



Personal  
Financial  
Management

---

**Wrap Fee Program Brochure**  
*for*

**United Capital Financial GS PFM, LLC d/b/a Goldman Sachs Personal Financial Management**

620 Newport Center Drive, Suite 500  
Newport Beach, CA 92660  
(949) 999-8500  
[www.goldmanpfm.com](http://www.goldmanpfm.com)

**This Wrap Fee Program Brochure provides information about the qualifications and business practices relating to Goldman Sachs Personal Financial Management (“GS PFM”). If you have any questions about the contents of this Wrap Fee Program Brochure, please contact your GS PFM advisor team at the number provided on your monthly statement or call (949) 999-8500. The information in this Wrap Fee Program Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Investment adviser registration does not imply a certain level of skill or training.**

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

**March 31, 2022**

---

A separate brochure has been prepared for GS PFM’s financial planning and investment management services. For ease of reference, capitalized terms that are defined in this Wrap Fee Program Brochure are also set forth in the Glossary.

## **ITEM 2 - MATERIAL CHANGES**

---

Since our last annual update of this Wrap Fee Program Brochure dated March 30, 2021, there were no material changes.

- As of 2022, GS PFM no longer makes Wrap Fee pricing available to new clients. Existing accounts in the Wrap Fee program will continue to receive Wrap Fee pricing unless otherwise notified by GS PFM in writing.
- GS PFM's primary office will move to 4000 MacArthur Blvd., 10<sup>th</sup> Floor Newport Beach, CA 92660 on or about April 22, 2022.

GS PFM clients are encouraged to read this Wrap Fee Program Brochure and GS PFM's Form ADV 2A ("Advisory Brochure") in detail and contact their GS PFM advisor team with any questions. GS PFM's Advisory Brochure is located at <https://adviserinfo.sec.gov/firm/summary/134600>.

### **ITEM 3 - TABLE OF CONTENTS**

---

ITEM 4 - SERVICES, FEES AND COMPENSATION .....	4
ITEM 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS.....	12
ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION.....	13
ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS .....	25
ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS .....	25
ITEM 9 - ADDITIONAL INFORMATION .....	25
GLOSSARY	

## ITEM 4 - SERVICES, FEES AND COMPENSATION

---

### A. Introduction

This Wrap Fee Program Brochure describes the investment advisory services offered by United Capital Financial GS PFM, LLC, doing business as Goldman Sachs Personal Financial Management (“GS PFM”), utilizing wrap fee pricing in advisory accounts with GS PFM (“Wrap Advisory Accounts”). While some legacy clients may still have Wrap Advisory Accounts, such accounts are no longer available to new GS PFM clients. For more information related to GS PFM’s current advisory and non-advisory services, please review GS PFM’s Advisory Brochure located at <https://adviserinfo.sec.gov/firm/summary/134600>.

### B. General Description of GS PFM’s Services

GS PFM has been a registered investment adviser with the SEC since 2005. Its principal office is located in Newport Beach, California. GS PFM has regional office locations throughout the United States (“Regional Offices”) which are described in more detail at [www.goldmanpfm.com](http://www.goldmanpfm.com). While not separate legal entities, GS PFM offers its services through business lines titled *United Capital Financial Life Management<sup>SM</sup>*, *United Capital Private Wealth Counseling<sup>SM</sup>*, or *United Capital* followed by the name of a regional location. GS PFM also provides technology platform and related consulting to independent investment advisers under the name *FinLife Partners*.

Generally, GS PFM provides financial planning (“Financial Planning”), also sometimes referred to as Financial Guidance, and/or investment management (“Investment Management”) services nationally to a wide-ranging client base based on each client’s individual needs and circumstances. GS PFM typically makes Financial Planning services available together with Investment Management, but clients may also opt to only engage GS PFM for Financial Planning services. GS PFM financial advisors (“Financial Advisors”) located in Regional Offices work with clients to understand each client’s risk tolerance, investment objectives, and investment attribute preferences, and to determine an appropriate asset portfolio allocation and portfolio construction, as applicable. GS PFM does not provide legal, tax, or accounting advice or services. In addition to Financial Planning and Investment Management services, GS PFM also makes available to clients certain non-investment advisory services. Such non-investment advisory services may be provided, in whole or in part, through GS PFM affiliates or unaffiliated third parties and are made available to clients based on a number of factors including client interest, total client assets and other factors. Clients engage with GS PFM through various channels including through corporate/employer-sponsored programs that make financial planning available to eligible employees. Clients may also come to engage with GS PFM as a result of affiliate and third party referrals or directly. GS PFM’s services are described in more detail in Item 4 of its Advisory Brochure.

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

### C. Fees

#### a. Wrap Fee

Historically, GS PFM offered Wrap Advisory Accounts invested in individual investments or investment strategies managed by GS PFM, an affiliated manager, or an unaffiliated manager (collectively, “Managers”) to GS PFM clients with wrap fee pricing, as defined below. Some legacy clients continue to have this arrangement today, but it is no longer offered by GS PFM to new clients. This wrap fee pricing generally covers (i) an annual advisory fee that compensates GS PFM for providing investment advisory services in connection with the client’s account (“Advisory Fee”); (ii) operational costs, including reporting, model maintenance, and other operational costs (“Operational Costs”); and (iii) custody and trading costs for executing transactions for client Wrap Advisory

Accounts (“Execution Charges”) (together, the “Wrap Fee”). However, in some circumstances, the Wrap Fee may only cover the Advisory Fee and certain other costs or expenses. In addition to the Wrap Fee, clients will pay other fees associated with their Wrap Advisory Account, including but not limited to, embedded product fees, custodian fees, SEC fees, or other fees as further described below. The maximum annualized rate for the Wrap Fee is 2.25%. Clients agreed to the Wrap Fee in the fee schedule in the application that the client submitted to open the Wrap Advisory Account, which may be amended from time to time by written agreement between the client and GS PFM. GS PFM retains any portion of the Wrap Fee that remains once all Operational Costs and Execution Charges that are included in the Wrap Fee are paid out to third parties or affiliates.

With limited exceptions, GS PFM does not manage Wrap Fee accounts differently from non-Wrap Fee accounts. These Wrap Advisory Accounts are generally invested in exchange traded funds (“ETFs”), but may hold a variety of asset classes and investment vehicles including but not limited to mutual funds, exchange traded notes, equity securities, and fixed income securities. In determining whether to maintain a Wrap Advisory Account, Financial Advisors periodically work with clients to determine if the client’s account should continue to be managed as a Wrap Advisory Account and in doing so, consider factors such as anticipated trading volume of the client’s investment strategies, the total anticipated cost for the advisory services provided to the client, a client’s preference to pay the transaction costs as opposed to having GS PFM pay the transaction costs, and the investment options in which a client invests.

The Wrap Fee may vary depending on a number of factors. The Wrap Fee is generally determined at the time of initial investment; subsequent increases or decreases in investment size do not result in an adjustment to the Wrap Fee, unless specifically negotiated. GS PFM will, from time to time, change the fees it charges, so clients may pay more or less than other clients who opened Wrap Fee Accounts when the fees charged were higher or lower. Fees change over time for a variety of reasons, including negotiations with Managers and/or the availability of fee reductions, which GS PFM may, or may not, in its sole discretion, use to change the fee charged to client accounts. A client may pay a higher or lower Wrap Fee compared to other clients invested in similar strategies, asset classes or products, or where a client transitioned to GS PFM from a Financial Advisor’s prior firm. GS PFM’s fees may be higher or lower than those charged by others in the industry and it is possible to obtain the same or similar services from other advisers at lower or higher rates.

In certain situations, as negotiated with the client, certain investment implementation fees may be included in the Advisory Fee paid to GS PFM as an accommodation or by agreement even if the account is not a Wrap Advisory Account. For example, clients may invest in certain strategies managed by an affiliate for which no additional Managed Strategy Fee, as defined below, is charged beyond the base Advisory Fee. Thus, a client’s participation in a Wrap Fee arrangement will not necessarily result in a cost savings on the client’s total fees. Additionally, in many situations, the operational costs or execution charges are waived by the custodian even if the account is not set up as a Wrap Advisory Account. However, unless otherwise negotiated with the Financial Advisor or otherwise noted below, these clients pay all other fees described below. Clients with existing Wrap Advisory Accounts should discuss with their Financial Advisors whether such an arrangement should be maintained.

With respect to Retirement Accounts, GS PFM’s ability to collect certain fees and other compensation to engage in certain transactions (including principal trades) and provide certain services may be limited by Employee Retirement Income Security Act (“ERISA”) or the Internal Revenue Code and the regulations promulgated thereunder.

#### **b. Payment of the Wrap Fee**

The Wrap Fee is based on the amount of eligible assets you have under management with GS PFM in a Wrap Advisory Account. The Wrap Fee will be charged quarterly in advance, generally based on the most recent end of quarter Wrap Advisory Account value. When calculating the Wrap Fee, securities held in Wrap Advisory Accounts are valued by the applicable portfolio accounting system used by the Regional Office to manage the client’s account (e.g., Envestnet, Tamarac). As a result, different clients with the same security will pay different Wrap Fees

depending on the valuation source of the securities in their specific Wrap Advisory Account. GS PFM can change the method of calculating the Wrap Fee upon notice. The Advisory Fee is prorated for partial periods.

The method for billing these fees varies based on the historical methods of the Regional Offices or the Financial Advisors, and is agreed upon under the terms of the Investment Management agreement (or supporting documentation). GS PFM sends the custodian an invoice for quarterly fee debits or clients submit payment by check. GS PFM (and any applicable Manager) is authorized to debit the Advisory Fee and any Managed Strategy Fees, as defined below, from client Wrap Advisory Accounts with custodian. Clients are encouraged to review the quarterly statement they receive from their account custodian showing the amount of fees that have been debited from their Wrap Advisory Account.

### **c. Managed Strategy Fees**

Where applicable, the Wrap Fee described herein generally does not include fees that compensate the Managers of each managed strategy in the client's account ("Managed Strategy Fees"). The Managed Strategy Fee may include a performance fee or incentive fee in addition to any asset-based management fee. Managed Strategy Fees for preexisting accounts may be higher or lower than other clients.

Managed Strategy Fees applicable to client Wrap Advisory Accounts (other than those directly debited from the net asset values of mutual funds) will be payable either quarterly in advance or quarterly in arrears depending on the Manager. Managed Strategy Fees begin accruing when assets in the account are allocated to a managed strategy.

The amount of Managed Strategy Fees varies across the managed strategies. Where GS PFM has discretion to select Managers for Wrap Advisory Accounts, it should be expected that any changes will result in changes to the overall asset allocation and selection of investment strategies for Wrap Advisory Accounts, including managed strategies. Because the Managed Strategy Fees are different for different managed strategies, it should be expected that GS PFM's actions result in clients paying a higher aggregate fee for the Wrap Advisory Account. GS PFM has an incentive to allocate assets in client accounts to managed strategies that are managed by Managers that are affiliates of GS PFM. GS PFM also receives a portion of the Managed Strategy Fee clients pay for Unaffiliated Advisers, which varies among managed strategies. GS PFM has an incentive to allocate assets to managed strategies for which it receives a higher portion of the Managed Strategy Fee. GS PFM also has an incentive to allocate assets to managed strategies that charge lower Managed Strategy Fees so that it may retain a greater portion of the Wrap Fee.

Certain managed strategies may also charge an operational cost (generally associated with model maintenance, rebalancing, reporting, and other operational costs). These costs are paid to a third party and are the actual costs at which GS PFM procures the services, as negotiated on an arm's-length basis. Wrap Fees generally include such costs.

The description of Managed Strategy Fees herein is meant to provide a general understanding of how Managed Strategy Fees are charged. The terms of a particular Managed Strategy Fee charged by a Manager are subject to the terms of each Manager's brochure. Unless a client specifies otherwise, the Wrap Fee and Managed Strategy Fees will be debited proportionately from the Wrap Advisory Accounts in which they accrued. Specific Managed Strategy Fees and certain operational costs associated with the strategies are disclosed to clients in the GS PFM Portfolio Manager Fee Summary available at <https://guidecenter.finlife.com/feeschedule>.

### **d. Transaction Fees**

For Wrap Advisory Accounts, where transaction fees are generally included in the Wrap Fee, clients should understand that any transaction fees generated by a Manager choosing to trade away from the client's designated broker will result in additional fees to the client. Subject to its duty to seek to obtain best execution, Managers can execute transactions through a broker or dealer other than the client's designated broker. For example, Managers of fixed income strategies will generally execute trades through third-party dealers and, therefore, the spread, mark-

ups and mark-downs on those trades will be paid by clients to the third-party dealer. Any such transaction fees will be separately charged to the client's Wrap Advisory Account.

Since GS PFM absorbs the transaction fees in a Wrap Advisory Account (with the exception of transaction fees associated with a Manager choosing to trade away from a client's designated broker), GS PFM has an incentive not to place transaction orders in those accounts or place orders in specific securities that do not incur transaction costs since doing so increases GS PFM's transaction fees. Thus, an incentive exists for GS PFM to place certain trades or place trades less frequently in a Wrap Advisory Account rather than an account without Wrap Fee pricing. GS PFM mitigates this conflict through oversight to assess whether trading in the accounts is consistent with the strategy objectives and third-party manager and affiliate models.

#### **e. Investment Operations Fees**

GS PFM may work with various third-party service providers, to help support the operational needs of managing and servicing Wrap Advisory Accounts. These service providers may perform or be involved with operational functions such as opening accounts with account custodians, fee billing, bankruptcy claims, portfolio reporting, account rebalancing, model maintenance, trade execution and facilitating operational requests on behalf of clients based on instructions provided by GS PFM, and charge annual fees per account as well as fees based on a percentage of assets in the accounts they service. Depending on the client's fee structure, GS PFM may pass these investment operations fees onto the client or they may be included in the Wrap Fee.

#### **f. Fund Fees**

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

Mutual fund and ETF fees and expenses will result in a client paying multiple fees with respect to mutual funds and ETFs held in a Wrap Advisory Account and clients may be able to obtain these services elsewhere at a lower cost. For example, if a client were to purchase a mutual fund or ETF directly in a brokerage account, the client would

not pay an advisory fee to GS PFM. It should be expected that affiliates, as well as GS PFM and eligible Financial Advisors, will receive compensation with respect to brokerage fees. For additional information on compensation earned for the sale of these products, please see below and Item 10 of the Advisory Brochure – “Other Financial Industry Activities and Affiliations.”

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

Certain investors that are invested in pooled investment vehicles pay higher or lower fees or are subject to higher or lower incentive allocations than similarly situated investors that are invested in the same pooled investment vehicle. Amounts vary as a result of negotiations, discussions and/or factors that include the particular circumstances of the investor, the size and scope of the overall relationship, whether the investor has a multistrategy, multi-asset class or multi-product investment program with Goldman Sachs, or as otherwise agreed with specific investors. Fees and allocations charged to investors may differ depending on the class of shares or other interests purchased.

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

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



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

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

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

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

For custodial services, GS PFM uses the services of a number of firms to meet its clients' needs. Custody fees, administration fees and all other fees charged by service providers providing services relating to Wrap Advisory Accounts are levied by the custodian, the administrator or other service providers for the Wrap Advisory Account. Clients may be charged the following fees from their account custodian(s) or executing broker separately from the Wrap Fee: charges for transactions with respect to assets not executed through the custodian; short term redemption costs; costs charged to shareholders of mutual funds and ETFs by the fund manager; odd-lot differentials; American Depositary Receipt costs; costs associated with exchanging currencies; or other costs required by law. If applicable, the additional fees charged to clients by the custodian include, but are not limited to, fees related to custodial and clearing agent services, maintenance of portfolio accounting systems, preparation and mailing of client statements, account processing, systematic withdrawals, Retirement Account custodial services (except for the Retirement Account termination cost), and maintenance of a client inquiry system. Additionally, the client will be charged for non-standard service fees incurred as a result of any special requests made by the client, such as overnight courier or wiring fees. Custodians may also charge clients account transfer and/or termination fees. Additionally, a transaction cost is charged by the SEC to sellers of securities that are traded on stock exchanges and subsequently assessed to clients. These fees are required by Section 31(b) of the Securities Exchange Act of 1934 and are charged to recover the fees associated with the government's supervision and regulation of the securities markets and securities professionals. None of these charges are retained by GS PFM.

