substantially more liquid or valuable than the assets over which an Advisory Account may have a lien. The Portfolio Companies may also be permitted to issue additional indebtedness that ranks in parity or is senior in right of payment or as to the proceeds of collateral with debt securities in which an Advisory Account invests, in which event, the Advisory Account would have to share on an equal basis any distributions with other creditors holding this debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant Portfolio Company. In addition, where an Advisory Account holds a first lien to secure indebtedness owed to the Advisory Account, the Portfolio Companies may be permitted to issue other debt with liens that rank junior to the first liens granted to the Advisory Account.

The intercreditor rights of the holders of the other junior lien debt may, in any insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant Portfolio Company, affect the recovery that the Advisory Account would have been able to achieve in the absence of the other debt.

**Potential Early Redemption of Some Investments.** Debt investments will typically permit the borrowers to voluntarily prepay loans at any time, either with no or a small prepayment penalty. Borrowers may prepay their loans in a variety of circumstances, including when there is a decline in interest rates, or when the Portfolio Company's improved credit or operating or financial performance allows the refinancing of certain classes of debt with lower cost debt. To the extent early prepayments of debt held by an Advisory Account increase, any such prepayments may have a material or adverse effect on an Advisory Account's returns.

**Lack of Control Over Portfolio Companies.** An Advisory Account that focuses on debt investments generally will not be in a position to control any Portfolio Company. As a result, such an Advisory Account is subject to the risk that a Portfolio Company may make business decisions with which it disagrees and the management of the Portfolio Company, as representatives of the holders of their common equity, may take risks or otherwise act in ways that do not serve the interests of the Advisory Account.

**Leveraged Lending Guidance.** The U.S. federal bank regulatory agencies (the "agencies") have issued guidance (the "Leveraged Lending Guidance") that focuses on transaction structures and risk management frameworks and that outlines high-level principles for safe-and-sound leveraged lending, including underwriting standards, valuation and stress testing. This guidance has, among other things, limited the percentage amount of debt that can be included in certain transactions.

Since 2013, the agencies have articulated their focus on leveraged lending practices through various public announcements. The agencies have the power to bring supervisory and enforcement actions against U.S. financial institutions, which could have a significant impact on their ability to operate consistent with their intended business plans. Accordingly, GS Merchant Banking may suffer adverse consequences if the Firm becomes subject to any such supervisory and / or enforcement action.

In addition, there has been increasing commentary among European regulators and intergovernmental institutions, including the European Central Bank, on leveraged lending transactions and the European Central Bank has published guidance on leveraged transactions applicable to banks subject to the European Central Bank's oversight. While it is difficult to predict the scope of any new regulations or guidance and the nature or scope of any further supervisory requirements, if regulations or further guidance, such as those relating to risk appetite standards are issued, the regulatory and operating consequences associated with compliance could have an impact on the investment strategy of Advisory Accounts.

### **Risk Associated with Investing in Opportunity Zones**

**Economic Risks of Investing in Opportunity Zones.** Under the provisions of the QOF Program, certain census tracts nominated by the U.S. states, the District of Columbia and possessions have been designated as "qualified opportunity zones" ("QOZs"). QOZs are generally low-income urban, suburban or rural communities, which were certified by the Secretary of the Treasury via his delegation authority to the IRS. The purpose of the QOF Program is to encourage economic growth and investment in these QOZs by providing U.S. federal income tax benefits to taxpayers who invest within QOZs. Investors should understand that an investment in QOZs is subject to the risk that the anticipated economic growth may not materialize and could result in a loss of some or all of their investment. Certain Advisory Accounts which make investments in multiple QOZs will be subject to additional or heightened operational, administrative and investment risks, and there can be no assurance that such Advisory Accounts will achieve the intended tax or investment objectives.

**General Risks Related to the Uncertainty of and Compliance with the OZ Rules.** Certain Advisory Accounts are formed for the purpose of qualifying as a QOF, and currently intend to conduct their operations so that they are treated as a QOF in accordance with the Code and the relevant provisions of the Tax Cuts and Jobs Act of 2017 and the rules promulgated thereafter (the "OZ Rules"). However, no assurance can be provided that the such Advisory Accounts will qualify as QOFs or that, even if they qualify, any or all of the tax benefits in the OZ Rules will be available to any particular investor. Additionally, no assurances can be provided that New York State and

New York City will continue to conform, or that other states or local jurisdictions will conform or continue to conform, their tax laws to provide parallel state and local benefits to those provided under the QOZ Rules.

There are aspects of the OZ Rules that are subject to interpretation and that will require clarification by the Treasury. Although Treasury regulations with respect to the QOF Program were finalized in early 2020, such regulations do not address some important issues and issues remain with respect to the topics addressed by such regulations. Technical corrections legislation also may be needed from Congress to clarify certain tax provisions and to give proper effect to Congressional intent. No assurance can be provided that additional legislation will be enacted, and even if enacted, additional legislation may not clearly address all items that require or would benefit from clarification.

As a result of any additional legislation or administrative guidance or otherwise, GS Merchant Banking may determine, in its sole discretion and without the prior consent of the investors, to change the structure and / or practices of such Advisory Account (including in a significant manner) in order to permit such Advisory Account to qualify as a QOF or in order for certain investors to be able to receive certain of the potential tax benefits under the QOF Program. Changes to applicable tax rates may reduce the desirability of investment in QOZs and undermine the investment strategy of Advisory Accounts to make such investments. Such changes may cause such Advisory Account to incur significant costs and / or avoid or execute on transactions it otherwise would not have, which could have a material adverse effect on the performance of such Advisory Account. Further, additional legislation or administrative guidance (including, without limitation, changes to applicable tax rates or census tracts designated as QOZs) may cause such Advisory Account to fail to qualify as a QOF or to fail to provide investors with the anticipated tax benefits of the QOF Program, and there may be no remedies that GS Merchant Banking will be able to undertake in order to qualify such Advisory Account to receive such benefits. Notwithstanding the foregoing, if additional legislation or administrative guidance causes such Advisory Account to fail to qualify as a QOF or to fail to provide investors with such anticipated tax benefits as a result of the current or anticipated structure, investment strategies and / or practices (or otherwise) of such Advisory Account, GS Merchant Banking and such Advisory Account will have no obligation to make changes to such Advisory Account in order for such Advisory Account to qualify as a QOF. In addition, if additional legislation is not enacted or further administrative guidance is not provided in respect of a particular matter relating to the OZ Rules, such Advisory Account may be unable to provide investors with all of the tax benefits under the QOF Program or may take certain actions based on its assumptions regarding the interpretation of certain provisions in the OZ Rules against which the IRS may assert a contrary position, which could have an adverse impact on such Advisory Account, its status as a QOF, and the potential tax benefits under the QOF Program for the investors.

In this regard, legislation has been introduced (and more bills may be introduced in the future) that would have significantly altered the OZ Rules and the scope of the QOF Program. For example, Senator Ron Wyden (D-Oregon) and Representative Jim Clyburn (D-South Carolina) had proposed substantially similar bills that would have made a number of changes to the OZ Rules, some of which would have applied retroactively. The enactment of similar legislation may lead to the loss of some or all of the QOF Program's potential tax benefits for the investors, the imposition of penalties and interest on an Advisory Account and its investors, and / or the disqualification of an Advisory Account as a QOF. Even if similar legislation is not enacted, in light of the significant scrutiny of the OZ Rules, no assurance can be provided that the QOF Program's potential tax benefits will not be reduced or abolished through other legislation. Furthermore, as described above in "-Regulatory, Tax and Other Legal Risks", the Firm is subject to certain restrictions imposed by the BHCA and other applicable banking laws, rules, regulations and guidelines, and their interpretation and administration by the appropriate regulatory agencies, which may conflict with applicable OZ Rules in a manner that adversely impacts an Advisory Account. In light of the Firm's regulatory status, certain alterations to the OZ Rules and the scope of the QOF Program may disproportionately affect the Advisory Accounts investing in QOZs.

#### **Risks Associated with Certain Japanese Acquisition Structures.**

In connection with certain Japanese investments, GS Merchant Banking may structure certain acquisitions through a special purpose acquisition structure known as the tokumei kumiai ("TK") structure. A TK must be managed exclusively by a TK operator (the "TK Operator") and Advisory Accounts in a TK may not participate in the management or business of the TK. In connection with any TKs, the Firm is expected to serve as the TK Operator and will be compensated for such services, which compensation may offset any management fees payable by the

relevant Advisory Account(s). Furthermore, if an Advisory Account is deemed to be directly or indirectly involved in the management or operation of the TK, such Advisory Account may be directly or indirectly subject to full Japanese national and local taxes and the underlying investors may be required to file Japanese income tax returns.

Another possible structure that an advisory account may use in connection with certain Japanese investments is the tokutei mokuteki kaisha ("TMK"), a special purpose vehicle established pursuant to Japanese statute, more than 50% of each class and each type of the equity interests of which (with certain exceptions) must be offered in Japan. Whether a TMK's interests are treated as offered in Japan may be challenged by the Japanese tax authorities depending on the structure utilized to subscribe for the interests. If the offering of a TMK fails, or is determined by the Japanese tax authorities to fail to satisfy the TMK's dividend deductibility requirements, a TMK otherwise fails to satisfy the dividend deductibility requirements, or its taxable income exceeds dividends paid, then the applicable Advisory Account will suffer adverse tax consequences, as such TMK may be subject to Japanese entity level corporate taxes.

