
Item 1: Cover Page



**ADV Part 2A - Firm Brochure
of
NEXTCAPITAL ADVISERS, INC.**

Managed Account Services - Retail and Workplace

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September 26, 2022

This Managed Account Services firm brochure provides information about the qualifications and business practices of NextCapital Advisers, Inc. If you have any questions about the contents of this brochure, please contact us at: (212) 902-1000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Additional information about NextCapital Advisers, Inc. and Goldman Sachs Asset Management, L.P., is also available on the Securities and Exchange Commission's website at: www.adviserinfo.sec.gov.

Registration as an investment adviser does not imply a certain level of skill or training.

Item 2: Material Changes

Effective as of August 26, 2022, NextCapital Advisers, Inc. was acquired by Goldman Sachs Asset Management, L.P. ("GSAML P"), an indirect wholly-owned subsidiary of The Goldman Sachs Group, Inc. ("GS Group"). Accordingly, changes have been integrated throughout this NextCapital Advisers, Inc. Managed Account Services – Retail and Workplace firm brochure (this "Brochure") to reflect the change in NextCapital Advisers, Inc.'s ownership, eliminate outdated provisions, and update disclosures pertaining to conflicts of interest associated with the change of control and resulting affiliation with GS Group.

Material changes have been made to the following sections since the last update of this Brochure on March 30, 2022:

- **Item 4: Advisory Business** - We have clarified that Managed Account Services are generally provided through relationships with financial institutions and employer-sponsored retirement savings plans in the first instance. We have also added references to certain Ineligible Investments, Restricted Investments, and Client Supervised Assets that either are not available through the Managed Account Services or over which NextCapital Advisers does not exercise discretion or provide investment advice.
- **Item 5: Fees and Compensation** - We have added reference to the fact that for Workplace Managed Account Services, the Plan Sponsor or another fiduciary may select Affiliated Products. The updates to this section clarify that advisory fees earned by NextCapital or its affiliates as a result of a Plan Account investing in Affiliated Products generally will be credited on a pro rata basis against Workplace Fees. In certain circumstances NextCapital Advisers may decide to waive such fees or exclude Affiliated Products from the Workplace Managed Account Services.
- **Item 10: Other Financial Industry Activities and Affiliations** - We have substantially revised this section to reflect additional conflicts of interest related to the change of control and affiliation with GS Group.
- **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading** - We have substantially revised this section to reflect additional conflicts of interest related to the change of control and affiliation with GS Group.
- **Item 12: Brokerage Practices** - The Account Errors and Error Resolution section was updated to explain that, subject to the applicable standard of care, there are situations when Clients will not be reimbursed for losses resulting from mistakes in software-based services.
- **Item 17: Voting Client Securities** - We have updated this section to state that NextCapital Advisers will not vote proxies on behalf of Workplace or Retail Managed Account Clients.

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Item 4: Advisory Business

NextCapital Advisers, Inc. ("NextCapital Advisers"), a Delaware corporation, registered with the Securities and Exchange Commission ("SEC") as an investment adviser, formed in March 2015. NextCapital Advisers is a wholly-owned subsidiary of GSAM Holdings, LLC, which is a wholly-owned subsidiary of The Goldman Sachs Group, Inc. ("GS Group"). GS Group is a public company that is a bank holding company, financial holding company and a world-wide, full-service financial services organization.

NextCapital Advisers is an experienced provider of automated portfolio management and financial planning services. NextCapital Software, Inc. ("NextCapital Software"), which is affiliated with NextCapital Advisers and is a wholly-owned indirect subsidiary of GS Group, has developed automated goal and risk-based financial planning and portfolio management software (the "Software Platform"). NextCapital Software licenses, for a fee, the Software Platform to its affiliate, NextCapital Advisers, as well as to other financial institutions. Personnel of NextCapital Software provide direct and indirect support to NextCapital Advisers.

NextCapital Advisers delivers personal portfolio and planning services to investors. NextCapital Advisers provides such services online through the Software Platform, including one or more of the following: (i) asset allocation and/or glide path determinations; (ii) model portfolio creation, whereby NextCapital Advisers generates model portfolios and maintains appropriate model portfolio strategies consistent with an individual's user profile (including through portfolio rebalancing, as necessary); and/or (iii) advice and wealth forecasting, including, as applicable, projected spending/draw-down available at retirement (collectively, and hereinafter, the "Managed Account Services"). NextCapital Advisers utilizes proprietary models and algorithms that consider capital market assumptions, forecasting configurations, simulation data sets, asset allocation models, advice personalization, as well as asset classification and investment selection, to provide the aforementioned services and manage accounts. Information, other than that collected in the profile, is not considered in generating investment recommendations. The Managed Account Services are provided to: (i) financial institutions (each, discretely or interchangeably, an "Institution" and/or "Program Sponsor"); and (ii) employer-sponsored retirement savings plans (each, a "Plan" or "Plan Sponsor"). In certain circumstances, the Managed Account Services provided by NextCapital Advisers are delivered directly or indirectly through to the underlying clients and customers of Institutions and Program Sponsors or to plan participants solely in their role as participants in (and authorized agents of) each Plan ("Plan Participants"). However, for the purposes of this disclosure, both NextCapital Advisers' clients and the Plan Participants are collectively referred to as ("Clients").

The Managed Account Services are offered through two separate channels: (i) **Retail** and (ii) **Workplace**.

The scope, nature and level of the Managed Account Services provided to Clients will vary depending on which services an Institution, Program Sponsor, and/or Plan Sponsor selects. In providing Managed Account Services, NextCapital Advisers relies on data directly provided by Clients, and, as applicable, data held with Plans' recordkeepers (hereinafter, "Record-Kept Data"), to inform Client investment goals through the Software Platform. For example, in certain arrangements, Clients are asked to answer a series of questions ranging from the amount of their income or contributions, investable assets, current portfolio asset mix, investment goals and other basic questions designed to ascertain investment goals



and risks. Based upon the unique profile inputs of each Client (including those sourced through Record-Kept Data), the Software Platform applies NextCapital Advisers' various proprietary algorithms and models to enable the Managed Account Services.

Separately, and depending on the specific Managed Account Services arrangement, NextCapital Advisers' proprietary algorithms will utilize methodology inputs provided to it by an Institution or Program Sponsor, such as capital market assumptions or glidepath configurations. These Institution-provided inputs are different from Client or Record-Kept Data inputs, and such methodological inputs must be independently vetted and approved by NextCapital Advisers' Investment Panel before consideration and configuration into the investment methodology and the corresponding Managed Account Services offered to that particular Institution.

Retail

Retail Managed Account Services pertain to IRAs and other taxable accounts. In a Retail capacity, NextCapital Advisers serves as a discretionary investment adviser pursuant to the Investment Advisers Act of 1940 (the "Advisers Act"). The Retail Managed Account Services have been structured to follow the conditions of Rule 3a-4 safe harbor under the Investment Company Act of 1940, and, as such, Retail Managed Account Services Clients are able to impose reasonable account restrictions with respect to certain securities/types of securities, as well as, for example, asset class exposure. Each Client retains the right to: (i) withdraw securities or cash; (ii) vote proxies; (iii) obtain written confirmation or other notification of each securities transaction, and all other documents required by law to be provided to security holders; and (iv) proceed directly as a security holder against the issuer of any security in the Client's account and not be obligated to join any person involved in the operation. Personnel of the Institution or Program Sponsor, who are knowledgeable about the Client's Retail Managed Account and its management, are reasonably available to the Client for consultation. NextCapital personnel, who are knowledgeable about the Client's Retail Managed Account and its management, are also reasonably available to the Institution or Program Sponsor and, if necessary, the Client for consultation.

Retail Managed Account Services include arrangements where NextCapital Advisers serves as the primary or co-investment adviser (alongside an Institution or Program Sponsor), and may also include certain arrangements where NextCapital Advisers serves as a sub-adviser to separate, third-party investment advisers (e.g., arrangements where NextCapital Advisers is retained to provide investment advisory services for model portfolio assignment).