#### **h. Performance Reporting Fees**

Some clients receive reports from GS PFM that display detailed performance information on their Wrap Advisory Accounts. Such reports provide clients additional insight about the way their accounts are performing and are provided in addition to any statements provided by the account custodian. Notwithstanding the performance information provided through these performance reports, clients should rely on the custodian statements for the most accurate account information and statement of their holdings. To produce these performance reports, in some circumstances GS PFM charges clients an additional fee to cover the costs of the reporting system and GS PFM's associated administration of the system. Such fees are sometimes included in the Wrap Fee.

#### **i. Performance-Based Fees**

GS PFM does not charge performance-based costs (costs based on a share of capital gains on or capital appreciation of the assets of a client) for Wrap Advisory Accounts.

#### **j. Gross Receipt Tax**

Certain states require service providers to pay a Gross Receipt Tax (“GRT”) for services provided to residents of the state, including New Mexico. When GS PFM is required to pay a GRT, it passes through such costs to clients for whom it applies. GS PFM has an office in New Mexico and is required to pay GRT.

#### **k. Negotiated Fees**

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

- the services expected to be performed;
- anticipated level of service;
- the client’s Financial Planning and Investment Management needs;
- account objectives;
- the amount of investable assets;
- the client’s net worth;
- corporate affiliation, if acquired through a Corporate Partner;
- overall relationship;
- referrals from affiliated and unaffiliated parties; and
- historical fees charged to other similar clients in the region.

As a result, clients may be charged different fees for similar services and the actual Advisory Fee may be higher or lower than the fee charged to other clients depending on these broader considerations. Minimum balances or minimum fees are modified and/or waived in the sole discretion of GS PFM or its affiliates, as applicable, including as part of certain corporate-sponsored Financial Planning programs. Financial Planning fees will vary as programs and services themselves vary (based on the factors described above). This will result in a client or third party (*e.g.*, Corporate Partner) paying different Financial Planning, program, and/or seminar fees (as applicable) than another client or third party for similar services. Certain strategies may be available to GS PFM’s affiliates, or employees of GS PFM and its affiliates, at lower rates than those available to clients. The same strategy or product can be subject to different fee schedules based on the Financial Advisor’s management of the Wrap Advisory Account or the client’s agreement with GS PFM on a particular advisory strategy. Certain clients may have access to strategies or products that may not be available to other clients and pursuant to different fee schedules or fee structures. GS PFM fees may be higher or lower than those charged by others in the industry and it is possible to obtain the same or similar services from other advisers at lower or higher rates.

#### **l. Alternative Fee Arrangements**

GS PFM has acquired certain client relationships through its business acquisitions and recruiting efforts. To accommodate such transitions, the fees GS PFM charges these clients are typically determined by the prior investment adviser relationship. Based on arrangements accompanying the transitions, some clients pay higher or lower rates than GS PFM’s current Advisory Fee rate. Some clients receive reimbursement or credit for transfer costs associated with moving their accounts from one institution or custodian to another during a transition from another investment advisory firm. In some circumstances, GS PFM, where appropriate, absorbs the costs, waives Advisory Fees, or pays certain expenses related to the transfer of client accounts. In certain circumstances, account

transfer costs are paid by the new account custodian. Clients who are referred to GS PFM through the custodian referral programs generally receive a discounted Advisory Fee.

More information regarding fees related to GS PFM's services can be found in Item 5 of the Advisory Brochure.

#### **D. Advisor Compensation**

It is expected that in 2022, GS PFM Financial Advisors will transition to a compensation plan where they are compensated based on a percentage of net revenue generated from client accounts. Currently, GS PFM Financial Advisors are paid based on the earning of the business they manage which is generally comprised of fees and other compensation less costs of running the business. Despite which compensation plan applies to a GS PFM Financial Advisor at a given time, GS PFM Financial Advisors' compensation varies according to the level of fees they charge (including whether Advisory Accounts are set up as Wrap Fee or non-wrap fee accounts), and they are motivated to charge higher fees in order to earn greater compensation. The fees paid to GS PFM for Wrap Advisory Accounts generally are higher than the fees paid to GS PFM for non-wrap fee accounts. However, the overall cost to the client for Wrap Fee accounts may be less than non-wrap fee accounts, or vice versa, depending on how the client's assets are invested and the trading that occurs within the accounts or for other reasons. As such, Financial Advisors may receive more compensation for Wrap Advisory Accounts than non-wrap fee accounts.

#### **E. Reasonable Restrictions**

Clients may impose reasonable restrictions or investment policy guidelines on the management of their Wrap Advisory Accounts, including prohibiting investments in particular securities, provided that GS PFM or Managers, as applicable, accept such restrictions. GS PFM or its affiliates generally apply ticker and industry sector restrictions, but do not generally apply other customized restrictions. GS PFM or Managers will not accommodate client restrictions if they are inconsistent with the specific mandates of particular strategies. If GS PFM or Managers are unable to accommodate a client's requested restrictions, the client will need to find another firm to help meet the client's financial objectives. Managers will accept, or withdraw from the management of, a client's account based on the nature of the proposed restrictions or for any other reason. Further, each Manager may apply guidelines or restrictions differently. In connection with certain strategies and/or for purposes of seeking to apply the restrictions or limits requested by clients in connection with their account, the Managers may rely on third-party service providers in determining which securities to exclude from investment, based on such service providers' categorization of the types of companies, industries, or sectors that should be considered in this regard. There can be no assurance that the list of categories as determined by GS PFM or such service providers is complete, or that the securities restricted as a result of such categorization represents all of the securities that might otherwise be restricted in connection therewith, and it should be expected that such categories or the securities restricted thereunder will change from time to time. Restrictions do not apply to underlying investments in pooled investment vehicles, structured notes, ETFs, Alternative Investments, or other similar investments.

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

#### **F. Ability to Obtain Services Separately**

Clients may be able to obtain some or all of the services offered through the Wrap Advisory Account separately from GS PFM or other firms, and the cost of obtaining the services separately may be more or less than the Wrap Fee. Factors that bear of the cost of the Wrap Fee arrangement in relation to the cost of the same services purchased separately include the range of investment strategies and Managers selected, anticipated trading activity and the range of custodial, reporting and other ancillary services that are available. Clients should also understand that the

combination of the Wrap Fee services may not be available separately and certain managers might not be willing or able to provide their services or particular investment strategies outside of the Wrap Advisory Account because of minimum account sizes or other factors.

#### **G. Reliance on Information**

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

#### **H. Terminated Accounts**

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

Upon notice of termination to the client, GS PFM will begin the process of removing its access to the client's Wrap Advisory Accounts; however, the custodian may require a reasonable amount of time to liquidate and/or transfer assets, including time for required recordkeeping, processing, and complying with the rules and conditions imposed by mutual fund companies, stock exchanges, or securities issuers. Certain collateralized accounts may also take time to transfer due to requirements of the applicable bank(s).

### **ITEM 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

---

As discussed above, while some legacy clients may still have Wrap Advisory Accounts, such accounts are no longer available to any type of new GS PFM clients or for new funds transferred to GS PFM by existing GS PFM clients.

Generally, GS PFM provides Investment Management to corporate pension and profit-sharing plans; corporations, government entities; individuals, high net worth individuals, who invest directly, as individuals, or through private investment vehicles, such as privately held corporations, partnerships or limited liability companies; profit sharing plans; trusts; estates endowments public charities; private foundations; and charitable organizations. It also provides Investment Management services to institutional clients and charitable organizations.

Investment Management services provided by GS PFM are generally limited to clients that are United States citizens or residents, or otherwise subject to United States tax laws. GS PFM's services may be limited for, or altogether unavailable to, clients, individuals, or entities that are not United States citizens or that reside outside the United States.

GS PFM generally accepts discretionary authority to manage accounts with minimum assets of at least \$500,000. GS PFM Financial Advisor has discretion to make exceptions to the minimums, as the Financial Advisor deems appropriate. Various investment advisers, including Managers, to whom GS PFM refers clients also imposes various minimum dollar values of assets as a condition for opening or maintaining accounts that may be negotiated in the discretion of the Managers.

Account minimums are reviewed periodically and are subject to change. Upon giving notice to GS PFM, or by contacting their account custodian directly, clients may withdraw from their Wrap Advisory Accounts, but not add funds to their Wrap Advisory Accounts. It should be expected that asset withdrawals impede the achievement of a client's investment objectives or goals. Account minimums are imposed for various reasons including, but not limited to, the diminishing impact on the smaller allocations within a broadly diversified portfolio, the impact of

Wrap Fee on a smaller portfolio's performance, the impact of a smaller portfolio's Wrap Fee on the total expense to manage the portfolio, and limitations on securities that are available for purchase for smaller dollar amounts.

## **ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION**

---

### **A. Investments for Wrap Advisory Accounts**

Financial Advisors work with clients to understand each client's risk tolerance, investment objectives, and investment attribute preferences, and to determine an appropriate asset portfolio allocation and portfolio construction. Based on the investment goals clients have discussed and agreed upon with their Financial Advisor, GS PFM will select, or recommend that the client select, one or more Managers, as defined below, to manage the client's assets in one or more accounts. Wrap Advisory Accounts are primarily invested in ETFs but may be invested in a variety of asset classes and investment vehicles, including mutual funds, exchange traded notes, equity securities, fixed income securities, or other types of securities. GS PFM may offer investment products managed by affiliated and Unaffiliated Managers. Some Affiliated Managers may provide advisory services by evaluating and selecting mutual funds and ETFs that are managed, sponsored or advised by investment managers that are not affiliated with GS PFM or its affiliates ("Third-Party Funds"). Generally, a Manager's responsibility varies and includes the authority to:

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

GS PFM does not monitor transactions directed by Managers for conformity with stated investment objectives, risk tolerance, financial circumstances, or investment restrictions, if any, unless GS PFM is the Manager. In addition, GS PFM will not evaluate each transaction executed by Managers for compliance with the Manager's disclosed policies or style unless GS PFM is the Manager. If GS PFM manages the accounts directly, it will undertake such monitoring with respect to any restrictions to which GS PFM and the client contractually agree. Upon request, GS PFM will provide clients with information about any Manager. This information could include content provided by a Manager explaining its investment style, an explanation from GS PFM describing the Manager's investment style, or the Manager's Form ADV, Part 2A.

GS PFM's Investment Management Department oversees the central investment platform, including strategies available to Wrap Advisory Accounts. However, in certain circumstances, GS PFM IM Department works with internal groups that may conduct due diligence on third party Managers that invest client assets in Wrap Advisory Accounts. The Alternative Investments & Manager Selection ("AIMS") group may perform some level of due diligence on certain Third Party Funds in Wrap Advisory Accounts that could include on-site meetings, analytics related to historical performance, reference calls and risk reviews. AIMS credit analysts may engage in ongoing risk management, and portfolio monitoring of such investments, including an ongoing review of fund holdings, positioning changes, general business trends, and daily risk reports. When AIMS does not review Third Party Funds, the GS PFM IM Department conducts a limited review of the investments available to Wrap Advisory Accounts. For more information, see "Affiliated Products/External Products." Clients with Wrap Fee Accounts should speak to their advisor regarding the level of review provided to the investments in their Wrap Fee Accounts.

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

offered by GS PFM, the investment selection available to clients will differ. For example, investment offerings will differ between Wrap Advisory Accounts and non-wrap fee accounts.

## **B. Methods of Analysis, Investment Strategies and Risk of Loss**

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

### **1. General Risks**

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

Wrap Advisory Accounts managed by Financial Advisors may invest in multiple asset classes. Different Financial Advisors may use different tools, analysis and other inputs to manage Wrap Advisory Accounts. Financial Advisors generally recommend or select strategic and tactical asset allocation models or securities recommendations prepared by ISG or, for GS PFM only, approved by GS PFM's New Products Working Group. See below for further description of "Legacy External Products." These strategic or tactical models are generally implemented through internally and externally managed products, including funds and separate accounts. However, there is no guarantee that the actual performance of any Wrap Advisory Account will, in fact, track these recommendations. In the event the models or research cease to be published at any time, an Advisory Account will need to be managed differently.

GS PFM has access to research, research lists or a variety of other investment analysis and tools. Certain of these tools and analyses may be made available to GS PFM by its affiliates. For non-retirement accounts, Financial Advisors may recommend or purchase mutual funds and ETFs for which GS PFM's affiliates act as investment adviser, as well as certain unaffiliated mutual funds and ETFs.

When managing Wrap Advisory Accounts or making recommendations, Financial Advisors consider among other things, different client characteristics, including investment objectives, risk tolerance, investment time horizon and financial circumstances. The frequency and timing of transactions in Wrap Advisory Accounts vary significantly, and certain investment strategies, such as index strategies, trade infrequently. Other strategies are tactical and adjust depending on micro- and macroeconomic indicators. When there is significant trading activity, there is a potential that a wash sale is generated, negating the taxable advantage of realizing investment losses from sale of securities. Other strategies attempt to improve the taxable consequence of the assets invested, using tax loss harvesting and other tax management strategies. When deploying tax loss harvesting and other tax management strategies, GS PFM does not guarantee the ability to reduce the taxable consequence from managing assets. Further, attempts to reduce the taxable consequence of a portfolio may cause a disparity in the performance of the Wrap Advisory Account where, for example, certain assets are not sold, when they might have been sold if taxes were not considered. Clients are urged to work with their Financial Advisor to help choose the investment strategy that best

meets their goals and objectives. Selection of a portfolio that is not directly aligned with the risk tolerance associated with a client's information can have implications for performance and realizing the client's financial objectives.

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

- *Asset Allocation and Rebalancing Risk* – The risk that a Wrap Advisory Account's assets are out of balance with the target allocation. Any rebalancing of such assets may be infrequent and limited by several factors and, even if achieved, may have an adverse effect on the performance of the Wrap Advisory Account's assets.
- *Additional Risks Related to Portfolio Construction Services* – Certain strategies are composed of a selection of mutual funds and have a primary objective of capital growth in a low volatility (relative to equities) and diversified manner when compared to core equity and bond markets. These strategies may invest in alternative mutual funds that use investment strategies that differ from more traditional investment and trading strategies typical in the mutual fund industry. Compared to a traditional mutual fund, an alternative fund may hold more non-traditional investments and employ more complex trading strategies. Examples include hedging and leveraging through derivatives, short selling and "opportunistic" strategies that change with market conditions as various opportunities present themselves. GS PFM may utilize these strategies in Wrap Advisory Accounts and that the timing of transactions entered into or recommended based on models or other strategies, including for Wrap Advisory Accounts, may negatively impact Wrap Advisory Accounts or benefit certain other accounts, including other Wrap Advisory Accounts or accounts at our affiliates. For example, an affiliate may implement an investment decision or strategy for certain accounts ahead of, contemporaneously with, or behind the implementation of similar investment decisions or strategies for Wrap Advisory Accounts, (whether or not the investment decisions emanate from the same analysis or other information) that could result, due to market impact, in liquidity constraints or other factors, in certain Wrap Advisory Accounts receiving less favorable investment or trading results or incurring increased costs.
- *Bankruptcy Risk* – The risk that a company in which a Wrap Advisory Account invests becomes involved in a bankruptcy or other reorganization or liquidation proceeding.
- *Call Options Risk* – The risk of significant losses including the risk of losses equal to or greater than the premium paid/received in a relatively short period of time. The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The seller (writer) of a call option assumes the risk of the appreciation of the security underlying the option, which will negatively impact the performance of the call option selling strategy. If the underlying security appreciates above the option strike price, when the option is exercised against the seller, the seller of the call option will be required to deliver the underlying asset at the strike price and forego any appreciation that could have been realized if the asset were liquidated at the current market price. The seller (writer) of the option may close out an existing option position before it is exercised by paying the cost to close out the position, which will generally be higher than the original premium received. The seller may also determine to roll the existing option position by closing out the position and replacing it with a new option. The options seller will need to pay the cost to close out the existing position and the premium received from the sale of the new option will likely be less than the amount paid to close out the original position. The options seller will bear the full amount of any cost to close out an existing position. Sales of shares underlying options positions to meet settlement obligations to close out an options position on a roll or otherwise may result in tax consequences, including the realization of tax gains or losses.
- *Capital Markets Risk* – The risk that a client will not receive distributions or experiences a significant loss in the value of its investment if the issuer cannot obtain funding in the capital markets.