## **Item 9 - DISCIPLINARY INFORMATION**

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This Item requests information relating to GS Merchant Banking. There are no reportable material legal or disciplinary events related to the GS Merchant Banking.

Please refer to the paragraph titled "Regulatory, Tax and Other Legal Risks" within Item 8 for additional information that may be relevant for this item. Additional information about GS&Co.'s advisory affiliates is contained in Part 1 of GS&Co.'s Form ADV.

For information relating to other Firm entities, please visit [www.gs.com](http://www.gs.com) and refer to the public filings of The Goldman Sachs Group, Inc., including its most recently filed Form 10-K.



## **Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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### **Broker-Dealer Registration**

GS&Co. is a registered broker-dealer. Many of GS Merchant Banking's management persons are registered representatives of GS&Co. as necessary or appropriate to perform their responsibilities.

### **Commodity Pool Operator, Commodity Trading Adviser, Futures Commission Merchant Registration**

GS&Co. is registered with the CFTC as a futures commission merchant, a commodity pool operator, a commodity trading advisor, a swap firm and a swap dealer. If permitted by law and applicable regulations, GS Merchant Banking may buy or sell futures, swaps or other similar products for the Advisory Accounts through its CFTC-registered affiliates and these affiliates may receive commissions. In addition, certain of GS Merchant Banking's persons may be registered as associated persons to the extent necessary or appropriate to perform their responsibilities.

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

GS Merchant Banking has relationships with, and may utilize services of, affiliated entities and business units of the Firm in connection with its activities. Fees paid to such affiliated service providers, while believed to be customary compensation for relevant activities, may not be negotiated and, from time to time, may be more or less than what a comparable third party might charge. The arrangements may involve sharing or joint compensation, or separate compensation, subject to the requirements of applicable law. The particular services involved depend on the types of services offered by the affiliate or business unit. Particular relationships may include, but are not limited to, those discussed below. The Firm will retain any compensation when providing investment services to, or in connection with investment activities of, Advisory Accounts. Compensation may take the form of commissions, markups, markdowns, service fees, discounts, rebates or other commission equivalents. Advisory Accounts will not be entitled to any such compensation retained by the Firm.

### **Broker-Dealer, Municipal Securities Dealer, Government Securities Dealer or Broker**

To the extent permitted by applicable law, GS Merchant Banking may use the securities, custody or other services offered by GS&Co., Goldman Sachs International and other affiliates. The Advisory Accounts will pay for broker-dealer or other services performed by GS Merchant Banking's affiliates. When the Firm acts as a broker-dealer or underwriter for an Advisory Account or its Portfolio Companies, it is anticipated that the commissions and fees, terms and conditions charged by the Firm will be what it believes to be customary compensation for comparable services provided by nonaffiliated companies; however, this compensation may not be negotiated and, from time to time, may be more or less than what a comparable third party might charge.

### **Advisory Affiliates**

GS Merchant Banking not only provides investment advisory services to the Advisory Accounts through GS&Co. but also through certain of the employees of the following participating affiliates: Goldman Sachs (Asia) L.L.C., Goldman Sachs (India) Securities Private Limited, Goldman Sachs Japan Co., Ltd., Goldman Sachs Global Services II Limited, Goldman Sachs International, GS Do Brasil Banco Multiplo SA, Goldman Sachs Do Brasil Banco Multiplo SA, Goldman Sachs Bank USA, Beijing Goldman Sachs Consulting Co., Ltd., Goldman Sachs Paris Inc. Et Cie, Goldman Sachs Services (Hong Kong) Limited, Goldman Sachs Services Private Limited, Goldman Sachs Bank Europe (GSBE), Goldman Sachs Bank Zurich (GSBZ), Goldman Sachs (Singapore) Pte., Goldman Sachs Australia Pty Ltd, GS Realty Management EUR GmbH, Goldman Sachs Saudi Arabia-Riyadh, Goldman Sachs Asset Management, L.P. and Goldman Sachs Asset Management International. These affiliates are not registered with the SEC as investment advisers but are foreign affiliated advisers that may provide advice or research to GS Merchant Banking for the benefit of Advisory Accounts (in such capacity, "Participating Affiliates"). The Participating Affiliates will act according to a series of SEC no-action relief letters mandating that Participating Affiliates remain subject to the regulatory supervision of both GS Merchant Banking and the SEC.

GS&Co. may, in its discretion, delegate all or a portion of its advisory or other functions (including placing trades on behalf of the Advisory Accounts) to any affiliate that is registered with the SEC as an investment adviser or to any Participating Affiliate. To the extent GS&Co. delegates its advisory or other functions to affiliates that are registered with the SEC as investment advisers, a copy of the brochure of each such affiliate is available on the SEC's website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) and will be provided to the Advisory Accounts upon request.

Broad Street Luxembourg S.à r.l., an entity formed by GS Merchant Banking, provides corporate secretarial services and maintains the statutory financial accounts of certain GS Merchant Banking Funds and Luxembourg-based investment holding entities in which the Firm and / or one or more Advisory Accounts have direct or indirect ownership interests. Additionally, Advisory Accounts will bear the associated expenses of GS Lux Management Services S.à r.l. (which will not offset the management fees payable by such Advisory Accounts).

#### Management Persons; Policies and Procedures

Certain of GS Merchant Banking's management persons may also hold positions with the affiliates listed above. In these positions, those GS Merchant Banking management persons may have some responsibility with respect to the business of these affiliates. Consequently, in carrying out their roles at GS Merchant Banking and these other entities, the management persons of GS Merchant Banking may be subject to potential conflicts of interest.

GS Merchant Banking has established a variety of restrictions, procedures, and disclosures designed to address potential conflicts of interest that may arise between GS Merchant Banking and other parts of the Firm. The policies and procedures include: information barriers designed to prevent the flow of information between GS Merchant Banking, GS Merchant Banking employees and certain other affiliates; policies relating to brokerage selection; investment allocation policies applicable to the Advisory Accounts and policies relating to the conflicts of interest described above. However, no assurance can be made that these policies and procedures will have their desired effect. Additional information about these conflicts and the policies and procedures to address them is available in Item 11.

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

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#### **Code of Ethics and Personal Trading**

GS Merchant Banking has adopted a Code of Ethics (the "GS Merchant Banking Code") to guide GS Merchant Banking employees and selected others in complying with applicable federal securities laws and in complying with the fiduciary duties to which GS Merchant Banking is subject. In addition, the GS Merchant Banking Code requires GS Merchant Banking employees (including all employees of the Combined Businesses) to comply with Firm policies on personal trading, private investments and outside business activities and to act in good faith and place the interests of its clients first in conducting personal securities transactions. GS Merchant Banking will provide a copy of the GS Merchant Banking Code to its clients and prospective clients upon request.

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

The Firm is a worldwide, full-service investment banking, broker-dealer, asset management and financial services organization and a major participant in global financial markets. It provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high net worth individuals. As such, it acts as an investment banker, research provider, investment manager, financier, advisor, market maker, prime-broker, derivatives dealer, lender, counterparty, agent and principal. In those and other capacities, the Firm advises clients in all markets and transactions and purchases, sells, holds and recommends a broad array of investments including securities, derivatives, loans, commodities, currencies, credit default swaps, indices, baskets and other financial instruments and products for its own accounts and for the accounts of clients and has other direct and indirect interests in the global fixed income, currency, commodity, equity, bank loan and other markets in which the Advisory Accounts directly and indirectly invest. As a result, in certain circumstances the Firm's activities will affect the Advisory Accounts in ways that disadvantage or restrict the

Advisory Accounts and / or benefit the Firm. In addition, as described above in Item 7 “—*Types of Clients*”, GS Merchant Banking’s activities on behalf of certain other entities (including SPACs) that are not investment advisory clients of GS Merchant Banking create conflicts of interest between such entities, on the one hand, and Advisory Accounts, on the other hand, that are the same as or similar to the conflicts that arise between Advisory Accounts, or between an Advisory Account on the one hand, and an Account on the other hand, as described in this Item 11 “—*Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*”. In managing conflicts of interest that arise as a result of the foregoing, GS Merchant Banking generally will be subject to fiduciary requirements. The following are descriptions of the key conflicts associated with the financial or other interests that GS Merchant Banking and the Firm may have in transactions effected by, with and on behalf of the Advisory Accounts. The conflicts described herein do not purport to be a complete list or explanation of the conflicts associated with the financial or other interests that GS Merchant Banking and the Firm may have now or in the future. Prior to making an investment in an Advisory Account, prospective investors are encouraged to read the Offering Materials for the applicable Advisory Account.