With respect to Retail Managed Account Services arrangements, Clients may partially or fully fund a new account with in-kind securities that are not permitted to be held in Client accounts ("Restricted Investments"). Clients authorize and direct NextCapital Advisers or the Institution to sell any Restricted Investments as promptly as practicable, and unless the Client directs otherwise, the cash generated from such transactions will be invested in accordance with the investment strategy for the Clients' account. NextCapital Advisers will not charge advisory fees on Restricted Investments, but Clients will be responsible for all tax liabilities and transaction fees associated with the sale of such transactions.

Certain Institutions may provide Clients with the option to retain Restricted Investments in the Client account solely as an accommodation to such Clients ("Client Supervised Assets"). NextCapital Advisers does not have discretionary authority over Client Supervised Assets. Accordingly, NextCapital Advisers will not have any responsibility or liability for a Client's decision to purchase, hold, or sell Client Supervised Assets, for the performance of Client Supervised Assets, or for making any determination as to whether



Client Supervised Assets are or continue to be suitable for Client. NextCapital Advisers reserves the right to require that Restricted Investments and Client Supervised Assets be liquidated or transferred out of a Managed Account at any time.

Workplace

Workplace Managed Account Services pertain to employer-sponsored retirement savings accounts, such as 401(k), 403(b), and other defined contribution arrangements. In a Workplace capacity, NextCapital Advisers provides “investment advice” and serves as a fiduciary as defined under the Employee Retirement Income Security Act of 1974 (“ERISA”). More specifically, and subject to separate agreements, NextCapital Advisers will (i) serve as an “Investment Manager” with discretionary authority to direct Plan assets pursuant to ERISA Section 3(38) (hereinafter, a “Workplace Investment Manager”); (ii) serve as a co-Workplace Investment Manager with discretionary authority to direct Plan assets pursuant to ERISA Section 3(38); or (iii) serve as a fiduciary “Co-Adviser” with non-discretionary authority to make recommendations with respect to Plan Assets (hereinafter, “Workplace Co-Fiduciary”) pursuant to ERISA Section 3(21) that are considered by a non-affiliated, Third-Party Investment Manager with such discretionary authority pursuant to ERISA Section 3(38) (hereinafter, “Partner Investment Manager”). Workplace Managed Account Services are offered, as permitted by a Plan, to Plan Participants after each Plan Participant is actively or passively enrolled into the service, including acceptance of any applicable terms of service. Active enrollment means that a Plan Participant has affirmatively opted into Workplace Managed Account Services. Passive enrollment means that a Plan Participant has been defaulted into Workplace Managed Account Services when such services are: (i) selected by a Plan fiduciary other than NextCapital Advisers (e.g., a Plan Sponsor) as a Qualified Default Investment Alternative ([QDIA](#)); and (ii) when Plan Participants have not made an active investment election, the Plan Participants are placed into Workplace Managed Account Services as a QDIA. In certain arrangements, NextCapital Advisers may serve as an Independent Financial Expert (IFE) pursuant to DOL Advisory Opinion 2001-09A (“*SunAmerica*”). However, in such arrangements, NextCapital Advisers does not act with discretionary authority to direct Plan assets.¹

As part of its Workplace Managed Account Services, NextCapital Advisers neither acts as, nor agrees to assume the duties of, a trustee or “Plan Administrator,” as defined under ERISA. Unless expressly stated and agreed to with a Plan, NextCapital Advisers has no discretion to interpret Plan documents, to determine eligibility or participation under a Plan, to provide Plan Participant disclosures or communications, to ensure contributions are timely received by a Plan, or to exercise any other action with respect to the management or administration of a Plan. When NextCapital Advisers serves as a Workplace Investment Manager, NextCapital Advisers will not make recommendations about, select, use, or otherwise provide advice on certain types of investments and assets, including annuities, company stock, securities that are not part of the Plan's investment menu, investments through self-directed brokerage accounts (e.g., through a Plan brokerage window), or any other assets NextCapital Advisers designates as ineligible investments (collectively, “Ineligible Investments”). In addition, NextCapital Advisers will not make recommendations or otherwise provide advice on Plan Participant loans. Notwithstanding the foregoing, NCA may, depending on the recordkeeper, allow company stock to be transferred into a Plan Participant's Managed Account. Plan Participants authorize and direct NextCapital Advisers to provide the recordkeeper or other service provider designated by the Plan

¹ As the IFE, NextCapital Advisers would generate advice through the Software Platform, however, NextCapital Advisers would not have the discretionary authority to implement the same. This discretionary authority would rest with the designated 3(38) Partner Investment Manager pursuant to a Plan Sponsor Agreement, or its equivalent.



Sponsor instruction to sell any unrestricted positions in company stock that are transferred into a Managed Account at the time of the next subsequent account rebalance. Unless a Plan Participant directs otherwise, the cash generated by such transactions will be invested in accordance with the investment strategy for the Managed Account. Restricted positions in company stock will be held in the Managed Account until such time as they become unrestricted. NextCapital Advisers does not have discretionary authority over company stock or other Ineligible Investments that may be held in a Plan Participant's Managed Account. Accordingly, NextCapital Advisers does not have any responsibility or liability for a Plan Participant's decision to purchase, hold, or sell Ineligible Investments, for the performance of Ineligible Investments, or for making any determination as to whether Ineligible Investments are or continue to be suitable for Plan Participants. NextCapital Advisers reserves the right to require that Ineligible Investments be liquidated prior to enrollment, or liquidated or transferred out of a Managed Account after enrollment at any time.

Plan Participants will also be subject to certain eligibility requirements and restrictions for participation in the Workplace Managed Account Services. These Plan Participant limitations and restrictions vary based on commercial partner and Plan agreements, and also depend on data provided by recordkeepers. Plans and Plan Participants should review their applicable agreements to verify the specific Plan Participant limitations and restrictions that apply to Workplace Managed Account Services.

With respect to Workplace Managed Account Services arrangements, the Plan Sponsor will approve or delegate discretionary authority to a Plan fiduciary, other than NextCapital Advisers, for purposes of Plan investment lineup ("Fund Lineup") selection. Fund Lineups can include core investments made available to a Plan Participant outside of the Workplace Managed Account Services, as well as specific investments (so-called "side-car lineups") that are available for use only as part of the Workplace Managed Account Services. In no circumstance or capacity - fiduciary or otherwise - will NextCapital Advisers be responsible for Workplace Managed Account Services Fund Lineup selection. As applicable, NextCapital Advisers will only review Fund Lineups to determine whether a given Fund Lineup meets certain minimum requirements established by NextCapital Advisers' Investment Panel (e.g., asset class exposure) for purposes of configuration with and adherence to NextCapital Advisers' investment methodology framework. Therefore, for certain Workplace Managed Account Services, NextCapital Advisers, as a Workplace Investment Manager, will only determine portfolio assignment models and related implementation instructions through the Software Platform based on the Fund Lineup available to a Plan on the Plan's recordkeeping system. In other Workplace Managed Account Services arrangements, a Partner Investment Manager will determine the portfolio assignment models that are implemented through the Software Platform. See Item 8, Methods of Analysis, Investment Strategies and Risk of Loss regarding investment vehicles and Fund Lineups utilized by NextCapital Advisers as part of the Retail and Workplace Managed Account Services.

In addition to Managed Account Services, NextCapital Advisers also provides advice methodology licensing and portfolio operations services to certain Institutions, subject to separate agreements.

Advice Methodology Licensing

NextCapital Advisers licenses its advice methodology, including personalization, glidepath and asset allocation determinations through the Software Platform, to Institutions or Program Sponsors. [Unless otherwise expressly stated and acknowledged, NextCapital Advisers does not serve in an advisory or fiduciary capacity to Retail and/or Workplace Clients, but rather provides advisory services to the



Institution or Program Sponsor when it licenses its advice methodology.] As applicable, please refer to your Institution or Program Sponsor's firm brochure(s) and related disclosures for additional information.