- *Cash Management Risk* – Where GS PFM invests some of a Wrap Advisory Account’s assets temporarily in money market funds or other similar types of investments, a Wrap Advisory Account may be prevented from achieving its investment objectives during such time.
- *Commodity Risk* – The risk that a client will experience losses because the issuer has direct exposure to a commodity that has experienced a sudden change in value.
- *Concentration Risk* – The increased risk of loss associated with not having a diversified portfolio (i.e., Wrap Advisory Accounts concentrated in a geographic region, industry sector or issuer are more likely to experience greater loss due to an adverse economic, business or political development affecting the region, sector or issuer than an account that is diversified and therefore has less overall exposure to a particular region, sector or issuer).
- *Corporate Event Risk* – The risk that investments in companies that are the subject of publicly disclosed mergers, takeover bids, exchange offers, tender offers, spin-offs, liquidations, corporate restructuring, and other similar transactions are not profitable due to transaction failure.
- *Correlation Risk* – The risk that the underlying equity portfolio does not correlate to or track closely with the selected benchmark (which may be an index, ETF or basket) on which the options positions are based, and as a result, the option strategy performance may vary substantially from the performance of the portfolio for any period of time. For example, when writing call options on an index, the value of the index may appreciate while the value of the equity portfolio declines in value. This may result in losses on both the option positions and the equity portfolio.
- *Counterparty Risk* – The risk of loss associated with a counterparty’s inability to fulfill its contractual obligations. Strategies that include foreign exchange forward transactions are subject to the credit risk of the counterparty on those transactions.
- *Credit Ratings Risk* – The risk that a Wrap Advisory Account uses credit ratings to evaluate securities even though such credit ratings might not fully reflect the true risks of an investment.
- *Credit/Default Risk* – The risk of loss arising from a borrower’s failure to repay a loan or otherwise meet a contractual obligation. A strategy will be exposed to the credit risk of the counterparties with which, or the brokers, dealers, and exchanges through which, it deals, whether it engages in exchange-traded or off-exchange transactions.
- *Credit Risk/Priority of Claim* – Magnification of credit risk with preferred and hybrid securities due to their payoff structure. If an issuer goes into bankruptcy all other debt holders are paid first and then preferred holders are paid.
- *Currency Risk* – The risk of loss due to changes in currency exchange rates and exchange control regulations. Currency exchange rates can be volatile, particularly during times of political or economic uncertainty. For example, to the extent that non-U.S. dollar investments are unhedged, the value of a Wrap Advisory Account’s net assets will fluctuate with U.S. dollar exchange rates and with price changes of its investments in the various local markets and currencies.
- *Cybersecurity Risk* – The risk of actual and attempted cyber-attacks, including denial-of-service attacks, and harm to technology infrastructure and data from misappropriation or corruption, and reputation harm. Due to Goldman Sachs’ interconnectivity with third-party vendors, central agents, exchanges, clearing houses and other financial institutions, Goldman Sachs (including GS PFM), and thus indirectly the Wrap Advisory Accounts, could be adversely impacted if any of them is subject to a successful cyber-attack or other information security event. Although Goldman Sachs takes protective measures and endeavors to modify them as circumstances warrant, its computer systems, software and networks are vulnerable to unauthorized access,



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

- *Data Sources Risk* – The risk that information from third-party data sources to which Goldman Sachs subscribes is incorrect.
- *Depletion Risk* – The risk that, because trusts are not structured to replenish assets through acquisitions or exploration as the assets are depleted, the capacity of the trust to pay distributions will diminish over time and this may be reflected in a lower stock price and the eventual dissolution of the trust. This risk could be offset by technological gains that reduce production costs or increase supply.
- *Derivative Investment Risk* – The risk of loss as a result of investments in potentially illiquid derivative instruments, failure of the counterparty to perform its contractual obligations, or the risks arising from margin requirements and related leverage factors associated with such transactions.
- *Differences in Due Diligence Process Relating to External Products and Affiliated Products* – Certain managed strategies and Unaffiliated Managers, are subject to different levels of due diligence, depending on when they were added to GS PFM platform or whether they are Legacy External Products, and such diligence may not have been as robust for such strategies or Unaffiliated Managers. Various teams within Goldman Sachs review External Products and Affiliated Products before they are made available. Certain factors, such as operational and reputational risks, as well as potential conflicts of interest, are considered in connection with both Affiliated Products and External Products. The focus of certain reviews, however, differs depending on whether the product is an Affiliated Product or an External Product. From time to time, certain Legacy External Products held in client accounts prior to the time Goldman Sachs acquired United Capital Financial Advisers, LLC are made available in Wrap Advisory Accounts on an exception basis only. These External Products are not part of GS PFM platform and are subject to a different level of review. Such differences may cause Financial Advisors to select or recommend an Affiliated Product that he or she would not have otherwise selected or recommended (e.g., due to underperformance) had the same due diligence process applicable to External Products been utilized for the Affiliated Product. For more information regarding the conflicts of interest in this regard, see “Affiliated Products / External Products” below.
- *Environmental, Social, and Sustainability Impact Considerations* – GS PFM has the discretion to take into account ESG considerations and political, media and reputational considerations relating thereto, resulting in GS PFM making or recommending investments when it would otherwise have not done so, or disposing or recommending the disposition of investments, when it would otherwise not have done so, in each case which could adversely affect the performance of Wrap Advisory Accounts. On the other hand, GS PFM may determine not to take such considerations into account, or to take such considerations into account but not make the same decision or recommendation that it would have made regardless of such considerations, and such considerations may prove to have an adverse effect on the performance of the applicable investments. GS PFM may take ESG and related considerations into account for some Wrap Advisory Accounts and not others, and, to the extent taking such considerations into account, may make different investment decisions or recommendations for different Wrap Advisory Accounts. GS PFM may rely on third-party service providers in determining, from an ESG perspective, what investments to exclude from its selection or recommendation based on such service providers’ categorization of the types of companies, industries, or sectors, as the case may be, that should potentially be excluded from investment. There can be no assurance that the list of categories as determined by GS PFM and/or third-party service providers is complete or that the securities restricted as a result of such categorization represents all of the securities that might otherwise be restricted in connection therewith, and such categories or the securities restricted thereunder may change from time to time.
- *Environmental Risk* – The risk of loss as a result of statutes, rules and regulations relating to environmental protection negatively impacting the business of the issuers.

- *Equity and Equity-Related Securities and Instruments Risk* — The risk that the value of common stocks of U.S. and non-U.S. issuers is affected by factors specific to the issuer, the issuer's industry and the risk that stock prices historically rise and fall in periodic cycles.
- *ESG Definitional Risk* – The risk that another party disagrees on differences in interpretations of what it means for a company to be an environmental and/or social impact investment. There are significant differences in interpretations of what it means for a company to be an environmental and/or social impact investment, and Goldman Sachs' interpretations may differ from others'. There is a risk that issuers self-label an issuance Green without adhering to the Green Bond Principles or other commonly followed market guidance. There exists no binding third-party authority to certify Green issuance at this time. To the extent that there is a Green label on a security bond, Goldman Sachs relies on such issuer's determination and does not opine on the accuracy of Green labeling.
- *ESG Government Funding/Subsidy Risk* – The risk that the success of certain environmental and social impact investments depends on government funding, tax credits, or other public or private sector subsidies, which are not guaranteed over the life of the investment.
- *ESG/Impact Investment Return Risk* – The risk that environmental and/or social impact investments do not provide as favorable returns or protection of capital as other investments, and are more concentrated in certain sectors than investments that do not have the intention of generating measurable social and environmental impact, which means that ESG securities generate lower returns than non-ESG securities.
- *ESG Selection Return Risk* – The risk that there are lower financial returns as a result of taking into account the potential environmental and/or social impact when making decisions regarding the selection, management and disposal of investments, which means that a portfolio containing only ESG securities will generate lower returns than a portfolio of securities selected without regard to ESG criteria.
- *ETF Risk* – The risk that ETFs fail to accurately track the market segment or index that underlies their investment objective. Moreover, ETFs are subject to the following risks that do not apply to conventional funds: (i) the market price of the ETF's shares trade at a premium or a discount to their net asset value; (ii) an active trading market for an ETF's shares are not developed or maintained; and (iii) there is no assurance that the requirements of the exchange necessary to maintain the listing of an ETF will continue to be met or remain unchanged. Certain GS PFM Wrap Advisory Accounts may have legacy positions in leveraged and inverse ETFs. These securities carry certain specific risks to investors. Leveraged ETF shares typically represent interest in a portfolio of securities that track an underlying benchmark or index and seek to deliver multiples of the performance of the index or benchmark. An inverse ETF seeks to deliver the opposite of the performance of the index or benchmark it tracks. Like traditional ETFs, some leveraged and inverse ETFs track broad indices, some are sector-specific, and others are linked to commodities, currencies, or some other benchmark. To accomplish their objectives, leveraged and inverse ETFs pursue a range of investment strategies using swaps, futures contracts, and other derivative instruments. Most leveraged and inverse ETFs "reset" daily, meaning that they are designed to achieve their stated objectives daily. Their performance over longer periods of time, over weeks or months or years, can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period. This effect can be magnified in volatile markets and thus poses substantial risk for an investor.
- *Exercise Risk* – The risk of loss associated with the early exercise of an option, which could result in the underlying stock position being called away or having to cash settle the option prior to expiration. All options, whether those with American style or European style exercise features are exposed to the fluctuation in the market price of the underlier. There is no guarantee that an option will expire or be exercised at the optimal time, considering the price movements in the underlier during the time the option is held in a portfolio.
- *Fixed Income Securities Risk* – Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations and to price volatility.

- *Foreign-Currency-Denominated Security Risk* – The risk that foreign-currency-denominated securities that settle in a different currency are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of, or income derived from, the investment. Securities such as ADRs/GDRs, the values of which are influenced by foreign currencies, effectively assume currency risk.
- *Frequent Trading and Portfolio Turnover Rate Risks* – High turnover and frequent trading in an Advisory Account could result in, among other things, higher transaction costs and adverse tax consequences.
- *Index/Tracking Error Risks* – The risk that the performance of a Wrap Advisory Account that tracks an index does not match, and varies substantially from, the index for any period of time and is negatively impacted by any errors in the index, including as a result of a Wrap Advisory Account’s inability to invest in certain securities as a result of legal and compliance restrictions, regulatory limits or other restrictions applicable to the Wrap Advisory Account, and/or Goldman Sachs, reputational considerations or other reasons. Where an index consists of relatively few securities or issuers, it should be expected that tracking error will be heightened at times when a Wrap Advisory Account is limited by restrictions on investments that the Wrap Advisory Account may make.
- *Interest Rate Risk* – The risk that interest rates fluctuate significantly, causing price volatility with respect to securities or instruments held by a Wrap Advisory Account. Interest rate risk includes the risk of loss as a result of the decrease in the value of fixed income securities due to interest rate increases. Long-term fixed income securities will normally have more price volatility because of interest rate risk than short-term fixed income securities. Risks associated with changing interest rates can have unpredictable effects on the markets and Wrap Advisory Accounts.
- *Investment Style Risk* – The risk that a Wrap Advisory Account outperforms or underperforms other accounts that invest in similar asset classes but employ different investment styles.
- *Investments in Certain Multi-Adviser Structures* – Where an underlying fund allocates assets to investment funds selected by its adviser that are affiliated with such adviser and investment funds selected by such adviser that are not affiliated with such adviser, Goldman Sachs generally will have limited ability to examine the organizational infrastructure of the underlying managers and the investment funds in which the Wrap Advisory Account indirectly invests.
- *IPOs/New Issue Risk* – The risk that initial public offerings (“IPOs”) and new issues are subject to market risk and fluctuate considerably due to factors such as the absence of a prior public market, unseasoned trading, the small number of shares or bonds available for trading and limited information about the company’s business model, growth potential and other criteria used to evaluate its investment prospects.
- *Lack of Control Over Investments* – GS PFM does not always have complete or even partial control over decisions affecting an investment. For example, if GS PFM, when acting in an advisory capacity, acquires investments that represent minority positions in a debt tranche where third-party investors control amendments or waivers or enforcement. In addition, administrative agents may be appointed under certain facilities in which a Wrap Advisory Account invests that have discretion over certain decisions on behalf of the investors, including the Wrap Advisory Account.
- *Liquidity Risk* – The risk that a Wrap Advisory Account is not able to monetize investments and must hold to maturity or obtain a lower price for investments either because those investments have become less liquid or illiquid in response to market developments, including adverse investor perceptions. It should be expected that these risks will be more pronounced in connection with a Wrap Advisory Account’s investments in securities of issuers located in emerging market countries.

- *Low Trading Volume Risk* – The risk that a client is not able to monetize his/her investment or will have to do so at a loss as a result of generally lower trading volumes of the securities compared to other types of securities or financial instruments.
- *Market/Volatility Risk* – The risk that the value of the assets in which a Wrap Advisory Account invests decrease (potentially dramatically) in response to the prospects of individual companies, particular industry sectors or governments, changes in interest rates, regional or global pandemics, and national and international political and economic events due to increasingly interconnected global economies and financial markets.
- *Model Risk* – Where the management of a Wrap Advisory Account by GS PFM includes the use of various proprietary quantitative or investment models. It should be expected that there may be deficiencies in the design or operation of these models, including as a result of shortcomings or failures of processes, people or systems. Investments selected using models may perform differently than expected as a result of the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, the speed that market conditions change and technical issues in the construction and implementation of the models (including, for example, data problems and/or software issues). The use of proprietary quantitative models could be adversely impacted by unforeseeable software or hardware malfunction and other technological failures, power loss, software bugs, malicious code such as “worms,” viruses or system crashes or various other events or circumstances within or beyond the control of Goldman Sachs. Certain of these events or circumstances are difficult to detect. Moreover, the effectiveness of a model may diminish over time, including as a result of changes in the market and/or changes in the behavior of other market participants. Models may not be predictive of future price movements if their return mapping is based on historical data regarding particular asset classes, particularly if unusual or disruptive events cause market movements, the nature or size of which are inconsistent with the historical performance of individual markets and their relationship to one another or to other macroeconomic events. In addition, certain strategies can be dynamic and unpredictable, and a model used to estimate asset allocation may not yield an accurate estimate of the then current allocation. Models also rely heavily on data that is licensed from a variety of sources, and the functionality of the models depends, in part, on the accuracy of voluminous data inputs. Operation of a model may result in negative performance, including returns that deviate materially from historical performance, both actual and pro forma. Additionally, commonality of holdings across quantitative investment managers may amplify losses. There is no guarantee that the use of these models will result in effective investment decisions for a Wrap Advisory Account.
- *Multiple Levels of Fees and Expenses*—Subject to applicable law, Wrap Advisory Accounts investing in advisers or underlying funds generally bear any asset-based and performance-based fees or allocations and expenses at the Wrap Advisory Account level and at the adviser or underlying fund level (although there will be circumstances in which Wrap Advisory Accounts bear such fees at only the Wrap Advisory Account level, or only the adviser level).
- *Non-Hedging Currency Risk* – The risk that volatility in currency exchange rates produce significant losses to a Wrap Advisory Account that has purchased or sold currencies through the use of forward contracts or other instruments.
- *Non-U.S. Custody Risk* — Wrap Advisory Accounts that invest in foreign securities, to the extent available, can hold non-U.S. securities and cash with non-U.S. custodians. Such non-U.S. custodians may be newly formed, or subject to little or no regulatory oversight over or independent evaluation of their operations, and the laws of certain countries from time to time place limitations on a Wrap Advisory Account's ability to recover its assets if a non-U.S. custodian enters bankruptcy. These risks are generally more pronounced in connection with Wrap Advisory Account's investments in securities of issuers located in emerging market countries.
- *Non-U.S. Securities Risk* – The heightened risk of loss as a result of more or less non-U.S. government regulation, less public information, less liquidity, risk of nationalization or expropriation of assets and greater volatility in the countries of domicile of the issuers of the securities and/or the jurisdiction in which these

securities are traded. These risks and costs are generally greater in connection with a Wrap Advisory Account's investment in securities of issuers located in emerging market countries.