### **Client Relationships**

The Firm has and seeks to have longstanding relationships with, and regularly provides financing, investment banking and other services to, a significant number of corporations and private equity sponsors, leveraged buyout and hedge fund purchasers, potential Portfolio Companies and their respective senior managers, shareholders and partners and participants in and lenders to the real estate and related financial markets. Some of these corporations, private equity sponsors and other purchasers may directly compete with the Advisory Accounts for investment opportunities. The Firm considers these relationships in its management of the Advisory Accounts. In this regard, there may be certain investment opportunities or certain investment strategies that GS Merchant Banking (i) does not undertake on behalf of the Advisory Accounts in view of these relationships, or (ii) refers to clients instead of retaining for the Advisory Accounts.

In addition, the Firm may be directly involved, on behalf of itself or its clients, in advising particular companies, investors and private equity sponsors with respect to transactions that conflict with an Advisory Account’s investments. In providing these or other services to, or engaging in transactions with, Portfolio Companies or other market participants, or in acting for its own account, the Firm may take actions that have direct or indirect effects on an Advisory Account, which may be adverse to such Advisory Account and its investors.

The Firm will consider its client relationships and the need to preserve its reputation in the management of Advisory Accounts or their underlying investments and, as a result, (i) there may be certain investment opportunities or strategies that the Firm will not undertake on behalf of Advisory Accounts or will refer to clients instead of retaining for Advisory Accounts, (ii) there may be certain rights or activities that the Firm will not exercise or undertake on behalf of Advisory Accounts (including in respect of director representation and recusal), or (iii) there may be certain investments that, in certain limited circumstances, are sold, disposed of or restructured earlier or later than otherwise expected.

### **Seller Activities**

The Firm is frequently engaged as a financial advisor or financing provider to corporations and other entities and their management teams in connection with the sale of those companies or some or all of their assets, and the Firm’s compensation in connection with these engagements may be substantial. The Firm’s compensation for those engagements is usually based upon sales proceeds and is contingent, in substantial part, upon a sale. As a result, because sellers generally require the Firm to act exclusively on their behalf, the Advisory Accounts will be precluded in many instances from attempting to acquire securities of, or providing financing to, the business being sold or otherwise participate as a buyer in the transaction. The Firm’s decision to take on seller engagements is based upon a number of factors, including the likelihood in any particular situation that the successful buyer will be a financial purchaser rather than a strategic purchaser, the likelihood that any of the Advisory Accounts will be involved in the financing of that transaction and the compensation the Firm might receive by representing the seller. On occasion, the Firm may be given a choice by a seller of acting as its agent, as a potential purchaser of securities or assets, or as a buyer’s source of financing through the Advisory Accounts. The Firm reserves the right to act as the seller’s agent in those circumstances, even where this choice may preclude the Advisory Accounts from acquiring the relevant securities or assets.

## **Buyer Activities**

The Firm also represents potential buyers of businesses, including private equity sponsors, and the Firm's compensation in connection with these representations may be substantial. In these cases, the Firm's compensation is usually a flat fee that is contingent, in substantial part, upon a purchase. Accordingly, the Firm may have an incentive to direct an acquisition opportunity to one of these parties rather than to the Advisory Accounts or to form a consortium with one or more of these parties to bid for the acquisition opportunity, thereby eliminating or reducing the investment opportunity available to the Advisory Accounts. Furthermore, the Firm may seek to provide acquisition financing to one or more other bidders in these auctions, including in situations where an Advisory Account is bidding for the asset. Moreover, the Firm may provide financing to an Advisory Account in situations where it is also offering financing to one or more other bidders. When the Firm represents a buyer seeking to acquire a particular business, or provides financing to a buyer in connection with an acquisition, the Advisory Accounts may be precluded from participating in the financing of the acquisition of that business. The Firm's buyer and financing assignments may include representation of clients who would not permit either the Firm or affiliates thereof, potentially including the Advisory Accounts, to invest in the acquired company. In this case, none of GS Merchant Banking or its affiliates, including the Advisory Accounts, would be allowed to participate as an investor. In some cases, a buyer represented by the Firm may invite GS Merchant Banking and certain Advisory Accounts to participate in the investment. Alternatively, GS Merchant Banking and certain Advisory Accounts may be invited to provide financing for this type of purchase. Each of these situations is likely to present difficult competing considerations involving conflicts of interest. In addition, the Firm may accept buyer advisory assignments in respect of a company in which the Advisory Accounts have an investment. The Advisory Accounts may be precluded from selling their investment during the assignment. The Firm evaluates potential buyer assignments in light of factors similar to those that will be considered in engaging in seller assignments.

## **Advisory and Underwriting Fees: Other Activities**

The Advisory Accounts may make investments in Portfolio Companies to which the Firm is providing or competing to provide financial services, including as a broker, asset manager, lender, financial advisor, merger advisor, placement agent, underwriter, selling agent or arranger of hedging transactions. Services for advisory fees may range from general corporate financial advice to restructuring advice to merger and acquisition representation. The Firm's compensation in connection with providing these services may be substantial. Except as provided in the Offering Materials of certain Advisory Accounts, the Advisory Accounts do not receive any portion of the foregoing fees, or other fees received by the Firm for its services, whether or not the investment by GS Merchant Banking and certain Advisory Accounts was a factor in selecting the Firm to provide services. In addition, as affiliates of the Firm, which is a regulated entity, the Advisory Accounts' activities may be subject to certain limitations that may not be applicable to an investor unaffiliated with a regulated entity. For instance, in connection with an equity offering of securities of a Portfolio Company for which the Firm is acting as an underwriter, the Advisory Accounts may, in certain instances, be subject to regulatory restrictions (in addition to contractual restrictions) on their ability to sell equity securities of the Portfolio Company for a period after completion of the offering.

## **Principal, Agency Cross and Other Transactions**

To the extent permitted by applicable law and GS Merchant Banking policy, GS Merchant Banking, acting on behalf of the Advisory Accounts, may enter into transactions in securities and other instruments with or through the Firm and cause the Advisory Accounts to engage in cross and / or agency cross transactions. There may be potential conflicts of interest or regulatory issues relating to these transactions which could limit GS Merchant Banking's decision to engage in or recommend these transactions for the Advisory Accounts. See Item 8 "*Limited Partner Advisory Committees*" above.

Principal transactions occur if an Advisory Account engages in a transaction in securities or other instruments with the Firm, acting as principal. The Firm may earn compensation (such as spread or markup) in connection with these transactions. Cross transactions occur if an advisory account of the Firm buys



securities or other instruments from, or sell securities or other instruments to, another advisory account of the Firm. An agency cross transaction occurs when the Firm acts as broker for, and receives a commission from, both the advisory account on one side of the transaction and the person on the other side of the transaction in connection with the purchase or sale of securities. The Firm may have a potentially conflicting division of loyalties and responsibilities to the parties to such transactions, and has developed policies and procedures in relation to such transactions and conflicts. Any principal, cross or agency cross transactions will be effected in accordance with fiduciary requirements and applicable law (which include disclosure and consent). See Item 8 “*Advisory Account Consent Requirements*.”

Cross transactions may also occur in connection with the offering of co-investment opportunities to an advisory account of the Firm following the acquisition of an investment by another Advisory Account. In these cases, such advisory account that is offered the co-investment opportunity may purchase a portion of the investment acquired by another advisory account of the Firm. The price at which an advisory account of the Firm acquires an investment in connection with a co-investment opportunity may be based upon cost and may include an interest component or may reflect adjustments to the value of the investment following acquisition by the selling Advisory Account or other advisory account of the Firm. In addition, cross transactions may occur where the Firm causes an advisory account of the Firm to acquire all or a portion of the interests in one or more portfolio companies from another advisory account of the Firm (including situations where a new advisory account is organized by the Firm solely for this purpose) or merge an existing portfolio company of an Advisory Account with the Firm with a portfolio company of another advisory account of the Firm. Such transactions may lead to a conflict of interests because the Firm controls the advisory accounts and / or portfolio company on each side of such transaction.

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

### **Investment Advisory Clients**

The Firm acts as advisor to clients, including other investment partnerships, in asset management, investment management and other capacities with respect to investments in securities of a company in which the Advisory Accounts may have an investment. The Firm’s asset management and investment management activities will generally be carried out without reference to Portfolio Companies or positions held by the Advisory Accounts or Portfolio Companies or entities in which the Advisory Accounts have invested. The Firm may give advice and take action with respect to any of its clients or investment accounts that may differ from the advice given, or may involve a different timing or nature of action taken, than with respect to the Advisory Accounts. Because of different objectives or other factors, a particular investment may be bought or sold by the Advisory Accounts, the Firm or its other investment funds or vehicles, clients, or the employees of the Firm at a time when one of these persons or entities is selling or purchasing the investment.

### **Lending and Loan Syndication: Investments in Different Parts of an Issuer’s Capital Structure**

Certain of the Firm’s affiliates operate in the debt markets, including the leveraged finance markets, and are active arrangers 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 the Firm 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 the Firm or its affiliates, 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 the Firm and the Firm 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.