Portfolio Operations Services

NextCapital Advisers provides portfolio operations services to certain Institutions or Program Sponsors. The scope, nature and level of the portfolio operations services will vary by relationship, at the election of the Institution or Program Sponsor. Such services generally include one or more of the following: (i) conducting portfolio evaluation services, including, but not limited to, model portfolio maintenance, asset allocation and portfolio rebalancing, tax-aware implementation, portfolio and transition analysis, and tax-aware modeling; (ii) trading operations services, including, but not limited to, reconciliation of trade orders and activity in Client brokerage accounts with Client Retail Managed Accounts, validation of pricing, and facilitation of communications with broker-dealers regarding trade orders and settlement; and (iii) Retail Managed Account Client advisory fee calculation, billing, and reconciliation services. See Item 8, Methods of Analysis, Investment Strategies and Risk of Loss.

As of January 1, 2022, NextCapital Advisers managed \$5,952,847,460 of Client assets on a discretionary basis and \$368,016,463 of Client assets on a non-discretionary basis. As of August 26, 2022, NextCapital Advisers, Inc. managed \$5,804,896,945 of Client assets on a discretionary basis and \$288,194,540 of Client assets on a non-discretionary basis.

Item 5: Fees and Compensation

Retail Managed Account Services

For Retail Managed Account Services, the Institution or Program Sponsor sets the advisory fees ("Institutional Fees") charged to Clients, which are based on a percentage of a Client's assets under management ("Fee Rate"). The Institutional Fee includes the investment management fees of NextCapital Advisers and the Institution or Program Sponsor. The Institutional Fee includes brokerage commissions, taxes, charges and other costs related to the purchase and sale of ETFs and other investment vehicles, and custody fees associated with the maintenance of a Retail Managed Account at the Client custodian, Pershing Advisor Solutions LLC and its affiliates ("Pershing"). The Institutional Fee does not include the indirect fees and expenses of the ETFs or other investment vehicles in the account. See Item 12, Brokerage Services. Details regarding Institutional Fees are described in the Institution or Program Sponsor's Client agreement and/or applicable brochure.

NextCapital Advisers and the Institution or Program Sponsor will negotiate the amount of such Institutional Fees that are to be allocated to NextCapital Advisers. Each Institution or Program Sponsor will determine if the respective Institutional Fees are negotiable. NextCapital Advisers will negotiate its allocation of Institutional Fees directly with the Institution or Program Sponsor.

For Retail Managed Account Services, a Client account must be held at a full-service registered broker-dealer, who shall be a "Qualified Custodian," as defined by SEC Rule 206(4)-2 (the "Broker"). The Institutional Fee, payable quarterly in arrears, at an annual rate based on the Fee Rate is disclosed to the Client in the Client agreement upon enrollment. NextCapital typically uses a quarterly billing framework where there are four (4) billing periods (each, a "Fee Period") throughout the year, coinciding with the



calendar quarters. NextCapital Advisers calculates a daily Institutional Fee, which is equal to the Fee Rate multiplied by the aggregate market value of each Client's account over which NextCapital Advisers has been granted discretionary trading authority as of the close of trading on the New York Stock Exchange ("NYSE") on such day, or as of the close of markets on the immediately preceding trading day for any day when the NYSE is closed, and then divided by 365 (or 366 in any leap year). The Institutional Fee for each Fee Period is equal to the sum of the daily Institutional Fees calculated during the applicable Fee Period. Upon enrollment in the Retail Managed Account Service, Clients authorize NextCapital Advisers to instruct the Broker to deduct the Institutional Fee directly from Client accounts. The Institutional Fees will generally be withdrawn between the tenth (10th) and fifteenth (15th) business day following the last business day of the applicable Fee Period. Institutional Fees will begin to be calculated on the first trade date of a Client's account and will cease on the day on which such Client's client agreement is terminated. Upon termination, the Institutional Fee accrued through the date of termination will be debited from the Client's account on the date of closure. Please note that certain Institutions or Program Sponsors will require Client accounts to be minimally funded before being implemented and managed. This will impact the billing start date from which such Institutions or Program Sponsors will collect their Institutional Fees. Please carefully review your Institution or Program Sponsor's client agreement and/or speak to an Institution or Program Sponsor's representative for additional details.

Workplace Managed Account Services

For Workplace Managed Account Services, NextCapital Advisers' fees ("Workplace Fees") are determined by the nature of the services provided. NextCapital Advisers reserves the right to, and will, negotiate separate Workplace Fees with each respective Plan and/or Program Sponsor, or Partner Investment Manager, including a minimum Workplace Fee for respective Workplace Investment Manager or Workplace Co-Fiduciary services.

NextCapital Advisers' standard Workplace Fees are fixed based on a Plan Participant's Managed Account balance. While NextCapital does not make recommendations about, select, use, or otherwise provide advice on Ineligible Investments, in certain circumstances, a Plan Participant's Managed Account may contain such Ineligible Investments. Except as described below, the Workplace Fees charged to Plan Participants will either exclude assets invested in Ineligible Investments from the fee calculation, or NextCapital Advisers will waive or reimburse its portion of the Workplace Fees attributable to assets invested in such Ineligible Investments. The Workplace Fees will be charged on positions in unrestricted company stock that are transferred into a Managed Account until the time such positions are sold at the next subsequent account rebalance. Plan Participants should contact their Plan Sponsor regarding any questions about the Workplace Fees charged. Each Plan, Plan Participant, or prospective Plans and Plan Participants should review applicable fee disclosures and Plan Participant agreements for the relevant NextCapital Advisers Workplace Fees that apply.

Unless otherwise agreed to with a Plan and/or Program Sponsor, or Partner Investment Manager, an authorized service provider to a Plan (e.g., a recordkeeper) will collect the Workplace Fees from each applicable Plan Participant's account pursuant to a defined cadence (e.g., monthly or quarterly in arrears), and the portion of Workplace Fees owed to NextCapital Advisers are then remitted to NextCapital Advisers by such authorized service provider.

NextCapital Software



NextCapital Advisers' affiliate, NextCapital Software, can and will also have a relationship with an Institution or Program Sponsor pursuant to which NextCapital Software would receive a fee, in addition to any Institutional Fees or Workplace Fees received by NextCapital Advisers for NextCapital Software's provision of the Software Platform.

Account Termination

Depending on the terms of the Retail Managed Account Services agreement, a Client will be able to terminate their applicable Retail Managed Account Services by contacting their Institution or Program Sponsor. In such cases, the termination of the Retail Managed Account Client's relationship with NextCapital Advisers will take effect promptly following NextCapital Advisers' receipt of notice from the Institution or Program Sponsor that such Client's relationship will be terminated.

NextCapital Advisers will terminate a Client's access to any of its Retail Managed Account Services under appropriate circumstances, including, but not limited to, when: (i) NextCapital Advisers believes there is a breach or violation of the applicable account documentation (e.g., investment advisory agreement) or other documentation governing NextCapital Advisers' relationship with the Institution or Program Sponsor; or (ii) if a Client's requested account restrictions cannot be reasonably accommodated.

The terms and conditions for each Plan's Workplace Managed Account Service contain termination provisions. A Workplace Managed Account Service agreement may be canceled by either party at any time, for any reason, upon receipt of prior written notice, which in most instances will be 30 calendar days. Subject to the terms of the agreement, Next Capital Advisers reserves the right to determine that a Plan Participant may not participate in the Workplace Managed Account Service or should be unenrolled for any reason. The applicable Plan Sponsor will provide a Plan Participant with ninety (90) days prior notice that it will be terminated and unenrolled from the Workplace Managed Account Service, or such shorter time period as NextCapital Advisers or Plan Sponsor determines is appropriate under the circumstances.