- *Odd Lot Liquidity Risk* – The risk that the strategy purchases odd lots which are generally less liquid. Clients looking to sell prior to maturity in order to withdraw funds should expect to experience weak or no bids and be forced to hold bonds to maturity or to sell at unfavorable prices.
- *Open-End & Closed-End Mutual Fund Risk* – Wrap Advisory Accounts may invest in open-end mutual funds, and to a lesser extent, closed-end mutual funds, as well as ETFs. Open-end mutual funds and closed-end mutual funds have different risk characteristics. Shares of an open-end fund are purchased directly from the fund whereas closed-end fund shares are purchased and sold in the market, typically on a recognized stock exchange. Therefore, shares of a closed-end fund, when available, can be traded during the day at any time and shares in an open-end fund can be purchased from or sold back to the fund only at the end of the trading day. In addition, the price per share of a closed-end mutual fund is determined by the market whereas the price per share of an open-end fund will vary in direct proportion to the fund net asset value or “NAV.” Both open-end mutual funds and closed-end funds may own unlisted securities and use leverage to enhance returns. Furthermore, both open-end and closed-end fund underlying fund holdings are reported with a lag. It should be expected that when underlying mutual fund holdings change rapidly fund performance will differ from expectations. Different mutual funds with similar investment policies, and different share classes within those funds will have different expense levels.
- *Operational Risk* – The risk of loss arising from shortcomings or failures in internal processes or systems of Goldman Sachs or GS PFM third party custodians, external events impacting those systems and human error. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents such as major system failures. Wrap Advisory Accounts trade instruments where operational risk is heightened due to such instruments' complexity.
- *Options Close-out Risk* – The risk of losses associated with the inability to close out of existing positions if those options were to become unavailable, including because regulatory agencies may impose exercise restrictions that may prevent the holder of an option from realizing value. Options trading is a speculative investment activity that involves a high degree of risk of loss beyond the value of the underlying securities investment. Transaction costs may be significant in option strategies that require multiple purchases and sales of options.
- *Regulatory Restrictions Applicable to Goldman Sachs* – From time to time, the activities of Affiliated Products are restricted because of regulatory or other requirements applicable to Goldman Sachs and/or its internal policies designed to comply with, limit the applicability of, or otherwise relate to such requirements. External Products may or may not be subject to the same or similar restrictions or requirements and, as a result, outperform Affiliated Products.
- *Risks Associated with Investments in Affiliated Products* – Financial Advisors will review as potential investments for a Wrap Advisory Account such universe of products as they determine in their sole discretion, and it should be expected that the universe of products Financial Advisors determine to review will be limited for certain reasons, including: (i) because one or more External Products have not been reviewed or approved by the AIMS Long Only Group, which is part of the AIMS group within GSAM; (ii) because of administrative or practical considerations, such as time constraints; or (iii) for other reasons determined Financial Advisors. If Financial Advisors select or recommend an Affiliated Product for a Wrap Advisory Account, they will not have canvassed the universe of available External Products and, in such circumstances, there may be one or more External Products that are more appropriate than the Affiliated Product(s) selected or recommended by the Financial Advisors, including from the standpoint of the factors Financial Advisors have taken into consideration. Affiliated Products generally will not be subject to the same types of operational and other reviews performed with respect to External Products. In some circumstances no External Products will be available for certain asset classes on the GS PFM GS&Co. custodian. Goldman Sachs' decision to offer funds

or separate accounts, including internal or external options, is driven by a variety of factors, including the availability of high quality managers, investment minimums, the relative cost of funds as compared to separate accounts as well as internal as compared to external costs, the access to Affiliated Managers for discussions with clients as well as Financial Advisors, the potential for performance differential between internal and external products, the specialized nature of certain products, and the ability to customize for clients based on their particular needs and circumstances. Where authorized and if a product is available, Financial Advisors are able to select or recommend for the Wrap Advisory Account both Affiliated Products and External Products for particular asset classes or strategies within the Advisory Account. As described below, conflicts of interest arise in situations in which Financial Advisors are permitted to allocate investments to both Affiliated Products and External Products. The differing fee arrangements that apply to investments by Wrap Advisory Accounts in Affiliated Products as compared to External Products create a preference for the selection or recommendation of Affiliated Products over External Products.

- *Risks Related to the Discontinuance of Interbank Offered Rates, in Particular LIBOR* - It is likely that banks will not continue to provide submissions for the calculation of the London Interbank Offered Rate (“LIBOR”) after 2021 and possibly prior to then, and Wrap Advisory Accounts that undertake transactions in instruments that are valued using LIBOR rates or other interbank offered rates (“IBORs”) or enter into contracts which determine payment obligations by reference to LIBOR or other IBOR rates may be adversely affected as a result.
- *Risks Related to Selection by Financial Advisors of Affiliated Products versus External Products* - Financial Advisors determine which products to select or recommend to clients. When considering potential investment products for a particular Wrap Advisory Account, Financial Advisors give different weights to different factors depending on the nature of the client and on whether their review is for an Affiliated Product or for an External Product. There is a risk that consideration of such factors will not be applied consistently over time or by particular Financial Advisors across all accounts or across different products and will play a greater role in the review of certain strategies or products while others play no role at all, and that the factors will change from time to time. Financial Advisors generally do not review the entire universe of External Products appropriate for a Wrap Advisory Account. As a result, you should expect that there could be one or more External Products that would be a more appropriate addition to the Wrap Advisory Account than the investment product selected by such Financial Advisors. Such External Products may outperform the investment product selected for the Wrap Advisory Account.
- *Sector Concentration* – Most preferred and hybrid securities are issued by financial firms and banks. By investing in preferred securities, one can have an inadvertent concentration in one’s portfolio to financial firms or the financial sector as a whole.
- *Short Duration Fixed-Income Strategies* – The risk that the strategy focused on maintaining fixed-income securities of short duration will earn less income and, during periods of declining interest rates will provide lower total returns, than longer duration strategies. Although any rise in interest rates is likely to cause the prices of debt obligations to fall, the comparatively short duration utilized in connection with such a strategy is generally intended to keep the value of such securities within a relatively narrow range.
- *Sizing Risk* – The risk that options strategies are not appropriately sized for a particular risk profile. Although the risks of investing in an options strategy remain the same regardless of the size of the investment, appropriate sizing can reduce the proportional impact of such risks relative to a client’s larger portfolio.
- *Sovereign Debt Risks* – Investment in sovereign debt obligations involves risks not present in debt obligations of corporate issuers, such as the issuer’s inability or unwillingness to repay principal or interest, and limited recourse to compel payment in the event of a default.
- *Tactical Tilts* – Where Financial Advisors use tactical investment ideas derived from short-term market views (“Tactical Tilts”) for Wrap Advisory Accounts material risks exist. For example, the timing for implementing

a Tactical Tilt or unwinding a position can materially affect the performance of such Tactical Tilt. For various reasons, GS PFM and its affiliates may implement a Tactical Tilt, invest in an affiliated fund that invests in Tactical Tilts, or unwind a position for its client accounts or on its own behalf before Financial Advisors do on behalf of Wrap Advisory Accounts, or implement a Tactical Tilt that is different from the Tactical Tilt implemented by Financial Advisors on behalf of Wrap Advisory Accounts, which could have an adverse effect on Wrap Advisory Accounts and result in poorer performance by Wrap Advisory Accounts than by Goldman Sachs or other client accounts. In addition, unless otherwise agreed in the investment management agreement with the client, Financial Advisors monitor a Wrap Advisory Account's Tactical Tilt positions only on a periodic basis. Therefore, changes in market conditions and other factors may result in substantial losses to a Wrap Advisory Account, and no assurance can be given that a Tactical Tilt position will be unwound before the Wrap Advisory Account suffers losses. The use of Tactical Tilts also includes the risk of reliance on models.

- *Target Ranges and Rebalancing Risks* – To the extent a client designates target allocations or target ranges within a Wrap Advisory Account in connection with particular asset classes, a Wrap Advisory Account's assets may, from time to time, be out of balance with the Wrap Advisory Account's target ranges for extended periods of time or at all times due to various factors, such as fluctuations in, and variations among, the performance of the investment products to which the assets are allocated and reliance on estimates in connection with the determination of percentage allocations. Any rebalancing by Financial Advisors of the Wrap Advisory Account's assets may have an adverse effect on the performance of the Wrap Advisory Account's assets. For example, when the Wrap Advisory Account's assets are allocated away from an over-performing investment product and allocated to an under-performing investment product, such rebalancing could be harmful to the Wrap Advisory Account. In addition, the achievement of any intended rebalancing may be limited by several factors, including the use of estimates of the net asset values of the investment products, and, in the case of investments in investment products that are pooled investment vehicles, restrictions on additional investments in and redemptions from such investment products. Similarly, the use of target ranges in respect of asset classes may result in a Wrap Advisory Account containing a significantly greater percentage of Affiliated Products than would otherwise be the case, including during periods in which Affiliated Products underperform External Products. In such circumstances, there may be one or more External Products that would be a more appropriate addition to a Wrap Advisory Account than the Affiliated Products then in the Wrap Advisory Account. Such External Products may outperform the Affiliated Products then in the Wrap Advisory Account. For information regarding conflicts of interest in connection with Affiliated Products and External Products, "Affiliated Products / External Products" below.
- *Tax Exempt Risk* – The risk that the tax exempt status of municipal securities will change or be removed completely which would negatively impact the value of municipal bonds.
- *Tax-Managed Investment Risk* – The risk that the pre-tax performance of a tax-managed Wrap Advisory Account is lower than the performance of similar Wrap Advisory Accounts that are not tax-managed.
- *Tax, Legal and Regulatory Risks* – The risk of loss due to increased costs and reduced investment and trading opportunities resulting from unanticipated legal, tax and regulatory changes, including the risk that the current tax treatment of securities could change in a manner that would have adverse consequences for existing investors. Regulations, including regulations such as the Volcker rule contained within the Dodd-Frank Act and comprehensive tax reform, may affect the types of transactions that certain clients enter into, which could impact the performance of the Wrap Advisory Accounts or the commercial benefits the client obtains from Goldman Sachs. In addition, the California Consumer Privacy Act (the "CCPA") took effect on January 1, 2020. The CCPA will impose privacy compliance obligations with regard to the personal information of California residents. Other states may, in the future, impose similar privacy compliance obligations. Increased regulatory oversight may also impose additional compliance and administrative obligations on GS PFM and its affiliates, including, without limitation, responding to investigations and implementing new policies and procedures. Additional information regarding such matters is also available in the current public SEC filings made by Goldman Sachs.

- *Term of Investment* – Preferred and hybrid securities usually have long maturities (often 30 years or longer) or even no maturity date at all, meaning they can remain outstanding in perpetuity. They generally are “callable,” i.e., they can be retired prior to maturity under specified terms of the bond indenture; however, this is an option of the issuer.
- *Trading Restriction Risk* – The risk that temporary or permanent trading restrictions may be imposed on securities (including ADRs, ADSs, ETFs, US common stocks, exchange traded derivatives, or other securities) or options.
- *Underlying Portfolios Market Risk* – The risk that certain equity portfolios underlying options positions may have losses that are greater than gains in the value of the options positions in the strategy, or that losses on the option positions will occur at the same time as losses in the value of the underlying equity positions of a strategy. In addition, certain instruments, including exchange-listed and OTC put and call options, may not be liquid in all circumstances. As a result, in volatile markets, a customer may not be able to close out of some transactions without incurring losses substantially greater than the initial deposit.
- *U.S. Treasury Securities Risk* – Securities backed by the U.S. Treasury or the full faith and credit of the U.S. are guaranteed only as to the timely payment of interest and principal when held to maturity, but the market prices for such securities are not guaranteed and will fluctuate, including as changes in global economic conditions affect the demand for these securities.

## 2. Proxy Voting

Unless expressly agreed to in writing, GS PFM does not accept authority, or give any advice to clients about how to vote client securities, including for securities held in Wrap Advisory Accounts.

A client can elect to directly vote proxies for the securities in Wrap Advisory Accounts by providing written notice to GS PFM of the client’s election to do so. Absent such written notice, by signing the discretionary Investment Management agreement, the client authorizes and directs GS PFM to facilitate voting of all proxies related to the securities held in the client’s Wrap Advisory Accounts in accordance with the recommendations of a third-party provider (the “GS PFM Service Provider”). GS PFM Service Provider’s proxy voting guidelines are available upon request. The client is responsible for voting proxies on securities or matters for which GS PFM Service Provider does not provide a recommendation. GS PFM does not render any advice to GS PFM Service Provider with respect to a particular proxy solicitation. GS PFM may hire other service providers to replace or supplement the Proxy Service with respect to any of the services GS PFM currently receives from GS PFM Service Provider.

Unless client retains the right to directly vote proxies, the client authorizes the receipt of shareholder communications related to such proxy voting distributed by the issuers of such securities by GS PFM Service Provider.

If the client retains the right to directly vote proxies, the client maintains exclusive responsibility for (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client’s investment assets. GS PFM recommends that clients promptly review these materials, as they identify important deadlines and may require action on the client’s part. GS PFM is not required to notify unaffiliated custodians or clients who use unaffiliated custodians of proxy notices, shareholder class action lawsuits, or similar matters related to securities held in their Wrap Advisory Accounts. Unless otherwise agreed, GS PFM does not render any advice or take any action with respect to securities or other property currently or formerly held in Wrap Advisory Accounts or the issuers thereof that become the subject of any legal proceedings, including bankruptcies and shareholder class action lawsuits. With respect to shareholder class action litigation and similar matters, GS PFM’s Wrap Advisory Account clients are encouraged to contact their custodians and ensure that they receive notices and are aware of the participation and filing requirements related to class action and similar proceedings. In addition, GS PFM generally does not render any advice or take any action with respect to corporate



actions relating to securities held in Wrap Advisory Accounts, including the right to participate in or consent to any distribution, plan or reorganization, creditors committee, merger, combination, consolidation, liquidation, underwriting or similar plan.

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

For some clients, GS PFM can make available the services of Chicago Clearing Corporation (“CCC”), a company that specializes in the field of class action claims, or another vendor. If requested, GS PFM periodically provides CCC with the transaction history for the client’s Wrap Advisory Accounts and CCC subsequently monitors for any claims activity related to the securities that have been purchased in the client’s Advisory Account. CCC will monitor each claim that applies to the client, collect the applicable documentation, interpret the terms of each settlement, file the appropriate claim form, interact with the administrators and distribute any award due for the client’s benefit. For their services, CCC charges a contingency fee of 20%, which is subtracted from the client’s award when it is paid. The net proceeds are deposited directly into the client’s Advisory Account or paid to the client by check. When a claim develops, CCC communicates directly with the claims administrator to file the claim on the client’s behalf. CCC warrants that any specific private client information they receive will be maintained as confidential and will not be used or disclosed for any reason, except for the completion of the claim itself.