The Firm is engaged in the business of making, underwriting and syndicating, buying, selling and trading senior secured debt, other debt and junior securities to corporate and other borrowers, and seeks to provide these services to Advisory Accounts and Portfolio Companies. For instance, Portfolio Companies may borrow money from the Firm and / or the Firm may arrange or underwrite bank or high-yield financing used by Portfolio Companies. In certain circumstances, the Firm may be the sole provider of financing to a Portfolio Company. In addition, the Firm is the sponsor of (and some of the Advisory Accounts are) investment partnerships specializing in senior secured loan investments and mezzanine investments, which may make senior secured loan and / or mezzanine investments in Portfolio Companies alongside the Advisory Accounts or otherwise, and certain Advisory Accounts will make such senior secured loan or mezzanine investments in the Portfolio Companies of other Advisory Accounts.

The Firm and / or Advisory Accounts, on the one hand, and a particular Advisory Account, on the other hand, may invest in different parts of the capital structure of a single issuer. As a result, the Firm and / or Advisory Accounts may take actions that adversely affect another Advisory Account. In addition, in certain circumstances the Firm (including GS Merchant Banking) will advise Advisory Accounts with respect to different parts of the capital structure of the same issuer, or classes of securities that are subordinate or senior to securities, in which a particular Advisory Account invests. In certain circumstances, the Firm will 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 some Advisory Accounts and such actions (or restraining of action) will have a material or adverse effect on one or more other Advisory Accounts. For example, in the event that the Firm or an Advisory Account holds loans, securities or other positions in the capital structure of an issuer that ranks senior in preference to the holdings of a particular Advisory Account in the same issuer, and the issuer experiences financial or operational difficulties, the Firm (acting on behalf of itself or the Advisory Account) may seek a liquidation, reorganization or restructuring of the issuer, or terms in connection with the foregoing, that may have an adverse effect on or otherwise conflict with the interests of the particular Advisory Account's holdings in the issuer. Alternatively, in situations in which an Advisory Account holds a more senior position in the capital structure of an issuer experiencing financial or other difficulties as compared to positions held by other Advisory Accounts (which may include those of the Firm), GS Merchant Banking may determine not to pursue actions and remedies that may be available to the Advisory Account or enforce particular terms that might be unfavorable to the Advisory Accounts holding the less senior position. In addition, in the event that the Firm or the Advisory Accounts hold voting securities of an issuer in which a particular Advisory Account holds loans, bonds or other credit-related assets or securities, the Firm or the Advisory Accounts may vote on certain matters in a manner that has an adverse effect on the positions held by the Advisory Account. Conversely, Advisory Accounts may hold voting securities of an issuer in which the Firm or Advisory Accounts hold credit-related assets or securities, and GS Merchant Banking may determine on behalf of the Advisory Accounts not to vote in a manner adverse to the Firm or the Advisory Accounts (including by abstaining from the relevant vote or voting in line with other *pari passu* investors in the same debt tranche).

These potential issues are examples of conflicts that the Firm will face in situations in which Advisory Accounts, and the Firm or other Advisory Accounts, invest in or extend credit to different parts of the capital structure of a single issuer. The Firm has adopted procedures to address such conflicts; however, no assurance can be made that these procedures will have their desired effect. The particular procedures employed will depend on the circumstances of particular situations. For example, the Firm may determine to rely on information barriers between different Firm business units or team separation procedures. GS Merchant Banking may have the right, in its sole discretion, to utilize, on a case-by-case basis, the Limited Partner Advisory Committee of an Advisory Account or other persons to provide advice or consent with respect to one or more transactions or actions. See Item 8 “*Advisory Account Consent Requirements*.” The Firm may determine to rely on the actions of similarly situated holders of loans or securities rather than taking such actions itself on behalf of the Advisory Account.

As a result of the various conflicts and related issues described above and the fact that conflicts will not necessarily be resolved in favor of the interests of particular Advisory Accounts, Advisory Accounts could sustain losses during periods in which the Firm and other Advisory Accounts achieve profits generally or with respect to particular holdings in the same issuer, or could achieve lower profits or higher losses than would have been the case had the conflicts described above not existed. The negative effects described above may be more

pronounced in connection with transactions in, or Advisory Accounts utilizing, small capitalization, emerging market, distressed or less liquid strategies.

In connection with a restructuring of a financially distressed investment, the equity interests in the asset may be extinguished or substantially diluted while the creditors may receive a recovery of some or all of the amounts due to them and may receive equity interests in the company. In this regard, as a debt holder in an asset subject to a restructuring, the Firm and / or Advisory Accounts may recover amounts owed to them while other Advisory Accounts' equity interests may be extinguished or substantially diluted. In addition, in connection with lending arrangements involving a Portfolio Company, the Firm may seek to exercise its creditors' rights under the applicable loan agreement or other document, which may be detrimental to equity holders, including other Advisory Accounts.

### **Considerations Relating to Information Held by GS Merchant Banking**

The Firm and GS Merchant Banking has established certain information barriers and other policies to address the sharing of information between different businesses within GS Merchant Banking and the Firm. Accordingly, certain Advisory Accounts will not have access to, or will have limited access to, certain information and personnel in other areas of the GS Merchant Banking and the Firm (including senior professionals in GS Merchant Banking) relating to business transactions for clients (including transactions in investing, banking, prime brokerage and certain other areas). There may also be circumstances in which, as a result of information held by certain portfolio management teams in GS Merchant Banking, GS Merchant Banking limits an activity or transaction for Advisory Accounts, including Advisory Accounts managed by portfolio management teams other than the team holding such information.

In addition, regardless of the existence of information barriers, the Firm will not have any obligation or activities, strategies or views, or the activities, strategies or views used for other Advisory Accounts or Co-Invest Mandates. Furthermore, to the extent that GS Merchant Banking has access to fundamental analysis and proprietary technical models or other information developed by the Firm and its personnel, or other parts of GS Merchant Banking, GS Merchant Banking will not be under any obligation or other duty to effect transactions on behalf of Advisory Accounts in accordance with such analysis and models. In the event the Firm or GS Merchant Banking elects not to share certain information with Advisory Accounts, such Advisory Accounts may make investment decisions that differ from those they would have made if the Firm or GS Merchant Banking had provided such information, which may be disadvantageous to the Advisory Account.

Furthermore, different areas of GS Merchant Banking and the Firm may take views, and make decisions or recommendations, that are different than other areas of GS Merchant Banking and the Firm. Different portfolio management teams within GS Merchant Banking may make decisions based on information or take (or refrain from taking) actions with respect to Advisory Accounts they advise in a manner that may be different than or adverse to other Advisory Accounts. Such teams may not share information with other portfolio management teams within GS Merchant Banking (or other areas of the Firm), including as a result of certain information barriers and other policies, and will not have any obligation or duty to do so.

From time to time, an Advisory Account, GS Merchant Banking or the Firm and / or their service providers or agents are required, or may determine that it is advisable, to disclose certain information about an Advisory Account, including, but not limited to, investments held by the Advisory Account, and the names and percentage interest of beneficial owners thereof, to third parties, including Advisers, local governmental authorities, regulatory organizations, taxing authorities, markets, exchanges, clearing facilities, custodians, brokers and trading counterparties of, or service providers to, GS Merchant Banking, the Firm or the Advisory Account. Unless agreed in the agreement governing the Advisory Account or otherwise directed by a client, GS Merchant Banking will comply with requests to disclose such information as it so determines, including through electronic delivery platforms.

## **Diverse Interests**

An Advisory Account and its respective investors, including the Firm, may have conflicting investment, tax and other interests with respect to the investments made by the Advisory Account. Conflicts of interest may arise in connection with decisions made by the Advisory Account, including with respect to the nature or structuring of investments. In selecting and structuring investments, GS Merchant Banking will generally consider investment objectives of the Advisory Account as a whole but will not consider the impact of an investment on any individual investor in an Advisory Account. As a result, certain investments may be more beneficial for one type of investor than for another type of investor.

## **Representing Creditors and Debtors**

The Firm may 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, the Firm may serve on creditor or equity committees. These actions, for which the Firm may be compensated, may limit or preclude the flexibility that the Advisory Account may otherwise have to buy or sell securities issued by those companies, as well as certain real estate or other assets. See “*Lending and Loan Syndication; Investments in Different Parts of an Issuer’s Capital Structure*” above.

## **Material, Non-Public Information: Trading Restrictions: Information Not Made Available**

From time to time, the ability of the Advisory Accounts to buy or sell certain securities may be restricted by applicable securities laws or regulatory requirements applicable to the Firm (and / or its internal policies designed to comply with these and similar requirements). As a global financial services company, the Firm may possess material, non-public information about a Portfolio Company or other potential investment that would limit the ability the Advisory Accounts to buy and sell securities related to that Portfolio Company or other potential investment. This may adversely affect the Advisory Account’s ability to make certain investments and / or to sell certain investments. As part of the trading activity of its Advisory Accounts, GS Merchant Banking and / or any of its affiliates has adopted plans, including under SEC Rule 10b5-1 to effect purchases or sales of public company securities or loans over an extended period of time. These plans allow trading under parameters GS Merchant Banking and / or its affiliates determine regardless of information that is held in the future. These plans may limit GS Merchant Banking’s ability to enter into certain purchase or sale transactions on behalf of such Advisory Accounts that they would have otherwise entered into in the absence of such plans.