Other Account Fees

The Institutional Fee includes charges for advisory services, custody of assets, execution and clearing of transactions, portfolio accounting, and reporting (commonly referred to as a "Wrap Fee"). Clients are encouraged to consider that depending upon the amount of activity in a Client's account and the value of such advisory, custodial, trade execution, clearing and other services provided under any Wrap Fee arrangement, the Wrap Fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

The Institutional Fee does not cover certain charges associated with securities transactions, including: (i) dealer markups, markdowns or spreads charged on transactions in over-the-counter securities; (ii) costs relating to trading in certain foreign securities; (iii) the internal charges and fees that are imposed by any investment products, including, but not limited to, mutual funds, CITs, or ETFs (collectively, "Funds"), such as Fund operating expenses, management fees, redemption fees, 12b-1 fees and other fees and expenses, including regulatory fees; (iv) brokerage commissions or other charges imposed by broker-dealers or entities other than the custodian if and when trades are cleared by another broker-dealer; (v) the charge to carry tax lot information on transferred Funds, postage and handling charges, returned check charges, transfer taxes; and (vi) stock exchange fees or other fees mandated by law. Further information regarding charges and fees assessed by Funds can be found in the appropriate Fund prospectus or offering document.



For the Managed Account Services, NextCapital Advisers does not receive any direct or indirect (e.g., soft dollar) compensation derived from Client commissions. See Item 12, Brokerage Practices.

For Workplace Managed Account Services, if the Plan Sponsor, or another fiduciary, selects investment products that are sponsored, managed, or advised by affiliates of NextCapital ("Affiliated Products"), and the Affiliated Products are used in providing Workplace Managed Account Services, the advisory fees received by NextCapital Advisers or its affiliates as a result of the Plan account investing in these Affiliated Products: (i) generally will be credited on a pro rata basis against Workplace Fees, or (ii) assets invested in these funds will be excluded from the calculation of the Workplace Fees. In certain circumstances, NextCapital Advisers may decide to waive the advisory fees received by NextCapital Advisers or its affiliates in its sole discretion and for any period. Plan accounts with waived fees do not receive the fee credits as described above. NextCapital Advisers may also exclude such Affiliated Products from the Workplace Managed Account Services.

For Retail Managed Account Services, a Client account must be held at a Broker that allows NextCapital Advisers to submit trades on behalf of the account. For Clients whose accounts are not held at a Broker prior to enrollment in the Retail Managed Account Services, NextCapital Advisers or the Client's Institution or Program Sponsor will assist Clients in transferring assets into new accounts held at the Broker. The Broker will be a "Qualified Custodian," as defined by SEC Rule 206(4)-2, to meet the custodial and brokerage needs of Clients. Certain Client accounts are eligible for "trading away" (limited to accounts larger than \$100,000), which is where NextCapital Advisers executes trades with a broker-dealer other than the Broker. If NextCapital Advisers trades away, the Client account will likely incur trading costs in addition to the fees charged to the account as part of the Retail Managed Account Services. As a result, if NextCapital Advisers were to trade away from the Broker, the strategy could be more costly to a Client account than if NextCapital Advisers placed the trade orders with the Broker for execution. See Item 12, Brokerage Practices.

For Workplace Managed Account Services, the Plan Sponsor is solely responsible for determining the proper share class to utilize in the Plan's Fund Lineup. Certain Funds offer more than one class of shares. Each class represents the same interest in the Fund's portfolio; however, a Plan Adviser's compensation varies depending on share classes selected. As previously stated, NextCapital Advisers does not make recommendations on and does not assume responsibility for Fund Lineup selection, inclusive of share class. NextCapital Advisers shall utilize, as part of the Workplace Managed Accounts Service, the Funds and share classes that have been provided by the Plan Sponsor. A Plan or Plan Participant can incur redemption fees, if NextCapital Advisers, in its discretionary authority as a Workplace Investment Manager, determines it is in a Plan Participant's interest to divest from certain Funds prior to the expiration of the minimum holding period of such Funds that charge redemption fees. Some Funds also assess redemption fees to investors upon their short-term sale. Depending on the particular Fund, this can include sales for rebalancing purposes. Please see the applicable and specific Fund prospectus for more detailed information regarding such fees.

As noted previously, Fund fees and other embedded expenses will reduce a Fund's net asset value. These embedded expenses consequently affect Fund performance which, in turn, affects Client portfolio performance. Where NextCapital Advisers is selecting securities for inclusion as part of its Retail Managed Account Services, NextCapital Advisers periodically evaluates applicable Funds and their embedded fees on behalf of Client accounts and can provide Fund information upon written request. Certain interest-bearing cash/cash equivalent investment products, such as FDIC-insured Deposit



Programs, do not have a stated expense ratio. Instead, each program bank pays insured deposit provider fees for its services, and these vary over time with market conditions. Interest earned fluctuates, and the income stream received is the realized net yield. See Item 8, Methods of Analysis, Investment Strategies and Risk of Loss.

It is important that Clients carefully review statements regularly provided by the Broker to ensure that the transactions, amount of Wrap Fees and any other fees charged to the Client account are accurate and reflect the services provided.

Item 6: Performance-Based Fees and Side-by-Side Management

NextCapital Advisers does not charge performance-based fees. See Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading for information on NextCapital Advisers side-by-side participation in Client transactions.

Item 7: Types of Clients

With respect to Retail Managed Account Services in certain arrangements, NextCapital Advisers serves as the primary or co-investment adviser (alongside an Institution or Program Sponsor) to Clients, which include individuals and trusts. In other Retail Managed Account Services arrangements, NextCapital Advisers can also serve as a sub-adviser to separate, third-party investment advisers in which NextCapital Advisers provides discretionary investment advisory services, such as model portfolio assignment. Retail Managed Account Services Client accounts are subject to a minimum initial account size of \$5,000.00, unless such minimum is waived by NextCapital Advisers in its sole discretion.

With respect to Workplace Managed Account Services, and as referenced in Item 4, Advisory Business above, NextCapital Advisers can and will serve as either a Workplace Investment Manager, co-Workplace Investment Manager or Workplace Co-Fiduciary, depending on the specific Workplace Managed Account Services arrangement. Workplace Managed Account Services are provided to the Plans and Plan Sponsors. Unless otherwise expressly agreed in writing, NextCapital Advisers provides advisory services to Plan Participants solely in their role as participants in (and authorized agents of) each Plan, not in their individual capacities.

For both the Retail and Workplace Managed Account Services, Clients must be willing to conduct the Client relationship with NextCapital Advisers on an electronic basis. In such cases, under the terms of the Client agreement or terms and conditions, the Client will agree to receive all account information and account documents (including this Brochure, and any updates or changes to the same), through electronic communications.

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

NextCapital Advisers seeks to provide each Client with a personalized investment plan that considers the Client's preferences, goals, capacity and constraints. NextCapital Advisers provides the Managed Account Services to Clients through two methodological frameworks: A) Retirement Goal-based; and B) General Investing Risk-based.

Retirement Goal-based Advice - Retail and Workplace Managed Account Services

NextCapital RetirementIndex. The foundation of NextCapital Advisers' investment advice methodology is the NextCapital RetirementIndex ("*RetirementIndex*"). NextCapital Advisers, using the *RetirementIndex* glide path as the baseline asset allocation over years to and through retirement, provides a framework for personalized portfolio strategies for goal-based financial retirement planning.

The *RetirementIndex* is a set of proprietary portfolios that tracks the derived consensus global asset allocation of Target Date Fund ("TDF") managers for various retirement dates. TDF asset allocations are driven by standard retirement years (2020, 2025, 2030, 2035, etc.). The *RetirementIndex* for each TDF standard retirement year is based on a consensus (i.e., the average asset allocation for the managers, collectively) for each asset class. NextCapital Advisers, through proprietary methodology, determines the asset class allocations in one-year increments by creating a glide path. A glide path is the gradual shift in portfolio allocation from equities to fixed income based on an investor's current age through the investor's expected retirement year.