## **ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

---

Financial Advisors act as the primary point of contact for GS PFM’s clients, gathering information to understand their individual risk tolerance and financial objectives. Based on their assessment of clients’ financial needs and risk tolerance, Financial Advisors select appropriate strategies or customized investments for clients. After selecting a particular strategy or investment option, Financial Advisors provide GS PFM IM Department or an affiliate with the necessary information to execute transactions. The information provided typically includes, but is not limited to, the following client information:

- client name;
- account number(s);
- how the client’s assets should be distributed (percent allocation) into one or more strategies; and
- any reasonable restrictions from the client on how they would like their assets to be invested.

## **ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS**

---

Clients are expected to discuss the management of their assets with their Financial Advisor. Clients may request to speak with the portfolio manager responsible for managing the strategy the client is invested in, and such requests will be granted on a case by case by case basis. Client should be aware that a portfolio manager may not be able to address information about the client’s individual investment objectives. Clients should rely on their Financial Advisor for discussions about their particular investment objectives.

## **ITEM 9 - ADDITIONAL INFORMATION**

---

### **A. Disciplinary Information**

In the ordinary course of its business, GS PFM and its management persons have in the past been, and it should be expected that in the future GS PFM and its management persons will be, subject to periodic audits, examinations, claims, litigation, formal and informal regulatory inquiries, requests for information, subpoenas, employment-related matters, disputes, investigations, and legal or regulatory proceedings involving the SEC, other regulatory authorities, or private parties. Such audits, investigations, and proceedings have the potential to result in findings, conclusions, settlements, charges or various forms of sanctions against GS PFM or its management persons, as well as Goldman Sachs and other Goldman Sachs personnel, including fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions that increase the exposure of the accounts, GS PFM and Goldman Sachs to potential liabilities and to legal, compliance and other related costs. In addition, such actions or

proceedings may involve claims of strict liability or similar risks against accounts in certain jurisdictions or in connection with certain types of activities. For information relating to other Goldman Sachs entities, please visit [www.gs.com](http://www.gs.com) and refer to the public filings of GS Group.

There are no reportable material legal or disciplinary events related to GS PFM.

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

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

### **1. Broker-Dealer**

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

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

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

GS PFM will generally execute through an applicable GS PFM third party custodian or when available, GS&Co. Subject to client consent, as required by applicable law, GS&Co. or its affiliates may engage in principal transactions with Wrap Advisory Accounts that are not Retirement Accounts when available. Goldman Sachs typically earns Execution Charges in connection with transactions executed as agent or principal. As discussed above, in some circumstances, clients with Wrap Fee Accounts will pay these charges in addition to the advisory fee paid to GS PFM or its affiliates. Goldman Sachs will likely share all or a portion of any Execution Charges with its affiliates, including GS PFM and its Financial Advisors. For accounts offered through GS PFM, but managed by GSAM, transactions are executed according to GSAM's policies and procedures regarding execution of trades. For additional information about principal trading, see Code of Ethics below.

Goldman Sachs has ownership interests in trading networks, securities or derivatives indices, trading tools, and/or settlement systems. Goldman Sachs also holds ownership interests in, and Goldman Sachs personnel sit on the boards of directors of, national securities exchanges, electronic communication networks, alternative trading systems and other similar execution or trading systems or venues (collectively, “Market Centers”). Goldman Sachs may be deemed to control one or more of such Market Centers based on its levels of ownership and its representation on the board of directors of such Market Centers. As of December 31, 2020, Goldman Sachs held ownership interests in the following Market Centers: (i) Chicago Board Options Exchange, Inc., (ii) Chicago Stock Exchange, Inc., (iii) International Securities Exchange, LLC, (iv) NASDAQ OMX PHLX, Inc. (formerly the Philadelphia Stock Exchange), (v) NYSE MKT LLC, (vi) NYSE, (vii) Virtu Financial – VFCM, (viii) BIDS, (ix) Sigma X<sup>2</sup>, (x) BondDesk, (xi) Dealerweb, (xii) MTS S.P.A, (xiii) TradeWeb and (xiv) TradeWeb Retail. Goldman Sachs may acquire ownership interests in other Market Centers (or increase ownership in the Market Centers listed above) in the future.

Consistent with its duty to seek best execution for Wrap Advisory Accounts, GS PFM will, from time to time, directly or indirectly, place trades for Wrap Advisory Accounts through such Market Centers. In such cases, Goldman Sachs receives an indirect economic benefit based upon its ownership interests in Market Centers. In addition, Goldman Sachs receives fees, cash credits, rebates, discounts or other benefits from Market Centers to which it, as broker, routes order flow based on the aggregate trading volume generated by Goldman Sachs (including volume not associated with client orders) and the type of order flow routed, and certain Market Centers, such as many exchanges, provide rebates or charge fees based on whether routed orders contribute to, or extract liquidity from, the Market Center. Discounts or rebates received by Goldman Sachs from a Market Center during any time period may differ from the fees paid by Goldman Sachs to the Market Center during that time period. The amount of such discounts or rebates varies, but generally does not exceed \$0.004 per share or \$1.00 per contract for listed options. Further, the U.S. listed options exchanges sponsor marketing fee programs through which registered market-makers will receive payments from the exchanges based upon their market making status and/or as a result of their designation as a “preferenced” market maker by an exchange member with respect to certain options orders. GS PFM’s affiliates will receive payments from “preferenced” registered market makers related to these exchange-sponsored marketing fee programs. The amount of such payments varies, but generally does not exceed \$0.70 per contract. GS PFM will place trades for a Wrap Advisory Account through such Market Centers only if GS PFM reasonably believes that such trades are in the best interest of the Wrap Advisory Account and that the requirements of applicable law have been satisfied.

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

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

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

GS PFM and certain of its affiliates, including GSAM, act in an advisory or sub-advisory capacity with respect to separately managed accounts and private investment funds and in other capacities, including as trustee, managing member, adviser, administrator and/or distributor to a variety of U.S. and non-U.S. investment companies (including variable annuity sub-accounts that are structured as registered investment companies) as well as other pooled investment vehicles, including collective trusts, ETFs, closed-end funds, business development companies, private investment funds, special purpose acquisition vehicles, and operating companies. Certain Goldman Sachs personnel

are also directors, trustees and/or officers of these investment companies and other pooled investment vehicles. GS PFM and its affiliates, in their capacities as advisers or sub-advisers to these investment companies or pooled vehicles, including ETFs (collectively, “Funds”), will receive management or advisory fees in connection with their advisory roles. Although such fees are generally paid by the Funds, the costs are ultimately borne by clients as shareholders. These fees will be in addition to any advisory fees or other fees agreed between the client and Goldman Sachs for investment advisory and brokerage services. Clients of GS PFM and its affiliates may invest in these investment companies and other pooled investment vehicles offered by Goldman Sachs. For Funds where GS PFM or its affiliates apply an advisory fee, the fee that will apply is generally the same for both affiliated Funds and Third-Party Funds and clients may pay more or less than the index oriented fee depending on the agreed upon fee schedule.

### **3. Other Investment Advisers**

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

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

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

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

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

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

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

#### **5. Banking or Thrift Institutions**

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

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

GS Bank offers deposit sweeps to Goldman Sachs clients, where free credit balances are swept into GS Bank on an omnibus basis. The Goldman Sachs Bank Deposit ("Bank Deposit") operates as a cash sweep account for clients for whom the Bank Deposit has been designated as the sweep option for available cash. The Bank Deposit earns positive interest or incurs negative interest on the daily balance at a variable interest rate. GS Bank benefits from the use of cash swept from Wrap Advisory Accounts. GS&Co. establishes, maintains and keeps the books and records for the Bank Deposit and provides other related services. GS PFM clients may also open separate savings accounts and certificates of deposit to which different interest rates may apply. In particular, clients may open direct accounts at GS Bank at rates that are higher than rates for the deposit sweep, but will not be provided the same level of services as those offered through such sweep.

*Trust Companies.* The Goldman Sachs Trust Company, N.A., a national bank limited to fiduciary activities ("GSTC") and The Goldman Sachs Trust Company of Delaware, a Delaware limited purpose trust company ("GSTD") provide personal trust and estate administration and related services to certain of GS PFM's clients. GS&Co. and its affiliates, including GS PFM, provide a variety of services to GSTC and GSTD, including investment advisory, sub-advisory, brokerage, distribution, marketing, operational, infrastructure, financial, auditing, and administrative services. Goldman Sachs will receive fees from GSTC and GSTD according to the fee

schedules agreed upon between the parties in arm's-length service agreements. GS PFM recommends that clients appoint GSTC or GSTD as a trustee.

## **6. Insurance Agency or Company**

GS PFM's affiliates, ASA, ASIA and UCRM, engage in the insurance agency business for purposes of selling, brokering and co-brokering, including, but not limited to, fixed life insurance policies and annuity contracts (both fixed and variable), long-term care insurance, and property and casualty insurance contracts for separate compensation. ASA and ASIA also provide agent of record servicing of insurance contracts. ASA also offers a digital insurance platform for term insurance products that may be the same, similar or different than term insurance products available outside of the digital platform. ASA, ASIA and UCRM participate in the distribution of insurance securities through an insurance networking agreement with Mercer Allied. Commissions are paid to ASA, ASIA, Mercer Allied and UCRM by insurance companies for the placement and distribution of insurance and annuity products. These commissions may be paid to ASA, ASIA, Mercer Allied or UCRM for acting as an insurance producer, retail distributor and/or wholesale distributor. In addition, compensation from the insurance companies might also include various incentives in addition to standard commissions or referral fees, including contingent commissions, and other awards and bonuses, such as trips, expense allowances, marketing allowances, training and education. Incentive or contingent compensation is based upon a variety of factors including the level of aggregated premiums, client retention, revenue growth, overall profitability, or other performance measures pre-established by insurance companies. This incentive or contingent compensation is not tied to any individual transaction. It is expected within the next twelve (12) months ASA, ASIA or Mercer Allied may make available to advisory clients Advisory Annuities. Compensation for Advisory Annuities, in the form of advisory fees, are paid by the advisory client and no commissions are paid by the insurance companies sponsoring the products. In limited circumstances, ASA, ASIA or Mercer Allied may receive compensation from insurance companies in the form of servicing or distribution fees for these products.

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

Advisory clients are not obligated to use GS PFM's affiliated persons to purchase insurance or annuities. Certain Financial Advisors who are licensed insurance agents act as sub-producers of ASA, ASIA and/or UCRM. Certain appropriately licensed Financial Advisors are appointed as agents of the issuing insurer.

GS PFM compensates certain licensed Financial Advisors and make payments as directed by GS&Co. to such personnel of GS&Co., for referring clients to ASA, ASIA and/or UCRM. In some instances, Financial Advisors are not compensated directly for such referrals but the referral may contribute to overall company profitability which could impact any discretionary bonus paid to such Financial Advisors. In the case of Advisory Annuities compensation in the form of advisory fees may be earned by the Financial Advisor. The compensation received by GS PFM and such personnel varies and is dependent on the insurance company and product purchased. Such compensation creates a conflict of interest that gives GS PFM and such Financial Advisors and GS&Co. personnel an incentive to recommend such insurance policies and annuities, based on the compensation received.

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

Certain life insurance policies and annuity contracts, including Variable Products, offer an allocation option reflecting the performance of an Index (defined below) sponsored by or otherwise supported by GS PFM's affiliates. GS PFM's affiliates receive compensation if any portion of the policy or contract's account value is allocated to that option. Such compensation is not paid to GS PFM, Mercer Allied, ASA, ASIA, UCRM or any Financial Advisor.

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

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

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

### **C. Trustee Activities**

GS PFM and its Financial Advisors generally will not assume a position of trust for a client or client account, such as being named executor or trustee for a client account, or holding power of attorney on a client's behalf. This exclusion does not include accounts for clients who are family members of the Financial Advisors; in which case the Financial Advisors will serve as trustee for a family member's account. Certain GS PFM Financial Advisors have legacy relationships where they separately serve as trustees for accounts of clients that are Wrap Advisory Accounts ("Trustee-clients") but not family members of the GS PFM Financial Advisor. In such situations, when the GS PFM Financial Advisors are acting as trustee for a trust that is a Wrap Advisory Account but is not a family member, GS PFM has policies and procedures in place to ensure compliance with applicable laws regarding custody of the Trustee-client's funds or securities.

### **D. Third-Party Advisory Committees, Boards and Panels**

Financial Advisors are asked and agree to participate as a member of a third-party company's advisory committee, board or panel ("Advisory Panel"). The participation is typically done to benefit GS PFM's business, for current or future use of the third-party company's products and services. Advisory Panel participants are typically informed about confidential company information which cannot be used for the benefit of third parties. Advisory Panel members are not typically paid any compensation. However, the third-party company typically pays or reimburses the participant for travel, lodging and meal expenses incurred in attending Advisory Panel meetings. The participation and benefit do not depend on any amount of business directed to the third-party; however, the receipt of travel and related benefits creates an incentive for the participant to recommend the third-party company's services. This conflict is addressed through the initial reason for participating in the Advisory Panel, that being a desire to benefit GS PFM's clients through improving the products and services offered by the third-party company.

As an outside business activity, certain supervised persons of GS PFM sit on the boards of private and public companies, non-profit organizations, and state and local government agencies. The boards that supervised persons sit on may include third parties that GS PFM hires to help support the advisory services it provides to clients and client accounts.

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

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

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

Additional information about these conflicts and the policies and procedures designed to address them is available in "Code of Ethics" below.

#### **F. Affiliated Indices and ETFs**

From time to time, Goldman Sachs develops, co-develops, owns and operates stock market and other indices (each, an "Index") based on investment and trading strategies it has developed or co-developed with a third party. Goldman Sachs has entered into, and may in the future enter into, a revenue sharing arrangement with a third party co-developer of an Index pursuant to which Goldman Sachs receives a portion of the fees generated from licensing the right to use the Index or components thereof to third parties. Some of the ETFs for which GSAM or its affiliates act as investment adviser (the "GSAM ETFs") seek to track the performance of the Indices. From time to time, GS PFM manage Wrap Advisory Accounts that invest in the GSAM ETFs. The operation of the Indices, the GSAM ETFs and Wrap Advisory Accounts in this manner gives rise to conflicts of interest.

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

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

GS PFM may select or recommend that clients allocate assets to one or more accounts or funds managed by one or more (i) Affiliated Managers or (ii) Unaffiliated Managers as discussed above. The ability to recommend both Affiliated Managers and Unaffiliated Managers creates conflicts for GS PFM and could impact GS PFM's decisions regarding manager selection when affiliation is considered by GS PFM, among other factors, in deciding whether to make Managers available to clients, to increase client investments with Managers, and to retain or withdraw client investments from Managers. GS PFM receives compensation in connection with clients' investments in and selection of such Managers, and such compensation creates a conflict of interest.

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

The compensation Goldman Sachs receives (either directly from Unaffiliated Managers or in the form of fees or allocations payable by client accounts) generally increases as the amount of assets that Managers manage increases.



Except to the extent required by applicable law, GS PFM may not account to a client for or offset any compensation received by Goldman Sachs against fees and expenses the client otherwise owes Goldman Sachs.

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

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

From time to time, Goldman Sachs receives notice of, or offers to participate in, investment opportunities from Unaffiliated Managers or their affiliates. Unaffiliated Managers or their affiliates offer Goldman Sachs investment opportunities for various reasons including Goldman Sachs' use of the services provided by Unaffiliated Managers and their affiliates for Goldman Sachs and client investments. Such opportunities will generally not be required to be allocated to Wrap Advisory Accounts. Therefore, investment (or continued investment) by particular Wrap Advisory Accounts with Unaffiliated Managers may result in additional investment opportunities to Goldman Sachs or other Accounts.

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

GS PFM addresses these potential conflicts of interest in a manner that is consistent with its fiduciary duties.

## **H. Code of Ethics**

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

Additionally, all personnel of Goldman Sachs, including Financial Advisors, are subject to firmwide policies and procedures regarding confidential and proprietary information, information barriers, private investments, outside business activities and personal trading. In addition, GS PFM prohibits its employees from accepting gifts and

entertainment that could influence or appear to influence, their business judgment. This generally includes gifts of more than \$100 or meals and other business-related entertainment that may be considered lavish or extraordinary and therefore raises a question or appearance of impropriety.