In addition, the Firm and its representatives may have access to certain information and / or may develop fundamental analyses, proprietary technical models or other investment strategies, opportunities or ideas, for use in connection with other clients or activities, which are not available to the Firm’s personnel advising or otherwise providing services to the Advisory Accounts, to Portfolio Companies or to potential Portfolio Companies. The Firm is under no obligation to and may not disseminate, and in some cases (such as research) may be prohibited from disseminating, information between areas within the Firm, including to GS Merchant Banking.

## **Other Activities of Managers**

GS Merchant Banking and other Firm personnel who play key roles in managing the Advisory Accounts may spend a portion of their time on matters other than or only tangentially related to any particular Advisory Account. Time may be spent on other Firm investment activities, including without limitation, investments made on behalf of the Firm and certain other entities (including SPACs) that are not investment advisory clients of GS Merchant Banking. As a result, the other obligations of these individuals could conflict with their responsibilities to any of the Advisory Accounts. In addition, Goldman Sachs or GS Merchant Banking may determine to move certain personnel, businesses, or business units from one side of an information barrier to the other side of the information barrier. In connection therewith, Goldman Sachs personnel, businesses and business units that were moved will no longer have access to the personnel, businesses and business units on the side of the information barrier from which they were moved.



## **Valuation Matters**

Certain securities and other assets in which an Advisory Account may directly or indirectly invest may not have a readily observable market value and will be valued by GS&Co. in accordance with its valuation principles. These securities and other assets may constitute a substantial portion of the Advisory Account's investments.

Various divisions and units within the Firm are required to value assets, including in connection with managing or advising client or the Firm's accounts and in their capacity as a prime broker. However, GS Merchant Banking values investments made by the Advisory Accounts according to GS Merchant Banking's valuation policies, and there may be situations where assets are valued differently by another division or unit of the Firm, particularly when an asset does not have a readily observable market price. In addition, the valuation of investments is reviewed and approved by an independent control function of the Firm.

The valuation of investments may affect the amount and timing of Carried Interest the Firm receives from an Advisory Account. Generally, the Firm will not receive any Carried Interest from an Advisory Account unless the investors would achieve a preferred return taking into account the amount of distributions that have been made and amounts that would be distributed if all investments were disposed of for their fair values. This may create an incentive for the Firm and GS Merchant Banking to avoid writing down the value of assets that are not readily marketable or difficult to value because the Firm will be in a position to receive Carried Interest earlier. Furthermore, the valuation of investments may affect the ability of GS Merchant Banking to receive Carried Interest or raise successor Advisory Accounts, creating an incentive to determine valuations that are higher than the actual fair value of the investments. In addition, to the extent GS Merchant Banking utilizes third-party vendors to perform certain valuation functions, these vendors have interests and incentives that differ from those of the Advisory Accounts.

## **Allocation of Investment Opportunities: Other Investment Activities of the Firm**

Certain investment opportunities generated by the Firm or which otherwise become available may be appropriate for one or more Advisory Accounts as well as other areas of the Firm, or may be appropriate for co-investment by an Advisory Account. The applicable Investment Committee may determine, in its good faith business judgment, not to pursue all or a portion of an investment opportunity, including opportunities that would be appropriate portfolio investments and not all investment opportunities will be presented to all Advisory Accounts. Allocations of investment opportunities present conflicts of interest, particularly in circumstances where the availability of such investment opportunities is limited, and investment opportunities that are suitable for an Advisory Account may nonetheless be pursued and consummated by other areas of the Firm and / or other Advisory Accounts. Generally, GS Merchant Banking has broad discretion in determining to whom and in what relative amounts to allocate investment opportunities and the methodology for the allocation of investment opportunities between the Firm and the Advisory Accounts, and among Advisory Accounts, may vary over time and on a case-by-case basis, and is determined by the Firm and the applicable Investment Committee (or a subgroup thereof), and the Firm may, but will be under no obligation to, provide co-investment opportunities to any investors in the applicable fund or other Advisory Account. In allocating investment opportunities, including co-investment opportunities, GS Merchant Banking may give preference to investors in the applicable funds or other Advisory Accounts, or investors that have made commitments over a certain threshold, or investors who have committed to multi-strategy arrangements across Advisory Accounts, as opposed to other investors, and may provide such opportunities in connection with a commitment to a fund or other Advisory Account or multi-strategy arrangement. In addition, certain Advisory Accounts may be given the first opportunity to invest, during the period such Advisory Accounts' portfolio restrictions remain effective, in certain investment opportunities. In that regard, GS Merchant Banking is likely to allocate to an Advisory Account any such investment opportunities only to the extent that a prospective investment opportunity exceeds the allocation made to such other Advisory Account or if such other Advisory Account has declined to pursue an investment opportunity. Furthermore, certain investment opportunities sourced by GS Merchant Banking or Goldman Sachs businesses or divisions outside of GS Merchant Banking may be allocated to the Firm for its own account or investment vehicles organized to facilitate investment by its current or former directors, partners, trustees, managers, members, officers, consultants, employees, and their families and related entities, including employee benefit plans in which they participate. In

addition, as a result of information barriers, other areas of the Firm may receive investment opportunities that would otherwise be appropriate investments for an Advisory Account. Additional information about how allocations of investment opportunities are made to an Advisory Account is in the Offering Materials for that Advisory Account.

In allocating investment opportunities among the Advisory Accounts, GS Merchant Banking takes into account a wide variety of factors, including but not limited to, various investment objectives, any relevant contractual provisions, allocation guidelines established by GS Merchant Banking, targeted returns, differences in investment mandates, different levels of investment for different strategies, availability of other investment opportunities, diversification requirements or considerations, suitability requirements, the risk profile of the investment, preferences expressed by investors in the Advisory Accounts, available capital commitments, GS Merchant Banking's perception of the potential co-investment party's interest, the Advisory Accounts' ability to execute on the transaction and the timing of such execution without an adverse effect on the other Advisory Accounts or GS Merchant Banking potentially participating in the investment opportunity, the size of the investment opportunity, investment guidelines and restrictions, the expected duration and terms of any particular Advisory Account's or business area's investment program, the anticipated magnitude of the overall investment program for the then current year and any changes in the rate at which the program is carried out, the composition of the various portfolios individually and as a whole, legal, tax or regulatory considerations, expected future capacity, source of the investment opportunity, whether the investment represents an "add-on" investment, whether an opportunity exists to invest in different layers in the capital structure of a company and whether such Advisory Account is expected to provide expertise or other advantages in connection with a particular investment. In certain circumstances, investment opportunities may be allocated on a pro-rata basis among eligible Advisory Accounts. In addition, in certain instances, the applicable Investment Committee may determine it is beneficial for the Firm and the Advisory Accounts to co-invest in Portfolio Companies because of, among other things, the size of the investment, the ability of the investor to execute on the transaction and / or whether such potential investor is able to assist or provide expertise or other advantage to the Advisory Accounts and / or the portfolio company in connection with the potential transaction or otherwise. In this regard, opportunities in which the Firm, or another investment partnership sponsored by the Firm, is making an investment contemporaneously with an Advisory Account may not be offered exclusively to the Advisory Account. In addition, in exercising its discretion to allocate co-investment opportunities, the Firm may consider whether allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and / or cultivate relationships that may provide longer-term benefits to the Firm, GS Merchant Banking, Advisory Accounts or future Advisory Accounts, or the applicable Portfolio Company, as well as the Firm's evaluation of its past experiences and relationships with the potential co-investor, such as the willingness or ability of such party to respond promptly and / or affirmatively to potential investment opportunities previously offered by GS Merchant Banking. For certain investment opportunities, for administrative purposes the Firm may enter into commitments on behalf of an Advisory Account, on the one hand, and the Firm and another Advisory Account, on the other, and will have the right to assign or transfer all or a portion of these commitments or investments to one or more of these entities in its discretion.

In certain cases, persons or entities who do not have an Advisory Account relationship with GS Merchant Banking receive allocations of opportunities from GS Merchant Banking, and are included in GS Merchant Banking's allocation procedures as if they were Advisory Accounts, even though there is no investment advisory relationship between GS Merchant Banking and such persons or entities. Such cases include, but are not limited to, certain entities to which GS Merchant Banking provides various services, including management and other services in relation to their business strategies and operations (as further described above in Item 7 "*Types of Clients*"), certain entities in which Advisory Accounts have a direct or indirect interest, certain entities with which Advisory Accounts have a business or other relationship, and / or SPACs and certain other entities to which GS Merchant Banking or GS Merchant Banking personnel provide investment-related or other services (which may include serving on governing or advisory boards). Such persons or entities may have investment objectives or business strategies that are the same as or similar to the investment objectives or investment programs of Advisory Accounts, and may seek to make or sell investments in the same securities or other instruments, sectors or strategies as Advisory Accounts. Although a particular investment opportunity may be appropriate for both such a person or entity and an Advisory Account (including without limitation an Advisory Account which has an interest in or relationship with such person or entity), such opportunity may be allocated in whole or in part to the person or entity that does not have an Advisory Account relationship in accordance with GS Merchant Banking's

allocation policies and procedures. In addition, due to regulatory or other considerations, the receipt by the person or entity of an investment opportunity may restrict or limit the ability of a related Advisory Account to receive an allocation of the same opportunity.