NextCapital RiskIndex. The NextCapital RiskIndex ("*RiskIndex*") is a series of asset class allocations derived from the *RetirementIndex* glide path. The *RiskIndex* represents a transformation of the *RetirementIndex* glide path into a series of asset class model portfolios representing a broad spectrum of potential target risk exposures for investment purposes. These asset class model portfolios serve as the investment base for the Retail and Workplace Managed Account Services.

Retirement Goal Investment Advice Methodology - Retail and Workplace Managed Account Services

NextCapital Advisers utilizes a Client's personal and financial information (and, if applicable, their spouse) in order to build a customized retirement plan. The plan consists of a personalized asset allocation strategy with a current portfolio assignment, guidance on contribution rates and retirement age. The plan is designed to help the Client achieve a retirement income goal in at least 70% of the future projected economic scenarios. It is not always possible to achieve the goal, but the plan will seek to get the Client as close as possible.

The plan outputs (i.e., the personalized asset allocation strategy and guidance on contribution rates and retirement age) are based on relevant Client information, if available, such as financial capital (i.e., any linked financial assets), human capital (i.e., a Client's projected future earnings and savings potential), gender and marital status, health, and guaranteed income (e.g., Social Security). The Client's retirement income goal, personalized asset allocation strategy, contribution rate and retirement age are all interrelated. Thus, changing one factor can impact the others. It is also important to note that in certain circumstances, NextCapital Advisers will not have data related to one or more factors. Therefore, Managed Account Services will only be based on the factors for which Client data is available. NextCapital Advisers' ability to provide managed advice is dependent on having current, accurate, truthful, and complete information about each Client. If NextCapital Advisers does not receive information other than a Client's age from the Client, the Plan Sponsor, or the recordkeeper, NextCapital Advisers will consider only that Client's age in developing its asset allocation.



The RetirementIndex provides the baseline asset allocation for time-horizon-based investment management. NextCapital Advisers then adjusts the asset allocation based on additional Client information (the "Asset Allocation Model"). Specifically, NextCapital Advisers seeks to personalize the asset allocation strategy for each Client based on four primary factors: (i) human capital; (ii) a goal achievement metric (i.e., a Client's ability to achieve a retirement spending goal with current balance, other outside savings, estimated guaranteed incomes, and future contributions); (iii) sequence risk (e.g., the impact of a potential short-term extreme market event on the investment portfolio); and (iv) investment horizon impacted by retirement age and longevity (i.e., a Client's estimated life expectancy). NextCapital Advisers can also utilize certain additional information, as provided by Clients, related to the Client's risk preference (i.e., a Client's ability to withstand future market volatility and other market events). However, this additional information is not required.

Subject to the specific Retail or Workplace Managed Account Services arrangement, the aforementioned time-horizon-based Asset Allocation Model can range from +/-3% ("Advice Range") relative to an asset allocation (the "Anchor Model") derived from NCA's advice algorithm which, in turn, is output through the Software Platform. For example, if the Advice Range is 77%-83% equity asset allocation, then the Anchor Model is 80% equity asset allocation. For Managed Account Services Client accounts, prudent implementations would include implementations of 77 or 78 or 79 or 80 or 81 or 82 or 83% equity. As used here, "implementation" means the mapping of a Client's designated Asset Allocation Model to a model portfolio composed of designed Funds (hereinafter, a "Security Model Portfolio"). It should be noted, however, that the Advice Range represents a guide for managing the portfolio, but there are situations wherein a Client's Security Model Portfolio can be outside of this range, including, but not limited to, periods of extraordinary stock or bond market volatility or disruptions. See Item 13, Review of Accounts for additional information on reviewing and adjusting Client investment advice and reviewing and rebalancing Client asset allocations and related instructions.

Client profile information is collected in several ways. Some information is provided via Record-Kept Data, while other information is provided directly by the Client. Certain Clients complete a proprietary investor planning process produced by NextCapital Advisers before or during the initial account opening process, provide a high-level estimate of their financial situation, and/or link to independently held investment accounts with third-parties (hereinafter, "Held-Away" accounts). NextCapital will not manage or provide advice about Held-Away accounts or additional sources of retirement income, including any accounts held by a spouse or partner, but will factor them in when determining a Client's asset allocation and estimating annual retirement income.

With respect to Retail Managed Accounts, it is important to note that NextCapital Advisers will utilize proxy Funds for each asset class it attributes to non-linked Held-Away account assets. For example, NextCapital Advisers will utilize proxy ETFs for cash, fixed income and equity asset classes it respectively attributes to each non-linked Held-Away account asset. For example, if a Client were to designate a Held-Away account value as "Equity", NextCapital Advisers will utilize the proxy ETF for Equity to further inform its advice. Please contact NextCapital Advisers for a complete list of proxy Funds. The investment methodology also utilizes default assumptions specified by NextCapital Advisers in the event that certain information is not provided by a Client in a questionnaire, or otherwise (e.g., if a Client does not enter the age at which they intend to retire, the investment methodology will use a default retirement target age). See Item 8, Methods of Analysis, Investment Strategies and Risk of Loss. In addition to the plan outputs outlined above, NextCapital Advisers will provide each Client with wealth and income forecasts.



The Retirement Goal Investment Advice Methodology and, by extension, the Managed Account Services rely on accurate information provided by each Client and/or recordkeeper. As a Client's status changes over time, it is important that the Client update the information they provide to ensure their advice remains current and appropriately personalized. NextCapital Advisers' Retirement Goal Investment Advice Methodology is not intended to be short-term advice, and, as such, may not be suitable for all investors.

Institution / Program Sponsor Methodology Inputs and Models - Retail and Workplace Managed Account Services

It should be noted that in providing the Managed Account Services, NextCapital Advisers can and, in some instances, will use the investment methodology inputs of an Institution and/or Program Sponsor. This includes inputs such as capital market assumptions, as well as an Institution and/or Program Sponsor's glide path that replaces NextCapital Advisers' *RetirementIndex* and, by extension, NextCapital Advisers' *RiskIndex*, which, as previously stated, forms the basis for NextCapital Advisers' Managed Account Services. In certain Workplace Managed Account Services arrangements, the Partner Investment Manager will create, from Fund Lineups, Security Model Portfolios. NextCapital Advisers as Workplace Co-Fiduciary personalizes non-discretionary advice recommendations for Partner Investment Manager consideration based on available Plan Participant data inputs, and Partner Investment Managers then review and sign-off on such non-discretionary recommendations through a scalable approval process. Partner Investment Manager-approved advice recommendations are then mapped to a Plan Participant's designated Security Model Portfolio via automated weighting instructions output through the Software Platform and sent to recordkeepers for discretionary implementation by the Partner Investment Manager. NextCapital Advisers' Investment Panel must independently review and approve Institution and/or Program Sponsor methodology inputs before their implementation and use by NextCapital Advisers. However, NextCapital Advisers' Investment Panel is not responsible for review or approval of Security Model Portfolios created by Partner Investment Managers.

General Investing Risk-based Advice - Retail Managed Account Services Only

NextCapital Adviser's General Investing Model ("Model") provides a framework for investors seeking to build or maintain wealth. The Model serves investors that do not have a specific spending goal in mind but understand that investing is necessary for capital growth and/or preservation. The Model can also serve as a complement to NextCapital Adviser's retirement goal-based advice solution in certain circumstances given the Model methodology's ability to accommodate goal uncertainty, such as when the Client faces significant uncertainty regarding the accumulation and/or decumulation phases of the investment horizon. The generic Model assignment framework allows application to a wide range of Client situations while relying on a limited number of core Asset Allocation Model and Security Model Portfolios, which can be augmented to allow for further, personalized risk adjustments.

The Model borrows from, and largely relies on, the same information set that is used to derive the *RetirementIndex* glide path and *RiskIndex* Asset Allocation Model and Security Model Portfolios, with extensions where deemed necessary and relevant.