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

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

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

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

In connection with providing such services, it should be expected that Goldman Sachs will take commercial steps in its own interest, or advise the parties to which it is providing services, or take other actions. Such actions may benefit Goldman Sachs. For example, Goldman Sachs is incentivized to cause Wrap Advisory Accounts to invest,

directly or indirectly, in securities, bank loans or other obligations of companies affiliated with Goldman Sachs, advised by Goldman Sachs (including GS PFM) or in which Goldman Sachs, its personnel, or Accounts (including Wrap Advisory Accounts) have an equity, debt or other interest, or to engage in investment transactions that may result in Goldman Sachs or other Accounts (including through other Wrap Advisory Accounts) being relieved of obligations or otherwise divested of investments. Similarly, certain Wrap Advisory Accounts acquire securities or indebtedness of a company affiliated with Goldman Sachs directly or indirectly through syndicate or secondary market purchases, or make a loan to, or purchase securities from, a company that uses the proceeds to repay loans made by Goldman Sachs. These activities by a Wrap Advisory Account may enhance the profitability of Goldman Sachs, its personnel, or other Accounts (including Wrap Advisory Accounts) with respect to their investment in and activities relating to such companies. Wrap Advisory Accounts will not be entitled to compensation as a result of this enhanced profitability.

Providing such services may also have an adverse effect on Wrap Advisory Accounts. For example, Goldman Sachs makes loans to and enters into margin, asset-based or other credit facilities or similar transactions with, clients, companies, individuals, or Managers or their affiliates that are secured by publicly or privately held securities or other assets, including by a client's assets or interests in a Wrap Advisory Account. Some of these borrowers are public or private companies, or founders, officers, or shareholders in companies in which Goldman Sachs, funds managed by Goldman Sachs, or Wrap Advisory Accounts or other Accounts directly or indirectly invest, and such loans may be secured by securities of such companies, which may be the same as, or *pari passu* with or more senior or junior to, interests held (directly or indirectly) by Goldman Sachs, funds managed by Goldman Sachs, Wrap Advisory Accounts or other Accounts. In connection with its rights as lender, Goldman Sachs acts to protect its own commercial interest and take actions that adversely affect the borrower, including by liquidating or causing the liquidation of securities on behalf of a borrower, or foreclosing and liquidating such securities in Goldman Sachs' own name. Such actions will adversely affect Wrap Advisory Accounts if, for example, a large position in securities is liquidated, among the other potential adverse consequences, the value of such security declines rapidly and Wrap Advisory Accounts holding (directly or indirectly) such security in turn decline in value or are unable to liquidate their positions in such security at an advantageous price or at all). For a discussion of certain additional conflicts associated with Goldman Sachs or clients, on the one hand, and a particular Wrap Advisory Account, on the other hand, investing in or extending credit to different parts of the capital structure of a single issuer, see "Investments in and Advice Regarding Different Parts of an Issuer's Capital Structure" below.

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

Certain Goldman Sachs' activities on behalf of its clients generally also restrict investment opportunities that may otherwise be available to Wrap Advisory Accounts. For example, Goldman Sachs is often engaged by companies as a financial advisor, or to provide financing or other services, in connection with commercial transactions that are potential investment opportunities for Wrap Advisory Accounts. There are circumstances under which Wrap Advisory Accounts are precluded from participating in such transactions as a result of Goldman Sachs' engagement by such companies. Goldman Sachs reserves the right to act for these companies in such circumstances, notwithstanding the potential adverse effect on Wrap Advisory Accounts.

Goldman Sachs represents certain creditor or debtor companies in proceedings under Chapter 11 of the U.S. Bankruptcy Code (and equivalent non-U.S. bankruptcy laws). From time to time, Goldman Sachs serves on creditor or equity committees. It should be expected that these actions, for which Goldman Sachs may be compensated, will limit or preclude the flexibility that the Wrap Advisory Account otherwise has to buy or sell securities issued by

those companies. Please also refer to “Firm Policies, Regulatory Restrictions and Certain Other Factors Affecting Wrap Advisory Accounts” below.

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

## **2. Differing Advice and Competing Interests**

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

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

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

Moreover, research, analyses or viewpoints will be available to clients or potential clients at different times. Goldman Sachs will not have any obligation to make available to Wrap Advisory Accounts any research or analysis at any particular time or prior to its public dissemination.

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

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

### **3. Allocation of Investment Opportunities**

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

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

Financial Advisors make allocation-related decisions by reference to one or more factors, including, without limitation, the client's overall relationship with GS PFM; investment objectives, investment horizon, financial circumstances and risk tolerance; timing of client's subscription to or indication of interest in the investment; the capacity of the investment; whether Wrap Advisory Accounts give GS PFM discretion or require client approval

for investments; current and expected future capacity of applicable Wrap Advisory Accounts; tax sensitivity of Wrap Advisory Accounts; the client's domicile; suitability considerations; the nature of the investment opportunity; cash and liquidity considerations, including, without limitation, availability of cash for investment; relative sizes and expected future sizes of applicable Wrap Advisory Accounts; availability of other appropriate investment opportunities; legal and regulatory restrictions affecting certain Wrap Advisory Accounts, including client eligibility; minimum denomination, minimum increments, *de minimis* threshold odd lot and round lot considerations; client-specific investment guidelines and restrictions; current investments made by clients that are similar to the applicable investment opportunity; and the time of last trade.

There will be some instances where certain Wrap Advisory Accounts receive an allocation while others do not or where preferential allocations are given to clients with a proven interest or expertise in a certain sector, company or industry. In addition, Financial Advisors, as part of their investment style, choose not to participate in IPOs for any clients, or choose to offer participation to only a small group of clients based upon criteria, such as assets under management, or choose to adopt another methodology. From time to time, GS PFM will make allocations to certain Wrap Advisory Accounts before other Wrap Advisory Accounts based on a rotational system designed to preclude the favoring of any one Wrap Advisory Account over another. To the extent a given Wrap Advisory Account trades behind other Wrap Advisory Accounts within the rotation system, it is possible that such Wrap Advisory Account will suffer adverse effects depending on market conditions.

GS PFM or its affiliates, under limited circumstances, use model portfolios and research or research lists, including those provided by GSAM or third parties, when managing Wrap Advisory Accounts. Certain Wrap Advisory Accounts have the opportunity to evaluate or act upon recommendations (including recommendations in model portfolios) before other Wrap Advisory Accounts, including those advised by the same adviser providing the recommendations and other personnel may have already begun to trade based upon the recommendations. As a result, trades ultimately placed on behalf of Wrap Advisory Accounts based upon such recommendations are subject to price movements, particularly with large orders or thinly traded securities. In these circumstances, it should be expected that the Wrap Advisory Accounts receiving prices for transactions will be less favorable than the prices for transactions obtained for other clients of the adviser. This could occur because of time zone differences or other reasons that cause orders to be placed at different times. In addition, model portfolios available through Goldman Sachs affiliates might not be available through GS PFM, and vice versa, and might experience different performance than other model portfolios. See "Differing Advice and Competing Interests" above.

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

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

When permitted by applicable law and GS PFM's policy, GS PFM, acting on behalf of its Wrap Advisory Accounts (for example, taxable fixed income and municipal bond fixed income and structured investment strategies), can enter into transactions in securities and other instruments with or through Goldman Sachs or in Affiliated Products (but is under no obligation or other duty to), and cause Wrap Advisory Accounts to engage in principal transactions, cross transactions and agency cross transactions. There are potential conflicts of interest or regulatory requirements or restrictions (including those contained in Goldman Sachs internal policies) relating to these transactions that could limit GS PFM's decision to engage in these transactions for Wrap Advisory Accounts. In certain circumstances, such as when Goldman Sachs is the only participant, or one of a few participants, in a particular

market, or is one of the largest such participants, such limitations will eliminate or reduce the availability of certain investment opportunities to Wrap Advisory Accounts or impact the price or terms on which transactions relating to such investment opportunities may be effected. A principal transaction occurs if GS PFM, on behalf of a Wrap Advisory Account, engage in a transaction in securities or other instruments with Goldman Sachs or in Affiliated Products acting as principal. In certain circumstances, Goldman Sachs will, to the extent permitted by applicable law, purchase or sell securities on behalf of a Wrap Advisory Account as a “riskless principal.” Goldman Sachs will generally earn compensation (such as a spread or mark-up) in connection with principal transactions. A cross transaction occurs when GS PFM cause a Wrap Advisory Account to buy securities or other instruments from, or sell securities or other instruments to, another Wrap Advisory Account or an advisory client Account of a Goldman Sachs affiliate, and Goldman Sachs does not receive a commission from the transaction. An agency cross transaction occurs when Goldman Sachs acts as broker for a Wrap Advisory Account on one side of the transaction and a brokerage account or another Wrap Advisory Account on the other side of the transaction in connection with the purchase or sale of securities by the Wrap Advisory Account, and Goldman Sachs receives a commission from the transaction. GS PFM may (but is under no obligation to) cause Wrap Advisory Accounts to engage in cross and agency cross transactions. In addition, Goldman Sachs serves as clearing agent for other Goldman Sachs clients that act as counterparty to trades for Wrap Advisory Accounts and will earn a fee for these services. See “Goldman Sachs Acting in Multiple Commercial Capacities” above.

Goldman Sachs will have a potentially conflicting division of loyalties and responsibilities to the parties to principal, cross and agency cross transactions, including with respect to a decision to enter into such transaction as well as with respect to valuation, pricing and other terms. GS PFM has adopted policies and procedures in relation to such transactions and conflicts. However, there can be no assurance that such transactions will be effected, or that such transactions will be effected in the manner that is most favorable to a Wrap Advisory Account that is a party to any such transactions. Cross transactions may disproportionately benefit some Wrap Advisory Accounts relative to other Wrap Advisory Accounts due to the relative amount of market savings obtained by the Wrap Advisory Accounts. Principal, cross or agency cross transactions are effected in accordance with fiduciary requirements and applicable law (which include providing disclosure and obtaining client consent, where required). Performance may differ for clients who do not consent to principal trades. Clients may revoke consent to agency cross transactions at any time by written notice to GS PFM, as applicable, and any such revocation will be effective once GS PFM has received and has had a reasonable time to act on it.

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

## **5. Affiliated Products/External Products**

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

The universe of products that are made available to Wrap Advisory Accounts is limited for certain reasons, including, for example, (i) because one or more External Products have not been reviewed or approved for investment by GS PFM; (ii) as a result of internal informational barriers that restrict access to certain information regarding Affiliated Products, as described below; or (iii) for administrative, practical or other considerations. As a result, there may be one or more products that could have otherwise been selected or recommended but for such

limitations, and such other products may be more appropriate or have superior historical returns than the investment product selected or recommended for the Wrap Advisory Account.

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

Before making Affiliated Products or External Products available to Wrap Accounts, various teams within Goldman Sachs review such products and, in doing so, consider certain factors, including the operational and reputational risks relating to such products. The focus of certain reviews and the teams conducting such reviews, however, differ depending on whether the product is an Affiliated Product or an External Product. In addition, different teams review or screen such products in different ways. With respect to External Products, certain External Products are reviewed by AIMS while other External Products are reviewed by other teams within Goldman Sachs.

External Products will receive varying levels of due diligence depending on the team reviewing such products, the product, or whether the product was a Legacy External Product. With respect to External Products reviewed by AIMS, such products undergo a due diligence review designed to assess the investment merits of each product, which includes a review of the quality of the managers and the likelihood of producing appropriate investment results over the long term. Applicable investment and operational due diligence committees determine which External Products are available for investment. Although AIMS reviews the performance history of External Products, none of Goldman Sachs, AIMS, or any third party calculates or audits the information for accuracy, verifies the appropriateness of the methodology on which the performance is calculated or verifies whether the performance complies with Global Investment Performance Standards or any other standard for performance calculation. The methods for calculating performance and forming composites may differ among External Products and performance information may not be calculated on a uniform and consistent basis. Past performance may not be indicative of future results and, as such, prospective clients should not place too much emphasis on External Product performance information. AIMS periodically reviews the External Products through interactions with Unaffiliated Advisers designed to help understand the evolution of their views. AIMS uses a different process to evaluate ETFs and certain third party mutual funds, applying quantitative screens that assess specific factors, including tracking error, total assets, expense ratio, length of track record and other factors (subject to periodic adjustment). AIMS will not review the entire universe of External Products that may be otherwise appropriate for Goldman Sachs' platform. In addition, AIMS might not consider any External Product for certain asset classes for which an Affiliated Product is available; as a result, there may be no External Products available for certain asset classes on our platform. External Products that were not reviewed or approved by AIMS may have been more appropriate for a particular Wrap Advisory Account or may have had superior historical returns than the products otherwise made available.

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



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

Financial Advisors may consider qualitative and subjective factors to a greater extent than quantitative factors when they review an Affiliated Product from an External Product. In such instances, Affiliated Products and External Products will not be subject to the same review of quantitative and qualitative characteristics. Accordingly, such Financial Advisors may recommend or select an Affiliated Product over an External Product, and the Affiliated Product that was recommended or selected will not perform as well as the External Product that would have been recommended or selected had the more quantitative review been applied to both Affiliated Products and External Products. The same would be true for Legacy External Products that receive varying levels of review by GS PFM's IM Department versus those External Products reviewed by AIMS.

Other factors affect the review of potential investment products by Financial Advisors. For example, when Financial Advisors review Affiliated Products, they may be restricted from obtaining information they might otherwise request with respect to such Affiliated Products and their sponsors, managers, or advisers as a result of internal informational barriers. When Financial Advisors do not have access to certain information with respect to an investment product, they may determine not to consider such investment product for a Wrap Advisory Account, or, conversely, Financial Advisors may select an investment product for the Wrap Advisory Account notwithstanding that certain material information is unavailable to the Financial Advisors, each of which could adversely affect the Wrap Advisory Account (e.g., such Affiliated Product could significantly decline in value, resulting in substantial losses to the Wrap Advisory Account). For more information, see "Considerations Relating to Information Held by Goldman Sachs" below.

It should be expected that Financial Advisors will not review the entire universe of External Products that are available or appropriate for a Wrap Advisory Account. As a result, there may be one or more External Products that would be a more appropriate addition to the Wrap Advisory Account than the investment product selected by Financial Advisors. Such External Products may outperform the investment product selected for the Wrap Advisory Account.

The availability of Affiliated Products versus External Products gives rise to additional conflicts of interest. Goldman Sachs receives higher fees, compensation and other benefits, when assets of Wrap Advisory Accounts are allocated to Affiliated Products rather than External Products. GS PFM, therefore, is incentivized to allocate Wrap Advisory Account assets to Affiliated Products, rather than to External Products. Similarly, GS PFM is disincentivized to consider or recommend the removal of a Wrap Advisory Account's assets from, or the modification of a Wrap Advisory Account's allocations to, an Affiliated Product at a time that it otherwise would have where doing so would decrease the fees, compensation and other benefits to Goldman Sachs, including where disposal of such Affiliated Product by the Wrap Advisory Account would likely adversely affect the Affiliated Product with respect to its liquidity position or otherwise. Moreover, GS PFM has an interest in allocating or

recommending the assets of Wrap Advisory Accounts to Affiliated Products that impose higher fees than those imposed by other Affiliated Products or that provide other benefits to Goldman Sachs. Any differential in compensation paid to personnel in connection with certain Affiliated Products rather than other Affiliated Products creates a financial incentive on the part of GS PFM to select or recommend certain Affiliated Products over other Affiliated Products. For information regarding fees and compensation, see Item 4.

The activities of Affiliated Products may be restricted because of regulatory or other requirements applicable to Goldman Sachs and/or its internal policies designed to comply with, limit the applicability of, or otherwise relate to such requirements. To the extent that External Products are not subject to the same or similar restrictions or requirements, it should be expected that such External Products will outperform Affiliated Products.