Co-investment opportunities may be provided on a case-by-case basis as they arise. The Firm, including GS Merchant Banking, may receive fees, Carried Interest or other compensation in connection with co-investment opportunities. In addition, co-investment opportunities may be acquired at the same time and on the same terms as the funds or other Advisory Accounts making the primary investment, or at different times or on different terms, including in a subsequent sale by one or more of the GS Merchant Banking Funds or other Advisory Accounts to the participants in a co-investment opportunity. Moreover, it is possible that certain terms and fee structures offered to co-investors may be more (or less) favorable to the Firm than those offered to investors in Advisory Accounts, which may incentivize GS Merchant Banking to make more (or less) of such co-investment opportunities available. The allocation of expenses, and in particular broken-deal expenses, with respect to co-investors, including Co-Investment Mandates, is discussed in further detail above in Item 5 “— *Fees and Compensation—Other Fees and Expenses—Allocation of Expenses and Broken-Deal Expenses*”. In addition to allocating co-investment opportunities on a case-by-case basis as they arise as described above, GS Merchant Banking may determine to provide priority rights with respect to future co-investment opportunities generally to certain investors or other persons, pursuant to commitments, arrangements or agreements between GS Merchant Banking and investors or other persons or through the formation of one or more funds or other vehicles in which such investors or other persons would invest.

GS Merchant Banking Employee Funds and / or the Firm’s balance sheet will invest side-by-side with Advisory Accounts which will result in the Advisory Accounts being allocated a smaller share of that investment than would be the case absent the side-by-side investment. In addition, the participation of GS Merchant Banking employees in certain GS Merchant Banking Employee Funds may create an incentive to influence the allocation of an attractive investment opportunity to the GS Merchant Banking Employee Fund, and certain Goldman Sachs employees may have a larger investment in certain GS Merchant Banking Employee Funds relative to other GS Merchant Banking Employee Funds, which may present differing incentives including with respect to allocations of investment opportunities; however, GS Merchant Banking has guidelines designed to address this potential conflict. See “*Investors in Any GS Merchant Banking Employee Fund and Members of Consulting Groups may be Subject to Different Terms and these Terms may be More Favorable*” below.

From time to time, the Advisory Accounts may make, or consider making, an investment in a company in which the Firm, an employee of the Firm or any family member of such employee or another Advisory Account already owns an interest. In addition, GS Merchant Banking may, in its discretion, offer to the Firm’s affiliates and / or third parties (which may include investors in the Advisory Accounts) the opportunity to invest or co-invest in Portfolio Companies on a side-by-side basis or otherwise. An opportunity to co-invest in a Portfolio Company may involve a benefit to the Firm including, without limitation, reallocation of capital, management fees and / or Carried Interest from the co-investment opportunity.

If an investment represents an “add-on” investment opportunity for the Firm or one of these Advisory Accounts, there can be conflicts of interest, including the determination of the economic terms of the new investment. Add-on investment opportunities may be available to Advisory Accounts with no existing investment in the applicable Portfolio Company, creating an incentive to use the assets of one Advisory Account to support investments of the Firm or other Advisory Accounts. In addition, conflicts of interest in recapitalization transactions arise between Advisory Accounts with existing investments in a company and Advisory Accounts making an initial investment in the company, which have opposing interests regarding pricing and other terms. For a description of the types of procedures the Firm and Advisory Accounts may employ to address these conflicts of interest, see Item 8 “—*Limited Partner Advisory Committees*.”

Advisory Accounts may also participate in leveraging, recapitalization, and similar transactions involving companies in which other Advisory Accounts have invested or will invest. Conflicts of interest in these and other transactions arise between Advisory Accounts with existing investments in a company and Advisory Accounts making subsequent investments in the company, which may have opposing interests regarding pricing and other terms. The subsequent investments may dilute or otherwise adversely affect the interests of the previously-invested Advisory Accounts.

In the course of investing in a Portfolio Company, GS Merchant Banking may cause one or more of its Advisory Accounts to make (or commit to make), an investment in such Portfolio Company with the intent to sell a portion of such investment to co-investors prior to or within a period after the closing of the acquisition. In this situation, Advisory Accounts will bear the risk that GS Merchant Banking may not be successful in selling such a co-investment opportunity to potential co-investors, and that, as a result, the applicable Advisory Accounts will bear the entire portion of any broken-deal expenses and other costs and expenses related to such investment or hold a greater concentration and have greater exposure in such Portfolio Company than was intended. Moreover, an investment by one or more of its Advisory Accounts which is not sold to co-investors as originally anticipated could reduce or increase the Advisory Accounts' overall investment returns due to concentration. GS Merchant Banking attempts to address such risks by requiring such investments to be in the best interests of its Advisory Accounts, regardless of whether any sell-down ultimately occurs, and GS Merchant Banking will not be deemed to be in breach of any duty or to have violated any other obligation to the Advisory Accounts or any of their respective investors by engaging in such investment and sell-down activities. In connection with any transfer, GS Merchant Banking will determine when to transfer any such investments to such co-investors, which may affect the amount that will be paid to the Advisory Accounts upon the conveyance of such investment to such co-investors.

Advisory Accounts are expected to transact with a variety of counterparties. Some of these counterparties will also engage in transactions with other advisory accounts managed by another part of the Firm. For example, an Advisory Account may purchase assets from a counterparty at the same time the counterparty (or an affiliate thereof) is also negotiating to purchase different assets from another advisory account. This creates potential conflicts of interest, particularly with respect to the terms and purchase prices of the sales. For example, the Firm may receive fees or other compensation in connection with the sale of assets by an advisory account, which creates an incentive to negotiate a higher purchase price for those assets in a transaction where an Advisory Account of GS Merchant Banking is a purchaser. To address these potential conflicts GS Merchant Banking intends to act consistently with its fiduciary obligations in entering into any such transactions.

The Firm conducts principal activities through various areas within the Firm, and the Firm may have a greater financial interest in these areas and / or in various other investment funds, separately managed accounts and other investment vehicles it sponsors and manages than it does in an Advisory Account. Decisions by GS Merchant Banking with respect to the Advisory Accounts' investment in a Portfolio Company and decisions by the Firm with respect to its investment (or the investment of other Advisory Accounts and / or other Firm clients) in the same Portfolio Company, including the timing of any sales, may be made independently and the Firm may make decisions without regard to the best interests of an Advisory Account. For example, the Firm and / or certain Advisory Accounts may invest or dispose of an investment in a particular company prior to or after the time that another Advisory Account invests in or disposes of its investment in the same company, potentially resulting in different rates of return and profit and loss on the investment and, possibly, adverse consequences for the Advisory Account. In other cases, the Advisory Accounts' and the Firm's sales programs and other activities with respect to a Portfolio Company may be coordinated. In addition, an Advisory Account may invest in an investment that the Firm has declined to pursue and the Firm may invest in an investment that an Advisory Account has declined to pursue. Alternatively, there may be investment opportunities or strategies that an Advisory Account will not pursue in light of their potential impact on other areas of the Firm or on Portfolio Companies or be unable to pursue as a result of non-competition agreements or other similar undertakings made by the Firm. At times, the Advisory Accounts and the Firm may be viewed as competing for appropriate investment opportunities. Finally, an Advisory Account may invest or co-invest in companies or other entities in which another Advisory Account has or is making a principal investment at the time of the Advisory Account's investment.

Advisory accounts may be offered access to advisory services through several different businesses of the Firm. Different advisory businesses within the Firm manage advisory 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.



### **Allocation of Personnel, Services and / or Resources**

Conflicts of interest may arise in allocating time, personnel and / or resources of GS Merchant Banking among the investment activities of multiple Advisory Accounts. Further, GS Merchant Banking may devote less time, services or resources to sourcing for investments of insufficient size to be expected to be shared with the other Advisory Accounts, even where such investment opportunities may be in the best interest of an Advisory Account.

### **Investors in Any GS Merchant Banking Employee Fund and Members of Consulting Groups may be Subject to Different Terms and these Terms may be More Favorable**

The terms of an investment in a GS Merchant Banking Employee Fund are typically different from, and may be more favorable than, those of an investment by an external investor in an Advisory Account. In addition, subject to applicable law, the terms of an investment by an employee or former employee or a member of the Consulting Groups will likely differ from, and may be more favorable than, those of an investment by an external investor. For example, such investors, in GS Merchant Banking's discretion, may bear no or reduced management fees or Carried Interest, may share in the Carried Interest as a holder of carried interest interests, may not have their commitments pledged under a subscription facility and may receive capital calls, distributions and information regarding investments at different times than external investors and may receive equity compensation from the underlying Portfolio Company. In addition, certain investors in a GS Merchant Banking Employee Fund may be provided "leverage" by the Firm. In the event of a substantial decline in the value of a GS Merchant Banking Employee Fund'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 external investors. In certain circumstances, subject to applicable law, including the Dodd-Frank Act, the Firm may offer to purchase, redeem or liquidate the interests held by one or more investors in a GS Merchant Banking Employee Fund (potentially on terms advantageous to the GS Merchant Banking Employee Fund investors) or to release one or more investors in a GS Merchant Banking Employee Fund from their obligations to fund capital commitments without offering external investors the same or a similar opportunity. Furthermore, employees of the Firm may also participate in one or more of the investments through a co-investment program or otherwise, which also may affect alignment of interests.