The Model methodology relies on Client responses to the General Investing questionnaire, a set of investment horizon-related equity allocation look-up paths that summarize the advisable risk dispersion ranges at relevant points, and a set of representative Asset Allocation Model and Security Model Portfolios. The Model considers Client information related to the following main modules:



- i) *Financial Status*: The Client is defaulted to a suitable equity allocation look-up path based on individual financial status/implied capacity to take investment risk.
- ii) *Planned Investment Horizon and Adjustments*: The Client's investment horizon, adjusted for likelihood of withdrawals, is used to define an appropriate baseline portfolio assignment in conjunction with i), above.
- iii) *Level of Investment Experience and Knowledge*: The Client's level of investment experience and knowledge defines the standard advisable range of achievable portfolio equity levels as an input/constraint.
- iv) *Investment Risk and Return Objective and Risk Aversion*: The Client's investment risk and return objective and risk aversion jointly determine the recommended portfolio (from the range stemming from iii).

General Investing advice relies on accurate information provided by the Client. As a Client's status changes over time, it is important that the Client revisit the General Investing questionnaire and update the information they provide to ensure their advice remains current and appropriately personalized. General Investing advice is not intended to be short-term advice, and, as such, may not be suitable for all investors. The minimum required investment planning horizon served by the General Investing framework is one year. Risk tolerances and liquidity adjustments that arise as a result of questionnaire responses can lead to a personalized portfolio assignment which is significantly different from other Fund strategies, such as those offered by target date and retirement income funds.

Retirement Goal and Risk-based Asset Class Mandates and Investment Vehicles - Retail Managed Account Services Only

With respect to Retail Managed Account Services, NextCapital Advisers seeks to optimize the asset classes in which to invest, as well as the Funds that NextCapital Advisers selects to correlate to the relevant asset class exposures. This includes, for example, tax-aware and inexpensive Funds to fulfill asset class mandates. Asset classes represented by investment vehicles in a Client portfolio can include: Interest-yielding Cash, Ultrashort, Short-term, US Treasury Bonds, US Treasury Inflation Protected Securities ("TIPS"), US Agency Bonds, US Mortgage Backed Bonds, US Municipal Bonds, US Corporate Bonds, US High Yield Bonds, Developed Markets Bonds, Emerging Markets Bonds, US Large Cap, including US Large Cap Value, US Large Cap Growth, US Mid Cap, including US Mid Cap Value and US Mid Cap Growth, US Small Cap, including US Small Cap Value, US Small Cap Growth, Developed Markets Equity, Global ex-US Small Cap, Emerging Markets Equity, US REITs, Global ex-US REITs, and Commodities.

NextCapital Advisers periodically reviews available Fund options to identify, in its determination, the appropriate Funds to fulfill each asset class mandate. NextCapital Advisers looks for Funds that minimize cost and tracking error (as many Funds do not exactly track the indices they are created to mimic), in addition to Funds that offer market liquidity for best execution. NextCapital Advisers strives to identify Funds that are reasonably expected to have sufficient liquidity to permit redemptions or sales on any day in which the U.S. stock markets are open in order to reasonably facilitate Client withdrawals. For taxable accounts, NextCapital Advisers also seeks to select Funds that are consistent with the goal of reducing Client tax consequences.

NextCapital Advisers is not providing a comprehensive financial plan as it does not take into consideration a Client's specific tax situation or debt obligations and is targeted to meet a Client's long-term investment and retirement needs. NextCapital Advisers neither purports itself to be a tax



professional, nor provides tax advice. Clients are encouraged to consult an independent tax or accounting advisor before enrolling in and with respect to the Managed Account Services.

Other investments not considered for inclusion within NextCapital Advisers' Managed Account Services can have characteristics similar to or separate from those recommended by NextCapital Advisers, and these other investments can, and sometimes will, outperform those recommended by NextCapital Advisers.

Retirement Goal and Risk-based Asset Class Mandates and Investment Vehicles - Workplace Managed Account Services Only

As previously stated, in no circumstance or capacity - fiduciary or otherwise - will NextCapital Advisers be responsible for Workplace Managed Account Services Fund Lineup selection.

Risks Associated with NextCapital Advisers' Managed Account Services

Risk of Loss. The identification of investment opportunities is difficult and involves a significant degree of uncertainty. Investing in securities involves a risk of loss. NextCapital Advisers does not guarantee the future performance of any Client account, or the success of any investment advice or strategy that NextCapital Advisers employs.

Risks Associated with Using an Algorithm. The algorithms used by NextCapital Advisers are based on NextCapital Advisers' or an Institution or Program Sponsor's capital market assumptions and analysis. The investment objectives of the algorithms are not intended to replicate a perfect "model" portfolio, but are, instead, intended to reflect NextCapital Advisers' and/or an Institution or Program Sponsor's investment philosophy. While market conditions are not the main consideration while trading within Client accounts, they are considered in NextCapital Advisers' monitoring and evaluation of the algorithm parameters. These models and systems also entail the use of sophisticated statistical calculations and complex computer systems, and there is no assurance that NextCapital Advisers will be successful in carrying out such calculations correctly, or that the use of these quantitative models and systems will not expose Clients to the risk of significant losses. More specifically, NextCapital Advisers' ability to implement key investment objectives is dependent on a number of considerations, including, but not limited to, the economic, analytical and mathematical components and assumptions of each model, the accurate encapsulation of those components in a complex computational environment (including the Software Platform), the data quality incorporated into the models, changes in market conditions, the successful expression of the models' views into any applicable investment portfolio construction (i.e., Asset Allocation Model and Security Model Portfolios), and the ability of NextCapital Advisers and/or an Institution or Program Sponsor's authorized personnel to interpret and implement model outputs. Several of the aforementioned considerations (and others) present the possibility of human error. While NextCapital Advisers has established certain systematic rules and processes for monitoring Client portfolios to ensure they are managed in accordance with their investment objectives, there is no guarantee that these rules or processes will effectively manage the risks associated with algorithms in all market conditions. Consequently, while NextCapital Advisers employs controls to help ensure that models are sound in their development and appropriately adapted, calibrated and implemented into the Software Platform, the risks and certain errors associated with algorithms can and will persist. Furthermore, errors can be very difficult to detect in some instances, with some errors potentially going undetected for long periods of time, or not detected at all. NextCapital Advisers' controls and processes are designed to help ensure that certain types of errors are subject to review once discovered, however, the effect of errors on



the investment process and, as applicable, Client account performance (positive or negative) may not be fully apparent when discovered.

The SEC has provided further information for investors to consider when utilizing digital advice services. The SEC guidance can be accessed using the following web address: https://www.sec.gov/oiea/investor-alerts-bulletins/ib_robo-advisers.html.

Risks Related to Accuracy of Information. NextCapital Advisers bases its investment advice on information provided by Clients, or, as applicable, Record-Kept Data. As such, if a Client were to provide NextCapital Advisers with inaccurate or false information, or fail to provide material information, the quality and applicability of the investment strategies, recommendations made to, and, if applicable, management of accounts of such Clients by NextCapital Advisers can be materially impacted (the same applies to information provided through Record-Kept Data). NextCapital Advisers can and will also receive data and information about Client accounts from its third-party custodian and Broker. Additionally, NextCapital Advisers can and will utilize data and information from one or more third-party data providers in order to evaluate and analyze securities. If such data and/or information were to prove inaccurate, false or otherwise materially compromised, the quality and applicability of the investment strategies, recommendations made to, and, if applicable, management of accounts of such Clients by NextCapital Advisers could be materially impacted.

Cybersecurity and Information Security Risks. Investment advisers, including NextCapital Advisers, must rely, in part, on digital and network technologies (collectively, "Networks") to conduct their businesses. Such Networks are at risk of cyber-attacks that could potentially seek unauthorized access to digital systems for purposes such as misappropriating sensitive information, corrupting data, or causing operational disruption. Cyber-attacks are carried out by persons using techniques that could range from efforts to electronically circumvent Network security (or overwhelm websites), to intelligence gathering and social engineering functions aimed at obtaining information necessary to gain Network access. NextCapital Advisers maintains an information technology security program and certain technical and physical safeguards intended to protect the availability, integrity, and confidentiality of its Networks and internal data. Nevertheless, cyber incidents can occur, and such incidents could result in unauthorized access to sensitive information about NextCapital Advisers or Clients.