Goldman Sachs (including GS PFM) provides opportunities to clients (including Wrap Advisory Accounts) to make investments in Affiliated Products in which certain Wrap Advisory Accounts have already invested. Such follow-on investments can create conflicts of interest, such as the determination of the terms of the new investment and the allocation of such opportunities among Wrap Advisory Accounts. Follow-on investment opportunities may be available to clients with no existing investment in the Affiliated Product, resulting in the assets of a Wrap Advisory Account potentially providing value to, or otherwise supporting the investments of, other Wrap Advisory Accounts. Wrap Advisory Accounts may also participate in releveraging, recapitalization and similar transactions involving Affiliated Products in which other Wrap Advisory Accounts have invested or will invest. Conflicts of interest in these recapitalization and other transactions arise between Wrap Advisory Accounts with existing investments in an Affiliated Product and Wrap Advisory Accounts making subsequent investments in the Affiliated Product, which have opposing interests regarding pricing and other terms. The subsequent investments may dilute or otherwise adversely affect the interests of the previously-invested Wrap Advisory Accounts. See “Differing Advice and Competing Interests” and “Allocation of Investment Opportunities” above.

Goldman Sachs can create, write, sell, issue, invest in or act as placement agent or distributor of derivative instruments related to Affiliated Products such as pooled investment vehicles, or with respect to underlying securities or assets of Affiliated Products, or which are otherwise based on, or seek to replicate or hedge, the performance of Affiliated Products. Such derivative transactions, and any associated hedging activity, may differ from, and be adverse to, the interests of Wrap Advisory Accounts. For example, derivative transactions could represent leveraged investments in an investment fund in which Wrap Advisory Accounts have an interest, and the leveraged characteristics of such investments could make it more likely, due to events of default or otherwise, that there would be significant redemptions of interests from such underlying fund more quickly than might otherwise be the case. Goldman Sachs, acting in commercial capacities in connection with such derivative transactions, can in fact cause such a redemption. Activities in respect of derivative transactions, and any associated hedging activity, may occur as a result of Goldman Sachs’ adjustment in assessment of an investment or an Affiliated Adviser or Unaffiliated Adviser based on various considerations, and Goldman Sachs will not be under any obligation to provide notice to Wrap Advisory Accounts in respect of any such adjustment in assessment. See “Differing Advice and Competing Interests” above.

Subject to applicable law, Goldman Sachs or its clients (including other Wrap Advisory Accounts and Goldman Sachs personnel) can invest in or alongside particular Wrap Advisory Accounts that are invested in Affiliated Products. These investments may be on terms more favorable than those of an investment by Wrap Advisory Accounts in such Affiliated Products and constitute substantial percentages of such Affiliated Products resulting in particular Wrap Advisory Accounts being allocated a smaller share of the investment than would be the case absent the side-by-side investment. Unless provided otherwise by agreement to the contrary, Goldman Sachs, its personnel and its clients can redeem or withdraw interests in these Affiliated Products at any time without notice or regard to the effect on the portfolios of Wrap Advisory Accounts invested in the Affiliated Product and adversely affect any such redemption or withdrawal. Substantial requests for redemption or withdrawal by Goldman Sachs in a concentrated period of time could require an Affiliated Product to liquidate certain of its investments more rapidly than otherwise desirable in order to raise cash to fund the redemptions or withdrawals, adversely affecting the Affiliated Product and its investors, including Wrap Advisory Accounts. See “Differing Advice and Competing

Interests” above and “Firm Policies, Regulatory Restrictions and Certain Other Factors Affecting Wrap Advisory Accounts” below.

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

## **6. Investments in and Advice Regarding Different Parts of an Issuer’s Capital Structure**

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

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

These potential issues are examples of conflicts that Goldman Sachs will face in situations in which Wrap Advisory Accounts, and Goldman Sachs, its personnel, or other Accounts, invest in or extend credit to different parts of the capital structure of a single issuer. Goldman Sachs has adopted procedures to address such conflicts. The particular procedures employed will depend on the circumstances of particular situations. For example, Goldman Sachs relies on information barriers between different Goldman Sachs business units or portfolio management teams or Goldman Sachs in some circumstances relies on the actions of similarly situated holders of loans or securities rather than taking such actions itself on behalf of the Wrap 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 Wrap Advisory Accounts, Wrap Advisory Accounts could sustain losses during periods in which Goldman Sachs, its personnel, and/or other Accounts achieve profits generally or with respect to particular holdings in the same issuer, or could achieve lower profits or higher losses than would have been the case had the conflicts described above not existed. It should be expected that the negative effects described above will be more pronounced in connection with transactions in, or Wrap Advisory Accounts using small capitalization, emerging market, distressed or less liquid strategies.

## **7. Valuation**

GS PFM provides limited valuation services related to certain securities and assets in Wrap Advisory Accounts using software created by a third-party vendor. Clients typically request valuations as of a particular date. GS PFM does not value securities or assets that cannot be valued by such software and clients are responsible for the valuation of such securities and assets. It should be expected that the value of an identical asset given by GS PFM will differ from the value given by another entity, division or unit within Goldman Sachs, or from another Account or Wrap Advisory Account, including because such other entity, division, or unit has information or uses valuation techniques and models that it does not share with, or that are different than those of GS PFM, or because different Wrap Advisory Accounts are subject to different valuation guidelines pursuant to their respective governing agreements. Differences in valuation also exist because different third-party vendors are hired to perform valuation functions for the Wrap Advisory Accounts, or the Wrap Advisory Accounts are managed or advised by different portfolio management teams within Goldman Sachs that employ different valuation policies or procedures or otherwise.

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

## **8. Voting**

For a discussion of who is responsible for voting securities in Wrap Advisory Accounts, please refer to "Item 4."

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

Goldman Sachs restricts its investment decisions and activities on behalf of a Wrap Advisory Account in various circumstances, including as a result of applicable regulatory requirements, information held by Goldman Sachs, as more fully described below, Goldman Sachs' roles in connection with other clients and in the capital markets (including in connection with advice it gives to such clients or commercial arrangements or transactions that are undertaken by such clients of Goldman Sachs), Goldman Sachs' internal policies and/or potential reputational risk in connection with Accounts (including Wrap Advisory Accounts) and/or certain investments or transactions generally. As a result, in certain cases, Goldman Sachs will not engage in transactions or other activities for, or recommend transactions to, a Wrap Advisory Account, or will reduce a Wrap Advisory Account's position in an investment with limited availability to create availability for a Wrap Advisory Account managed in the same strategy, in consideration of Goldman Sachs' activities outside the Wrap Advisory Account and regulatory

requirements, policies and reputational risk assessments. For example, GS PFM may restrict or limit the amount of a Wrap Advisory Account's investment where exceeding a certain aggregate amount could require a filing or a license or other regulatory or corporate consent, which could, among other things, result in additional costs and disclosure obligations for or impose regulatory restrictions on Goldman Sachs (including GS PFM) or on other Wrap Advisory Accounts, or where exceeding a threshold is prohibited or results in regulatory or other restrictions. In certain cases, restrictions and limitations will be applied to avoid approaching such threshold. Circumstances in which such restrictions or limitations arise include, without limitation: (i) a prohibition against owning more than a certain percentage of an issuer's securities; (ii) a "poison pill" that has a dilutive impact on the holdings of the Accounts should a threshold be exceeded; (iii) provisions that cause Goldman Sachs to be considered an "interested stockholder" of an issuer; (iv) provisions that cause Goldman Sachs to be considered an "affiliate" or "control person" of the issuer; and (v) the imposition by an issuer (through charter amendment, contract or otherwise) or governmental, regulatory or self-regulatory organization (through law, rule, regulation, interpretation or other guidance) of other restrictions or limitations.

When faced with the foregoing limitations, Goldman Sachs will generally avoid exceeding the threshold because it could have an adverse impact on the ability of Goldman Sachs to conduct business activities. Goldman Sachs may also reduce a particular Wrap Advisory Account's interest in, or restrict certain Wrap Advisory Accounts from participating in an investment opportunity that has limited availability so that other Accounts that pursue similar investment strategies are able to acquire an interest in the investment opportunity. In some cases, Goldman Sachs determines not to engage in certain transactions or activities beneficial to Wrap Advisory Accounts because engaging in such transactions or activities in compliance with applicable law would result in significant cost to, or administrative burden on, Goldman Sachs (including GS PFM) or create the potential risk of trade or other errors. In addition, Goldman Sachs is generally not permitted to obtain or use material nonpublic information in effecting purchases and sales for Wrap Advisory Accounts that involve public securities. Restrictions (such as limits on purchase and sale transactions or subscription to or redemption from an underlying fund) may be imposed on particular Wrap Advisory Accounts and not on other Accounts (including other Wrap Advisory Accounts). For example, directors, officers and employees of Goldman Sachs may take seats on the boards of directors of, or have board of directors' observer rights with respect to, companies in which Goldman Sachs invests on behalf of Wrap Advisory Accounts. To the extent a director, officer or employee of Goldman Sachs were to take a seat on the board of directors of, or have board of directors observer rights with respect to, a public company, Goldman Sachs (including GS PFM, GS&Co., and GSAM or certain of their investment teams) may be limited and/or restricted in its or their ability to trade in the securities of the company. In addition, any such director, officer or employee of Goldman Sachs that is a member of the board of directors of a company in which Goldman Sachs invests on behalf of Wrap Advisory Accounts may have duties to such company in his or her capacity as a director that conflict with Goldman Sachs's duties to Wrap Advisory Accounts, and may act in a manner that disadvantages or otherwise harms Wrap Advisory Accounts and/or benefit the portfolio company and/or Goldman Sachs.

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

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

Goldman Sachs operates a program reasonably designed to ensure compliance generally with economic and trade sanctions-related obligations applicable directly to its activities (although such obligations are not necessarily the same obligations to which a Wrap Advisory Account is subject). Such economic and trade sanctions can prohibit, among other things, transactions with and the provision of services to, directly or indirectly, certain countries, territories, entities and individuals. It should be expected that these economic and trade sanctions, if applicable, and the application by Goldman Sachs of its compliance program in respect thereof, will restrict or limit a Wrap Advisory Account's investment activities.

In order to engage in certain transactions on behalf of Wrap Advisory Accounts, Goldman Sachs will be subject to (or cause Wrap Advisory Accounts to become subject to) the rules, terms and/or conditions of any venues through which it trades securities, derivatives or other instruments. This includes, but is not limited to, where GS PFM and/or the Wrap Advisory Accounts are required to comply with the rules of certain exchanges, execution platforms, trading facilities, clearinghouses and other venues, or are required to consent to the jurisdiction of any such venues. The rules, terms and/or conditions of any such venue often result in GS PFM and/or the Wrap Advisory Accounts being subject to, among other things, margin requirements, additional fees and other charges, disciplinary procedures, reporting and recordkeeping, position limits and other restrictions on trading, settlement risks and other related conditions on trading set out by such venues. From time to time, a Wrap Advisory Account, GS PFM or its affiliates and/or their service providers or agents will be required, or will determine that it is advisable, to disclose certain information about a Wrap Advisory Account, including, but not limited to, investments held by the Wrap 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 PFM, advisers or underlying funds or the Wrap Advisory Account. GS PFM will comply with requests to disclose such information as it so determines, including through electronic delivery platforms. GS PFM is also able to cause the sale of certain assets for the Wrap Advisory Account at a time that is inopportune from a pricing or other standpoint. In addition, Goldman Sachs may provide third parties with aggregated data regarding the activities of, or certain performance or other metrics associated with, the Wrap Advisory Accounts it manages, and Goldman Sachs will generally receive compensation from such third parties for providing them such information.

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

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

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

obligation to make available any information regarding its trading activities, strategies or views, or the activities, strategies or views used for other accounts for the benefit of advisory clients or Wrap Advisory Accounts. From time to time different areas of GS PFM and Goldman Sachs will take views, and make decisions or recommendations, that are different than other areas of GS PFM and Goldman Sachs. To the extent that Financial Advisors have access to fundamental analysis or other information developed by Goldman Sachs and its personnel, Financial Advisors will not be under any obligation or other duty to effect transactions on behalf of the Wrap Advisory Accounts in accordance with such analysis. In the event Goldman Sachs elects not to share certain information with Wrap Advisory Accounts, such Wrap Advisory Accounts may make investment decisions that differ from those they would have made if Goldman Sachs had provided such information and are disadvantageous to the Wrap Advisory Account. Different Financial Advisors make decisions based on information or take (or refrain from taking) actions with respect to Wrap Advisory Accounts they advise in a manner that differs from or is adverse to other Wrap Advisory Accounts. Such teams may not share information with other portfolio management teams within GS PFM (or other areas of Goldman Sachs), including as a result of certain information barriers and other policies, and will not have any obligation to do so. See “Differing Advice and Competing Interests” above.

Goldman Sachs operates a business known as Prime Services (“Prime Services”), which provides prime brokerage, administrative and other services to clients that from time to time involve investment funds in which Wrap Advisory Accounts have an interest or markets and securities in which Wrap Advisory Accounts invest. Prime Services and other parts of Goldman Sachs have broad access to information regarding the current status of certain markets, investments and funds and detailed information about fund operators that is not available to GS PFM. In addition, Goldman Sachs from time to time acts as a prime broker to one or more investment funds in which Wrap Advisory Accounts have an interest, in which case Goldman Sachs will have information concerning the investments and transactions of such investment fund that is not available to GS PFM. As a result of these and other activities, parts of Goldman Sachs will possess information regarding markets, investments, Affiliated Advisers, Unaffiliated Advisers, and investment funds, which, if known to GS PFM, might cause GS PFM to seek to: (i) dispose of, retain, or increase interests in investments held by Wrap Advisory Accounts; (ii) acquire certain positions on behalf of Wrap Advisory Accounts; or (iii) take other actions. Goldman Sachs will be under no obligation or fiduciary or other duty to make any such information available to GS PFM or Financial Advisors involved in decision-making for Wrap Advisory Accounts.

## **11. Broker-Dealer Selection/Custody**

GS PFM is not a broker-dealer and, except where client has specifically contracted with GS&Co. to serve as custodian, does not have custody of client assets (other than deducting management fees when authorized). With the exception of Retirement Accounts where GS PFM provides education only as to custodian selection, GS PFM can recommend that clients use certain affiliated and non-affiliated third parties (“Third Party Custodians”) for custodian and brokerage services. Examples of companies that GS PFM refers clients to for custodian and brokerage services include, but are not limited to Schwab, Fidelity, GS&Co., and TD Ameritrade. TD Ameritrade is a division of TD Ameritrade Inc., member FINRA/SIPC, an unaffiliated SEC-registered broker-dealer and FINRA member.

When GS PFM recommends a custodian to clients, clients are not obligated to follow its recommendation. It is the client’s decision on where they custody their assets. If a client chooses to custody their assets at a custodian other than what is recommended by GS PFM, the firm’s ability to manage the client’s assets may be restricted.

Substantially all transactions for Wrap Advisory Accounts are executed by Third Party Custodians. The Execution Charges at different custodians may differ and result in lower prices on one platform versus the other.

By directing brokerage to GS&Co. or a Third Party Custodian, GS PFM will not always be able to achieve the most favorable execution for client transactions, resulting in clients paying higher transaction costs or receive less favorable pricing. Clients should understand that not all advisers require their clients to direct brokerage to a particular broker-dealer.

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

## **12. Soft Dollars**

GS PFM's recommendation to its clients, where applicable, to hold assets in custody with a particular firm is based on various factors, including, but not limited to, the historical place where the assets were held in custody prior to the client becoming a client of GS PFM and the services provided by the custodian to GS PFM to help service the client's assets.

Custodians that GS PFM recommends, where applicable, to its clients may also provide certain services that benefit GS PFM and its business in general, rather than benefit specific clients. Such benefits include, but are not limited to, sharing in Financial Advisors recruitment expenses and other business growth initiatives, and payment directly to vendors supporting GS PFM's business including research providers, trade administration, portfolio accounting systems, Bloomberg terminals, supporting GS PFM's management of client assets.