### **Side Letters or Similar Agreements**

GS Merchant Banking expects, subject to applicable law and Firm policies, to enter into confidential side letters or similar agreements or other arrangements with certain investors, without the approval or vote of any other investor, that amend, modify or supplement the economic, legal or other terms of, the Offering Materials with respect to those investors. GS Merchant Banking will consider many factors in deciding whether to grant investors in an Advisory Account customized terms via a confidential side letter or similar agreement or other arrangement, and it expects to grant preferential treatment to the following types of investors: (a) investors that have made or have proposed to make relatively large commitments to the Advisory Account, (b) investors that provide leverage to the Advisory Account, (c) investors that have a multi-strategy or multi-asset class investment program with the Firm, (d) investors that are subject to specific legal, tax or regulatory status or other requirements or policies applicable to them and (e) other investors meeting other criteria GS Merchant Banking considers reasonable in its discretion. These agreements may involve, among other matters: (i) different economic arrangements based upon the size or timing of capital commitments; (ii) certain investors receiving customized information and reporting in addition to or more expeditiously than information and reporting received by other investors; (iii) agreements to permit representatives of certain investors to serve on a Limited Partner Advisory Committee and to permit the Limited Partner Advisory Committee to hire external counsel and other advisors; (iv) rights to sell or transfer interests in the applicable Advisory Account; (v) assistance reselling securities or other property distributed by such Advisory Account; (vi) provisions necessary to comply with particular tax, legal, regulatory, public policy or other considerations; (vii) excuse or exclusion rights applicable to particular investments or withdrawal rights from the investment vehicle (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, future investments, and reduce the overall size of the Advisory Account); (viii) the offering of or acknowledgement of interest in co-investment opportunities; (ix) waiver of certain confidentiality obligations and the right to disclose certain information to underlying investors, to the public or to regulators, (x) requirements in respect of distributions required to be returned by such investors in respect of the obligations of

such Advisory Account; (xi) additional rights or terms provided to certain investors who provide leverage to the Advisory Account; (xii) different arrangements with respect to the indemnification obligations of investors, (xiii) modifications to the investor's subscription agreement; (xiv) waiver or modification of certain obligations relating to information and documentation that limited partners might be required to provide to third parties, including lenders; and (xv) limit on the amounts required to be funded to cover shortfalls due to an excuse or a default of an investor.

### **Personal Investing**

GS Merchant Banking personnel are subject to the Firm's policies and procedures regarding personal investing. GS Merchant Banking requires pre-clearance of all personal securities transactions, both public and private, by GS Merchant Banking personnel and GS Merchant Banking can deny any such transaction in its discretion. In order to address potential conflicts of interest with the Advisory Accounts and other legal and regulatory restrictions (such as when GS Merchant Banking has confidential information about a Portfolio Company), the Firm maintains a list of securities in which GS Merchant Banking personnel cannot trade. Additionally, as of September 2014, GS Merchant Banking generally does not allow its personnel to purchase securities of single-name public issuers.

### **Transactions with Investors**

GS Merchant Banking or the Firm from time to time may engage in transactions with prospective and actual investors that entail business benefits to such investors. Such transactions may be entered into prior to or coincident with an investor's admission to an Advisory Account or during the term of their investment. The nature of such transactions can be diverse and may include benefits relating to one or more Advisory Accounts and their respective Portfolio Companies.

### **Interpretation of Governing Documents**

The Offering Materials of each Advisory Account and related documents are detailed agreements that establish complex arrangements among GS Merchant Banking, the investors, the Advisory Account, the general partner and other entities and individuals. Questions may arise from time to time under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, may be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While the relevant agreements will be construed in good faith and in a manner consistent with applicable legal obligations, the interpretations adopted will not necessarily be, and need not be, the interpretations that are the most favorable to the Advisory Accounts or their investors.

## **Item 12 - BROKERAGE PRACTICES**

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### **Broker-Dealer Selection; Aggregation of Trades; No Ability to Rely on the Credit of Goldman Sachs**

Under the Investment Advisers Act of 1940 (the "Advisers Act"), GS&Co., through GS Merchant Banking, has a fiduciary duty to receive best execution from broker-dealers executing trades on behalf of the Advisory Accounts. One key factor in determining best execution is price, which also includes implicit and explicit costs (such as commissions, commission equivalents and markup / markdown). Other key factors include a broker-dealer's execution capability, track record, financial stability, creditworthiness and clearance and settlement capability, as well as overall responsiveness and quality of service and confidentiality. When selecting or recommending broker-dealers, GS Merchant Banking does not consider whether GS Merchant Banking or any of its affiliates receives client referrals from that broker-dealer.

GS Merchant Banking executes orders for purchases or sales of publicly traded securities on behalf of multiple Advisory Accounts. Any trades made on behalf of multiple Advisory Accounts are aggregated and placed with one or more broker-dealers for execution. Partially executed orders are allocated pro-rata in accordance with the

number of securities sought to be purchased or sold by each Advisory Account. GS Merchant Banking does not net buy and sell orders for the same Advisory Account if netting is not appropriate or practicable from GS Merchant Banking's operational or other perspective.

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

## **Item 13 - REVIEW OF ACCOUNTS**

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### **General Description**

At least quarterly, GS Merchant Banking reviews the valuation of investments in the Advisory Accounts, and throughout the year monitors transactions that may affect valuations. Items which may impact the valuation of each investment include, but are not limited to: operating performance, financial strength and stability, market or industry dynamics, potential exit strategies, third-party independent appraisals, public comparables and broker or dealer quotations (if the investment is quoted on a public trading market).

### **Client Reports**

GS Merchant Banking generally provides investors in a GS Merchant Banking Fund annual audited financial statements, and may provide other periodic reports. GS Merchant Banking generally provides Advisory Account clients with written reports on at least an annual basis, as set forth in the Advisory Account's advisory agreement. These reports may include, among other things, a summary of activity in the Advisory Account, including transactions made on behalf of the Advisory Account, contributions and withdrawals made by the Advisory Account, a summary of holdings including a portfolio valuation, and the change in value of the Advisory Account during the reporting period.

## **Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

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### **Compensation for Client Referrals**

From time to time, GS Merchant Banking may make payments to affiliated and unaffiliated persons of GS Merchant Banking for referrals or recommendations of Advisory Accounts or other products in accordance with applicable laws. It is expected that the amounts of any such payments may differ for each particular case.

## **Item 15 – CUSTODY**

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GS&Co. is generally deemed to have custody of the investments made by the GS Merchant Banking Funds. In accordance with the Advisers Act, GS&Co. generally sends audited financial statements to investors in the GS Merchant Banking Funds within 120 calendar days of the end of the calendar year. In addition, GS&Co. may either act as custodian to a Co-Investment Mandate or may be deemed to have custody of the assets of a Co-Investment Mandate where GS Merchant Banking has discretion over the Co-Investment Mandate. In such a case and in accordance with the Advisers Act, where GS&Co. has custody or may be deemed to have custody of the assets of a Co-Investment Mandate, GS&Co. will (i) cause the custodian of the Co-Investment Mandate (which may be GS Merchant Banking or a third party) to send account statements (at least quarterly) to the Co-Investment Mandate (which the clients are encouraged to carefully review and compare to the account statements that they receive from GS Merchant Banking) and (ii) subject such Co-Investment Mandate to an annual surprise custody examination performed by an independent public accountant.

## **Item 16 - INVESTMENT DISCRETION**

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GS&Co. acts as the investment manager to each Advisory Account in accordance with the authority granted under the Offering Materials of the Advisory Account. GS&Co. seeks to manage the Advisory Account's investments in accordance with the investment objectives set forth in the Advisory Account's offering materials and advisory agreements. Investors in Co-Investment Mandates may impose investment guidelines relating to their accounts or may retain certain control with respect to assets held in their accounts. The GS Merchant Banking Funds are generally managed on a discretionary basis. Non-discretionary accounts determine whether to invest in any investments sourced by GS Merchant Banking.

## **Item 17 - VOTING CLIENT SECURITIES**

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### **Proxy Voting Policies**

GS Merchant Banking generally has the authority to vote the securities held by all of the Advisory Accounts, which in certain cases may be revoked by an investor due to regulatory considerations. GS Merchant Banking's guiding principles are to make proxy voting decisions that (i) tend to maximize the long term value of an Advisory Account's investment and (ii) minimize the impact of conflicts of interest. In evaluating investor-voting proposals, GS Merchant Banking may consider information from a variety of sources, including, without limitation, management of the entity presenting a proxy proposal, shareholder groups, and / or independent proxy research services. In all cases, however, the ultimate decision on how to vote a proxy rests with the relevant GS Merchant Banking investment professionals based upon their assessment of the particular transactions or other matters at issue. Investors may contact GS Merchant Banking to obtain information about how securities in the Advisory Accounts were voted and to obtain a copy of GS Merchant Banking's proxy voting policy.