Business Disruption Risks. NextCapital Advisers, its affiliates and its service providers, are susceptible to business disruptions resulting from catastrophic and other material events (e.g., a pandemic) that could negatively impact NextCapital Advisers' ability to continue to operate as intended. NextCapital Advisers has developed business continuity and disaster recovery plans to identify and plan for potential disruptions. Any significant limitation on the use of NextCapital Advisers' facilities or software applications, operating systems and networks, could result in financial and/or operational losses. Similar types of business disruption risks are also present for issuers of securities in which we invest, which could result in material adverse consequences for such issuers and could cause Client's investments to lose value.

Market Risks. The advice NextCapital Advisers provides and other information comprising any proffered investment strategy can be time sensitive, especially during times of significant market volatility. Thus, acting on investment advice after the date originally rendered can cause significant losses to a Client's portfolio. Moreover, the success of NextCapital Advisers' investment strategy and advice can be significantly and adversely affected by general economic and market conditions, such as changes in interest rates, the availability of credit, inflation rates, economic uncertainty, changes in laws and national



and international political circumstances. These factors can affect the level and volatility of securities prices and the liquidity of the investments NextCapital Advisers implements on behalf of Clients.

Regulatory and Legal Risks. Performance can directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: (i) changes to federal and state securities laws; (ii) outcomes of regulatory examinations, investigations and enforcement actions; (iii) changes in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and (iv) changes in applicable tax codes that could affect interest income, income characterization and/or tax reporting obligations (particularly for ETF securities dealing in natural resources). In certain circumstances, a Client will incur taxable income on their investments without a cash distribution to pay the tax due. Advice provided by NextCapital Advisers may also be affected by changes in domestic and international current events and political circumstances. Moreover, advice can also be adversely affected by individual legal claims and class action claims.

Foreign Investing and Emerging Markets Risks. Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices, and foreign regulation may be inadequate or irregular.

Fund Risks. Fund performance may not exactly match or track the performance of the index or market benchmark that such Funds are designed to track for many reasons, including:

- Funds will incur expenses and transaction costs not incurred by any applicable index or market benchmark;
- Certain securities comprising the index or market benchmark tracked by the Fund can, from time to time, be temporarily unavailable;
- Certain Funds use synthetic products to reduce tracking error with the market benchmark tracked by the Fund, which, in turn, relies on the synthetic counterparty to carry through with its obligation to pay the agreed upon index return. If that does not occur, the Fund risks incurring losses that would impact investors;
- Supply and demand in the market for either the Fund and/or for the securities held by the Fund can cause the Fund to trade at a premium or discount to the actual net asset value of the securities owned by the Fund; and
- Certain Fund strategies, from time to time, include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation are limited or inaccurate.



Clients should be aware that when a Client account is invested in Funds, the Client will pay two levels of compensation – the Institutional Fee **plus** any management fees charged by the issuer of the Fund. This scenario can cause a higher total advisory cost (and potentially lower investment returns) than if such Client purchased the Fund directly. In certain cases, NextCapital Advisers directs Clients to invest in Funds or other eligible investment vehicles advised by Institutions or Program Sponsors.

A Fund typically includes embedded expenses that reduce the Fund's net asset value, and therefore directly affect the Fund's performance and, in turn, affect a Client's portfolio performance or an index benchmark comparison. Expenses of the Fund can include investment adviser management fees, custodian fees, brokerage commissions, and legal and accounting fees. Fund expenses change from time to time at the sole discretion of the Fund issuer.

A mutual fund, for example, keeps a portion of its assets in low-paying cash alternatives to allow the mutual fund to meet investor redemption requests. If that amount is substantial, it can reduce a mutual fund's returns to a Client account. The mutual fund can also be affected by the actions of other investors. If a mutual fund experiences an increase in redemption demands, the mutual fund manager might have to sell investments at a less than ideal time to meet those demands. Likewise, if a mutual fund has a sudden influx of money, it might have difficulty finding worthy investments. The timing of a purchase or sale of a mutual fund in a taxable account can affect a Client's tax liability, as mutual funds pass-through dividends and capital gains resulting from activity in the mutual fund. This typically occurs once per year around year-end; however, if a taxable Client account purchases mutual fund shares just before this distribution, the Client will owe taxes that year on that distribution, even if the Client's shares of the mutual fund have not appreciated. Dividends distributed from fixed income Funds are technically interest income and are subject to tax at ordinary income tax rates.

NextCapital Advisers makes certain assumptions with respect to taxes and utilizes such assumptions, as well as other inputs, to provide tax-aware forecasts that ultimately factor into advice. However, NextCapital Advisers neither purports itself to be a tax professional, nor provides tax advice. Clients are encouraged to consult an independent tax or accounting advisor with respect to the Managed Account Services.

Inflation, Currency, and Interest Rate Risks. Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and can reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which, in turn, causes the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by NextCapital Advisers can be affected by the risk that currency devaluations affect Client purchasing power.

Other Operational Risks. Managed Account Services are also subject to various operational risks that could emanate from a number of factors, including, but not limited to: human error, errors of service providers or other third parties, processing and communication errors, failed or inadequate processes, and technology or system failures.

The foregoing list of risks does not purport to be a complete enumeration or explanation of the risks involved with Managed Account Services. Prospective clients should seek independent consultation before deciding whether to utilize Managed Account Services.

Item 9: Disciplinary Information

This item requests information relating to NextCapital Advisers. There are no reportable legal or disciplinary events related to NextCapital Advisers.

In the ordinary course of their business, NextCapital Advisers and its management, as well as GSAM (as defined below), GSAM Holdings LLC, GS Group, and Goldman Sachs & Co. LLC ("GS&Co") and their respective affiliates, directors, partners, trustees, managers, members, officers, employees and other personnel (collectively, "Goldman Sachs") and/or separately managed accounts (or separate accounts) and pooled investment vehicles such as mutual funds, collective trusts, and private investment funds that are sponsored, managed or advised by Goldman Sachs or NextCapital Advisers ("Advisory Accounts"), have in the past been, and may in the future be, subject to periodic audits, examinations, claims, formal and informal regulatory or other inquiries, requests for information, subpoenas, investigations, and other civil, legal or regulatory proceedings involving the SEC, other regulatory authorities, or private parties. Such actions, investigations, litigation and claims have the potential to result in findings, conclusions, settlements, charges or various forms of sanctions against NextCapital or its management, as well as Goldman Sachs and other Goldman Sachs personnel, including fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions and may increase the exposure of the Advisory Accounts, NextCapital Advisers and Goldman Sachs to potential liabilities and to legal, compliance and other related costs. Such actions or proceedings may involve claims of strict liability or similar risks against Advisory Accounts in certain jurisdictions or in connection with certain types of activities. Information about NextCapital Advisers' investment management affiliates is contained in Part 1 of each applicable Goldman Sachs Form ADV.

Information about NextCapital Advisers' investment management affiliates is contained in Part 1 of its Form ADV. For information relating to other Goldman Sachs affiliates, please visit www.gs.com and refer to the public filings of GS Group.

Item 10: Other Financial Industry Activities and Affiliations

NextCapital Advisers is not registered, nor does it have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. NextCapital Advisers is also not registered, nor does it have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities.

Conflicts Related to Change of Control

Effective as of August 26, 2022, NextCapital Advisers was acquired by GSAMLP, an investment adviser registered with the SEC. GSAMLP, together with various affiliates, some of which are also registered with the SEC as investment advisers ("Registered Advisers"), collectively comprise Goldman Sachs Asset Management ("GSAM"), which in turn is part of GS Group. GS Group is a public company that is a bank holding company, financial holding company and a world-wide, full-service financial services organization. As a result of NextCapital Advisers' new ownership by GSAMLP, there are new and additional conflicts of interest and potential conflicts of interest that apply to NextCapital Advisers, which are described below



and in Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading. Please also refer to the descriptions contained in Items 10 and 11 of the Form ADV Part 2A filed by GSAML, which is available at: <https://www.gsaml.com/sm/formadv2a>.