GS PFM receives products and services from firms providing custodial services that benefit GS PFM, but not all clients. These services are typically offered to all investment advisers working with the custodian and do not have a specific cost tied to the benefit. Some of these products and services assist GS PFM in managing and administering client accounts. These products and services include software and other technology that provide access to client account data (such as trade confirmations and account statements); services that facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); research, pricing information and other market data; products and services that facilitate payment of GS PFM fees from its client accounts; assistance with back office functions, recordkeeping and client reporting; receipt of duplicate account statements and confirmations; research related products and tools; consulting services; access to a trading desk serving GS PFM participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to GS PFM by third-party vendors. Generally, many of these services are used to service all or a substantial number of client accounts.

Custodians also make available to GS PFM other services intended to help GS PFM manage and further develop its business enterprise but that do not directly benefit its clients. These services include consulting, offering publications and conferences on practice management, information technology, third-party research, business succession, regulatory compliance and marketing. In addition, custodians may arrange and/or pay for these types of services rendered to GS PFM by independent third-parties. In certain instances, custodians discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of other third-parties providing such services to GS PFM. Custodians also contribute to educational events held by GS PFM for its supervised persons. Occasionally, client account custodians and other third-party vendors make charitable contributions to non-profit organizations on GS PFM's behalf. These contributions benefit GS PFM but do not benefit its clients.

Custodians offer reduced transaction costs to supervised persons of GS PFM that custody their personal assets at the custodian. These transaction costs may be less than the costs that are typically made available through the custodian's retail service divisions.



Transactions for a client's Wrap Advisory Account may be effected through broker-dealers in return for research products and/or services which assist GS PFM in its investment decision making process. Such research generally will be used to service all GS PFM's clients (including Wrap Advisory Accounts that do not generate commissions used to pay for investment research), but brokerage commissions paid by a client may be used to pay for research that is not used in managing the client's Wrap Advisory Account, when applicable. Clients may pay a broker-dealer a commission greater than another qualified broker-dealer might charge to effect the same transaction where GS PFM determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

GS PFM, in some instances, enters into agreements where a service provider agrees to pay for the services of a third-party vendor. GS PFM currently maintains three such agreements with Schwab. Third-party service providers may also refer clients or adviser partner candidates to GS PFM. See "Schwab Advisor Network®, Fidelity Wealth Advisor Solutions® & TD Ameritrade AdvisorDirect Referrals" below.

To offset the costs of transitioning new client assets, the client's account custodian may agree to reimburse the client for all or a portion of their account transfer fees and/or to pay third-party service providers to assist with the transition of assets. For the custodian to pay transaction costs, certain minimum asset transition thresholds may be required. If the minimum asset transition amounts are not met, the reimbursement will not be made, and the client would be responsible for paying their transition expense. The payment of transition expense by a custodian creates a conflict of interest as the reduced expense may be a deciding factor to transition assets to GS PFM. Thus, GS PFM has an incentive to recommend a custodian that will cover this expense over one that does not. To address this conflict of interest, prospective clients can choose to not transfer their assets from their existing custodian or choose a different custodian than the one recommended by GS PFM. Choosing a different custodian may restrict GS PFM's ability to manage the client's assets.

While, as a fiduciary, GS PFM seeks to act in its clients' best interests, GS PFM's recommendation that clients maintain their assets in accounts at a particular custodian may be based in part on the benefit to GS PFM, including the availability of some of the foregoing products and services and not solely on the nature, cost, or quality of custody and brokerage services provided and benefit GS PFM more than individual clients. GS PFM has an incentive to select or recommend a broker-dealer based on its interest in receiving these benefits, rather than the client's interest in receiving the most favorable execution. It's possible that clients would pay lower commissions by using a broker-dealer that does not provide any benefit to GS PFM. A conflict of interest exists when the services provided by the custodian are based on the amount of client assets that GS PFM maintains with the third-party service provider.

GS PFM does not have to pay for Schwab's services, or the benefits it provides to GS PFM, as long as it keeps at least \$10 million of client assets in accounts at Schwab. Beyond that, the services provided by Schwab are not contingent upon GS PFM committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum gives GS PFM an incentive to recommend that clients maintain their account with Schwab. This is a potential conflict of interest, but the \$10 million expectation for assets held in custody with Schwab represents a very small portion of GS PFM's total assets under management, equaling less than one percent of the firm's total asset under management.

### **13. Execution/Directed Brokerage for Discretionary Managed Accounts**

Clients typically provide GS PFM with the discretion to select the broker-dealer for execution of securities transactions. GS PFM determines the securities to be bought or sold, the price, the timing, and the selection of broker-dealer it believes can provide best execution of client transactions. GS PFM and Managers will generally place trades with the client's custodian in light of the value of brokerage and other services received or made available by the custodian to client's account (including, without limitation, the benefits provided by the custodian). However, GS PFM and Managers place transactions with other broker-dealers consistent with their duty to seek best execution. While GS PFM believes the broker dealer it has selected will provide best execution and services, it is possible that better execution is obtainable through another broker dealer. GS PFM is incentivized to trade with a certain broker-dealer regardless of execution quality where doing so avoids incurring the charges that accompany

trading with other broker-dealers. If a client is invested in certain fixed income strategies managed by GSAM, subject to applicable law, GS PFM will execute all transactions for such client's account through GS&Co., as agent or principal (including transactions in which Goldman Sachs or its personnel have an interest), in all programs and circumstances where the execution services of GS&Co. are available for direction on this basis in the ordinary course of GS&Co.'s business.

The client may direct GS PFM to use a particular broker-dealer (subject to GS PFM's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. GS PFM will generally direct transactions to designated broker-dealers based on its execution capabilities; however, the use of a designated broker may preclude GS PFM and/or Managers from obtaining best price and execution of portfolio transactions. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer, and GS PFM will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by GS PFM. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

When deciding the appropriate method for executing transactions, GS PFM may choose to execute all client transactions at the same time in a block transaction, stage transactions, and/or submit each client's transaction independently.

When trades are placed in a "block," all client shares as part of that block are aggregated and provided an average execution price. At times, because of the size of a transaction, GS PFM, at its discretion, may choose to stage transactions. Staging transactions means that GS PFM, or its trading agent, will submit the transactions for execution at varying times and/or days. This is done to minimize the price movement of the security attributable to the transaction. However, as a result of staging, clients may receive less favorable execution prices than if their trades were not aggregated, which will impact performance of the Wrap Advisory Accounts.

If transactions for client accounts are effected through a broker-dealer that refers clients to GS PFM, the potential for conflict of interest arises due to the fact that GS PFM is incentivized to refer clients to that broker-dealer in order to obtain more referrals.

## **J. Errors**

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

## **K. Wrap Advisory Account Reviews**

GS PFM provides ongoing monitoring of Wrap Advisory Accounts for which GS PFM exercises discretionary Investment Management to identify situations that warrant either a detailed review or specific action on behalf of a client. Such reviews include, but are not limited to, performance, client objectives, inactivity, high concentrations in individual securities, or changes in the client's account information or financial situation.

GS PFM Financial Advisors attempt to meet with clients at least annually to discuss changes in the client's investment objectives, risk tolerance and changes to or new reasonable restrictions on the management of their investments. Clients are asked to either meet in person or by telephone or online conference at which time their financial situation, condition, or investment objectives or goals are reviewed. If the client and GS PFM Financial Advisors do not meet for a considerable period, greater than a year, after reasonable effort is made by GS PFM Financial Advisors to do so, the client's Wrap Advisory Account will be managed based on previously communicated expectations.

## **L. Rebalancing**

GS PFM will periodically rebalance the discretionary Investment Management account holdings within a client's Wrap Advisory Account. The primary goal is to ensure that the market value of the investments in each asset class remains aligned with the percentage of the total market value of the entire client account as determined by the asset allocation model or parameters selected by the client within a reasonable tolerance level. GS PFM has discretion to change the allocations among the various asset classes on a periodic basis. Allocations among investments may, from time to time, be out of balance with the target asset class allocations for extended periods of time or at all times due to various factors, such as fluctuations in, and variations among, the performance of investments and reliance on estimates in connection with the determination of percentage allocations. Depending on the assets, the rebalancing will generate a taxable transaction for the client. GS PFM does not typically factor the tax implication of a transaction when deciding when to rebalance a Wrap Advisory Account. Transactions will not take place in a GS PFM Wrap Advisory Account if Wrap Advisory Account remains within an appropriate variance for the applicable investment strategy, as determined by GS PFM or a Manager, if applicable. When the account remains within an appropriate allocation range, no transactions are warranted and significant periods of time may go by without any transactions taking place. If there is no account activity, GS PFM is still supervising the assets.

## **M. Custodial Statements**

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

## **N. Recruiting Expenses**

As a part of GS PFM's business, the firm hires outside parties (recruiters) to help find registered investment advisers interested in joining GS PFM. The recruiters are typically paid a fee based on a percentage of the total revenue of the investment adviser or business referred to GS PFM. At times, others will contribute to the recruiting expense GS PFM might incur, including custodians of client assets such as Fidelity. When a third-party custodian contributes to the recruiting expense, it presents a conflict of interest, as GS PFM has an incentive to refer the client to the third-party custodian sharing the cost of the recruitment expense over another custodian. GS PFM also hires recruiters to help locate individual financial advisors interested in joining GS PFM. The recruiters are typically paid a fee based on the compensation paid to the financial advisor. Lastly, GS PFM may pay referral fees to personnel who refer advisory personnel for employment.

## **O. Client Referrals**

Where GS PFM personnel refer clients to Affiliated Advisers, including GSAM, GSAMI, Ayco, GS&Co., Rocaton, and to affiliated insurance agencies, UCRM, ASA, ASIA, and to affiliated broker dealer, Mercer Allied, in connection with certain services it receives referral fees subject to applicable law and compensates its eligible employees for such referrals. From time to time, GS PFM personnel will also refer clients to certain Unaffiliated Advisers.

GS PFM also receive referrals from third parties that are not affiliated with Advisers. The third parties are generally paid a flat fee for referrals, or a percentage of the fees that the corporate sponsor pays to GS PFM. In these situations, in accordance with SEC Rule 206(4)-3 under the Advisers Act, an agreement is executed between GS PFM and the third party. Additionally, the third party will provide a Solicitor's Separate Written Disclosure Statement to the clients at the time of the solicitation or referral disclosing the nature of the relationship with GS PFM and the amount of referral fees paid. It is anticipated that by November 2022, these agreements will be supplemented with additional terms consistent with the SEC's Marketing Rule.

GS PFM also works with different affinity groups to market its services to their members. When working with affinity groups, GS PFM generally pays the group for providing access to their members. If the payment is based on a percentage of the fees earned by GS PFM from its members, it is done so in accordance with SEC Rule 206(4)-3 under Advisers Act.

At times, GS PFM pays a small amount (“gifts”) to clients and third parties who refer clients to it. These gifts are typically of nominal value and are not based on a percentage of the actual or anticipated earnings that GS PFM would generate or expect to generate from any new clients gained.

In certain circumstances, GS PFM will enter into agreements with third parties whereby such third party offers promotional rates for its products to potential clients of GS PFM if such individuals become clients of GS PFM.

Separately, GS PFM has relationships with one or more advertisers, including operators of websites matching consumers with providers of various financial products and services, pursuant to which GS PFM compensates such advertiser for the advertising services provided. Such advertising relationships are not subject to the conflicts associated with Rule 206(4)-3 because the advertisers’ and other third parties’ compensation is not related to any client referrals.

#### **P. Custody**

Advisory clients generally custody their funds and securities in their Wrap Advisory Accounts with Fidelity, Schwab or TD Ameritrade. GS PFM is an affiliate of GS&Co. and is not affiliated with Fidelity, Schwab or TD Ameritrade. In limited circumstances, clients also may enter into separate custody agreements to maintain client funds and securities with other unaffiliated qualified custodians. However, under Advisers Act, GS PFM or its affiliates are “deemed” to have custody of client assets under certain circumstances, including where GS PFM has a limited power of attorney for Wrap Advisory Accounts and in connection with the receipt and redirection of client checks and provision of personal accounting or bill pay services, which are ancillary non-investment advisory services typically offered.

In certain limited situations, Financial Advisors at GS PFM may have legacy relationships where they serve as the trustee for an account under GS PFM’s supervision that is not an account for the Financial Advisor’s family member. In these limited circumstances, GS PFM can be deemed to have custody even though they will not allow their Financial Advisors to hold, directly or indirectly, the trustee-client’s funds or securities, nor will GS PFM permit the Financial Advisor to obtain possession of the trustee-client’s funds or securities in connection with advisory services that GS PFM provides to such trustee-clients.

GS PFM Investment Management clients who custody funds and securities with GS&Co., Fidelity, Schwab or TD Ameritrade, as applicable, will receive periodic account statements from GS&Co., Fidelity, Schwab or TD Ameritrade respectively, or from their bank. GS PFM’s clients who custody funds and securities away from GS&Co. or Fidelity receive account statements directly from their qualified custodian, and may also receive periodic account statements and performance reports from GS PFM or its affiliates. Clients should understand that the statements received from the custodian of their funds or securities are the official records for their Wrap Advisory Accounts.

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

**Glossary:**

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

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

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

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

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

**“Advisory Annuities”** means non-commission variable annuities for which clients may authorize the Advisers to provide Variable Subaccount Allocation Services for an advisory fee.

**“Advisory Brochure”** means GS PFM’s Form ADV, Part 2A.

**“Advisory Panel”** means an advisory committee, board or panel of a third-party company.

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

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

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

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

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

**“Ayco”** means The Ayco Company, L.P. d/b/a Goldman Sachs Ayco Personal Financial Management.

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

**“CCC”** means Chicago Clearing Corporation.

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

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

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

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

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

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

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

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

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

**“Financial Advisors”** means GS PFM’s advisory personnel who provide advisory services directly to clients.

**“Financial Guidance”** means Financial Planning offered through GS PFM.

**“Financial Planning”** means the financial planning services provided by GS PFM.

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

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

**“GRT”** means Gross Receipt Tax.

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

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

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

**“GS PFM Service Provider”** means the third-party service provider which provides recommendations according to which client authorizes and directs GS PFM to facilitate voting all proxies relating to the securities held in the client’s Advisory Accounts.

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

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

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

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

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

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

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

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

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

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

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

**“Investment Management”** means the investment management services provided by GS PFM.

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

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

**“Legacy External Products”** means products held in client accounts prior to the time Goldman Sachs acquired United Capital Financial Advisers, LLC.

**“Legacy Manager”** means a manager of a mutual fund, ETF or Variable Subaccount that has not been approved by AIMS and was not recommended by the Advisers.

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

**“Managed Strategy Fees”** means fees that compensate the portfolio managers that provide portfolio management of GS PFM client account.

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

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

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

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

**“NAV”** means net asset value.

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

**“Regional Offices”** means GS PFM’s regional offices and locations throughout the United States.

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

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

**“Schwab”** means Charles Schwab & Co. Inc.

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

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

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

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

**“TD Ameritrade”** means TD Ameritrade, Inc.

**“Third Party Custodians”** means unaffiliated third-parties used for custodian and brokerage services.

**“Third Party Funds”** means mutual funds and ETFs that are managed, sponsored or advised by investment managers that are not affiliated with GS PFM or its affiliates.

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

**“UCRM”** means United Capital Risk Management, LLC, a broker-dealer registered with the SEC, and an affiliate of GS PFM.

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

**“Unsupervised Assets”** means investments clients have made on their own behalf without GS PFM’s advice or recommendation that clients may request the custodian hold.

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

**“Variable Subaccount Allocation Services”** means advice provided about the selection of Variable Subaccounts for clients’ existing or new variable annuities or the allocation of premiums among Variable Subaccounts available from the specific annuity sponsor.

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

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

**“Wrap Advisory Accounts”** means client accounts for which GS PFM’s serve as registered investment advisers and for which the client pays a Wrap Fee.

**“Wrap Fee Brochure”** means GS PFM’s ADV Part 2A – Appendix 1.