Material conflicts of interest between GS Merchant Banking and an Advisory Account with respect to proxy voting (which are not otherwise addressed by the guidelines) are typically resolved as follows:

- GS Merchant Banking may disclose the conflict of interest to the Advisory Accounts and obtain the written consent of the Advisory Account, before voting. When seeking this consent, GS Merchant Banking must provide the client with all pertinent information, including the nature of GS Merchant Banking's conflict; or
- GS Merchant Banking may abstain from voting the proxies or vote the proxies in accordance with the recommendation of an independent third party such as Institutional Shareholder Services; or
- GS Merchant Banking may take any other steps as it deems appropriate that result in a decision to vote the proxies that is based on the Advisory Account's best interest.

## **Item 18 - FINANCIAL INFORMATION**

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GS Merchant Banking has not attached a balance sheet because GS Merchant Banking is a division of GS&Co., which is a qualified custodian. GS&Co. has no financial condition that impairs GS Merchant Banking's ability to meet contractual commitments to clients and has never been the subject of a bankruptcy proceeding.



## GLOSSARY

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

**“Advisers Act”** means the Investment Advisers Act of 1940.

**“Advisory Account”** means the GS Merchant Banking Funds and / or the Co-Investment Mandates sponsored, managed or advised by GS Merchant Banking, as the context requires.

**“Agencies”** means the U.S. federal bank regulatory agencies.

**“AIFM”** means an alternative investment fund manager.

**“AIFMD”** means the EU Alternative Investment Fund Managers Directive 2011/61/EU AIFMD.

**“Annex I List”** means the EU’s Annex I list of non-cooperative jurisdictions for tax purposes.

**“Asset Management Division”** means the asset management division of Goldman Sachs.

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

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

**“Brochure”** means GS&Co.’s Form ADV, Part 2A, Merchant Banking Business Brochure.

**“Carried Interest”** means an incentive allocation or incentive fee (including performance fees and carried interest) received by the Firm and / or its employees, directly or indirectly, from an Advisory Account based on the satisfaction of certain performance thresholds by such Advisory Account.

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

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

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

**“Co-Investment Mandates”** means investment mandates other than GS Merchant Banking Funds, including separately managed accounts, multi-strategy arrangements, co-investment opportunities (on a deal-by-deal basis) and co-investment vehicles for individual investors or individual investments, offered through GS Merchant Banking or other parts of the Firm.

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

**“Combined Businesses”** means GS Merchant Banking, GSSG, the Principal Strategic Investment Group, the PRE and the Realty Management Division.

**“Consulting Groups”** means groups, committees or councils formed by GS Merchant Banking with respect to certain Advisory Accounts whose members include and are expected to include advisors, consultants or other persons who, in the judgment of GS Merchant Banking, are expected to add value to such Advisory Accounts’ and / or Portfolio Companies’ activities by virtue of their association with the Firm, such Advisory Accounts and / or Portfolio Companies, including existing or prospective Portfolio Companies.

**“Control-Side Professionals”** means a professional from a non-revenue generating division of the Firm, including GS Merchant Banking Compliance, GS Merchant Banking Legal, GS Merchant Banking Tax, GS Controllers, and GS Credit Risk.

**“Covered Fund”** means a private equity fund, hedge fund or other fund that relies solely on Section 3(c)(1) or 3(c)(7) of the Investment Company Act.

**“Data Parties”** means the Advisory Accounts, GS Merchant Banking, and / or their respective affiliates, Portfolio Companies and other investments.

**“Dodd-Frank Act”** means the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act.

**“EEA”** means the European Economic Area (comprising the EU as well as Iceland, Liechtenstein and Norway).

**“EHS”** means statutes, rules and regulations relating to environmental protection, human health and safety.

**“Environmental and Climate Solutions Investments”** means investments in environmental and climate solutions.

**“EU”** means the European Union.

**“Exchange Act”** means the Securities Exchange Act of 1934, as amended.

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

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

**“FCPA”** means the U.S. Foreign Corrupt Practices Act.

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

**“Firm”** means The Goldman Sachs Group, Inc. and its affiliates.

**“FIRRMA”** means Foreign Investment Risk Review Modernization Act of 2018.

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

**“GS Merchant Banking”** means the Merchant Banking Business of GS&Co.

**“GS Merchant Banking Code”** means the GS Merchant Banking Code of Ethics.

**“GS Merchant Banking Employee Access Funds”** means access funds raised for the benefit of the Firm’s employees that invest in, or alongside, the Advisory Accounts.

**“GS Merchant Banking Employee Funds”** means funds raised for the benefit of the Firm’s employees that invest in, or alongside, the Advisory Accounts.

**“GS Merchant Banking Funds”** means multi-asset pooled investment vehicles that have been privately placed and have not been registered under the Investment Company Act of 1940.

**“GS&Co.”** means Goldman Sachs & Co. LLC, the Investment Adviser.

**“GSRM”** means Goldman Sachs Realty Management, LLC.

**“GSSG”** means Global Special Situations Group.

**“Infrastructure Investments”** means certain GS Merchant Banking investments related to infrastructure assets or companies.

**“Investment Committee”** means an investment committee comprised of senior professionals in GS Merchant Banking and other senior Control-Side Professionals within the Firm involved in the process of GS Merchant Banking investing in or lending to a target company or borrower.

**“Investment Team”** means a team of investment professionals involved in the process of GS Merchant Banking investing in or lending to a target company or borrower.

**“IRS”** means the Internal Revenue Service.

**“ISDA”** means the International Swaps and Derivatives Association.

**“Leveraged Lending Guidance”** means the supervisory guidance outlining principles related to leveraged lending activities for U.S. financial institutions released by the Agencies.

**“Limited Partner Advisory Committee”** means a limited partner advisory committee of an Advisory Account.

**“LPAC Members”** means members of a Limited Partner Advisory Committee.

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

**“Multi-Strategy Annual Fund”** means an investment vehicle formed each calendar year principally to participate in investments made during such calendar year by other Advisory Accounts.

**“Multi-Strategy Arrangements”** means special arrangements between GS Merchant Banking and investors as part of a multi-strategy or multi-asset class investment program established for one or more single investors and / or structured as a commingled investment vehicle for multiple investors or otherwise.

**“Multi-Strategy Investment Vehicle”** means an investment vehicle established for one or multiple investors as part of a Multi-Strategy Arrangement.

**“MSI”** means the MSI desk of GS Merchant Banking.

**“OCC”** means the Office of the Comptroller of the Currency.

**“Offering Materials”** means the offering materials, governing agreements and / or other Advisory Account correspondence applicable to an Advisory Account.

**“Overhead Costs”** means a department’s fully loaded costs, which include the relevant department’s employee compensation and benefit costs, occupancy costs and support services costs (which may include an allocation for compliance, technology, human resources, debt servicing and senior management personnel, among others).

**“OZ Reform Act”** means the bills introduced by Senator Ron Wyden (D-Oregon) and Representative Jim Clyburn (D-South Carolina) proposing changes to the OZ Rules.

**“OZ Rules”** means the Code and the provisions of the TCJA and the rules promulgated thereafter, in each case, relating to the treatment of an Advisory Account as a QOF.

**“Participating Affiliates”** means foreign affiliated advisers of GS&Co. that are not registered with the SEC as investment advisers but may provide advice to GS Merchant Banking for use for the Advisory Accounts.

**“Portfolio Company”** means any entity in which an Advisory Account has made a debt or equity investment and includes real estate assets and other assets held directly by an Advisory Account.

**“Private Wealth Management”** means GS&Co’s private wealth management group.

**“PRE”** means the Private Real Estate Group.

**“QOF”** means a qualified opportunity fund as such term is used in the OZ Rules.

**“QOF Program”** means the qualified opportunity fund program enacted by the TCJA.

**“QOZs”** means designated “qualified opportunity zones.”

**“Renewable Energy Project”** mean a renewable energy project.

**“REIT”** means a real estate investment trust.

**“SEC”** means the United States Securities and Exchange Commission.

**“SFDR”** means the European Union Sustainable Finance Disclosure Regulation.

**“SPAC”** means a special purpose acquisition vehicle.

**“Technology Investments”** means investments in the technology sector.

**“TCJA”** means the Tax Cuts and Jobs Act of 2017.

**“TMK”** means a special purpose structure known as a *tokutei mokuteki kaisha*.

**“TK”** means a special purpose acquisition structure known as the *tokumei kumiai*.

**“TK Operator”** means the exclusive manager of a TK.

**“UK”** means the United Kingdom.

**“Volcker Rule”** means Section 619 of the Dodd-Frank Act, together with the final regulations promulgated thereunder.

**“Volcker Rule Regulators”** means the Federal Reserve, the OCC, the FDIC, the CFTC and the SEC.

**“Workforce Housing”** means at-risk and underperforming workforce and affordable housing.