In the following sections, references to "Accounts" are to Goldman Sachs' own accounts, accounts in which personnel of Goldman Sachs have an interest, and accounts of Goldman Sachs' clients and pooled investment vehicles that Goldman Sachs sponsors, manages or advises (including, for the avoidance of doubt, Advisory Accounts). References to GSAM are to the asset management business of Goldman Sachs, which is carried out by various business units (also referred to as teams) within GSAM. Certain of these business units are the Registered Advisers themselves, while others are groups within the Registered Advisers.

Conflicts Relating to Goldman Sachs Relationships with Unaffiliated Advisers

GSAM allocates certain Advisory Account assets to, or recommends, one or more investment advisers that are unaffiliated with Goldman Sachs ("Unaffiliated Advisers"), directly or indirectly, through, among other means, discretionary managed accounts (including programs sponsored by certain broker-dealers through which GSAM provides investment advisory services and where a client pays a single, all-inclusive asset-based fee charged for asset management, trade execution, custody, performance monitoring and reporting ("Wrap Programs", and such accounts, "Wrap Program Advisory Accounts") or investment funds (including pooled investment vehicles and private funds) in which one or more Advisory Accounts invest ("Underlying Funds"). The interests and business relationships of Goldman Sachs (including GSAM) and its personnel create potential conflicts in the selection or recommendation of Unaffiliated Advisers for, or the determination to increase allocations of assets to or withdraw assets from Unaffiliated Advisers on behalf of, Advisory Accounts.

Conflicts with respect to such determinations arise because Goldman Sachs derives benefits from certain decisions made in respect of Unaffiliated Advisers. It is expected that Goldman Sachs will receive various forms of compensation, fees, commissions, payments, rebates, remuneration, services or other benefits (including benefits relating to investment and business relationships of Goldman Sachs) from Unaffiliated Advisers to which Advisory Accounts allocate assets, including for providing a variety of products and services (such as prime brokerage and research services) to such Unaffiliated Advisers. GSAM is incentivized to allocate assets to, and refrain from withdrawing assets from, Unaffiliated Advisers that are themselves (or whose principals or employees are) Advisory Account clients or in respect of which GSAM receives fees or other compensation. GSAM is also incentivized to allocate assets to, and refrain from withdrawing assets from, Unaffiliated Advisers for whom Goldman Sachs acts as prime broker or to whom Goldman Sachs provides brokerage or other services and research because of such relationships, including because payments to Goldman Sachs in respect of such activities and services will generally increase as the size of the assets that the Unaffiliated Adviser manages increases. Goldman Sachs may also benefit as a result of ownership or other interests of Goldman Sachs or Advisory Accounts in Unaffiliated Advisers or their businesses.

Subject to applicable law, the amount of compensation, fees, commissions, payments, rebates, remuneration, services or other benefits to Goldman Sachs, or the value of Goldman Sachs' interests in the Unaffiliated Advisers or their businesses, varies by Unaffiliated Adviser and will generally be greater if GSAM selects such Unaffiliated Advisers than they would be if GSAM selects other Advisers that might also be appropriate for the Advisory Accounts. For example, investment by an Advisory Account in an Underlying Fund where Goldman Sachs, an Account or a related party has a fee and/or profit-sharing



arrangement or other interest in the equity or profits of such Underlying Fund or the Unaffiliated Adviser generally results in additional revenues, value or other benefits to Goldman Sachs and its personnel or related parties.

In addition, as a major participant in global financial markets providing a wide range of financial services, Goldman Sachs provides various services or has business dealings, arrangements or agreements with affiliates and portfolio companies of Unaffiliated Advisers. GSAM will face potential conflicts in making determinations as to whether one or more Advisory Accounts should invest or withdraw funds from Unaffiliated Advisers (or Underlying Funds they manage or advise) with which GSAM or Goldman Sachs has such relationships, and whether GSAM should remove a particular Unaffiliated Adviser from GSAM's approved list of Unaffiliated Advisers. In certain cases, Goldman Sachs, Advisory Accounts or other Accounts have equity, profits or other interests in Unaffiliated Advisers or have entered into arrangements with such Unaffiliated Advisers in which such Unaffiliated Advisers would share with Goldman Sachs, an Advisory Account or other Account a material portion of its fees or allocations (including, without limitation, fees earned by such Unaffiliated Advisers as a result of the allocation of Advisory Account assets to such Unaffiliated Advisers). Payments to Goldman Sachs (either directly from such Unaffiliated Advisers (or Underlying Funds they manage or advise) or in the form of fees or allocations payable by Advisory Accounts or other Accounts) will generally increase as the amount of assets that such Unaffiliated Advisers manage increases. Therefore, investment by Advisory Accounts with such Unaffiliated Advisers (or Underlying Funds they manage or advise) where Goldman Sachs, Advisory Accounts or other Accounts have a fee and/or profit-sharing arrangement or other interest in the equity or profits of such Unaffiliated Advisers generally results in additional revenues to Goldman Sachs and its personnel. The relationship that Goldman Sachs, Advisory Accounts and other Accounts have with such Unaffiliated Advisers (or their portfolio companies or affiliates) generally also results in GSAM being incentivized to increase Advisory Accounts' investments with such Unaffiliated Advisers or to retain their investments with such Unaffiliated Advisers (or Underlying Funds they manage or advise). The above conflicts of interest generally are mitigated by GSAM's implementation of the practices summarized in Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading and Item 12, Brokerage Practices below. GSAM seeks to resolve conflicts on a fair and equitable basis.

Conflicts Relating to the Allocation of Advisory Account Assets to Affiliated Products and External Products

Goldman Sachs (including GSAM) will generally receive compensation in connection with the management of Affiliated Products (including discretionary managed accounts or investment funds including money market funds) to which Advisory Accounts directly or indirectly allocate assets. Subject to applicable law, certain Advisory Accounts that invest in Affiliated Products pay advisory fees to GSAM that are not reduced by any fees payable by such Advisory Accounts to Goldman Sachs as manager of such Affiliated Products (i.e., there will be "double fees" involved in making any such investment, which would not arise in connection with the direct allocation of assets by the account holder to such Affiliated Products). Other Advisory Accounts that invest in Affiliated Products pay advisory fees at the Advisory Account level but not at the Affiliated Product level, or vice versa (e.g., the Advisory Account may invest on a fee-free basis in the Affiliated Product or receive a rebate or credit at the Advisory Account level). Because Goldman Sachs will on an overall basis receive higher fees, compensation and other benefits if the assets of any Advisory Accounts that pay "double fees" (i.e., Advisory Accounts that do not invest on a fee-free basis or that do not receive a rebate or credit) are allocated to Affiliated Products rather than solely to investment products, including separately managed accounts and pooled vehicles, managed,



sponsored, or advised by Unaffiliated Advisors ("External Products"), GSAM is incentivized to recommend or allocate the assets of Advisory Accounts to Affiliated Products. Furthermore, GSAM will have an interest in allocating or recommending the assets of Advisory Accounts to Affiliated Products that impose higher fees than those imposed by other Affiliated Products or that provide other benefits to Goldman Sachs. Any differential in compensation paid to personnel in connection with certain Affiliated Products rather than other Affiliated Products creates a financial incentive on the part of GSAM to select or recommend certain Affiliated Products over other Affiliated Products. Similarly, since GSAM and/or Goldman Sachs generally on an overall basis receives higher fees, compensation and other benefits if Advisory Account assets are allocated to External Products indirectly through Advisory Accounts that are funds of funds rather than directly to External Products, GSAM is incentivized to select or recommend an Advisory Account that is a fund of funds for an Advisory Account. Correspondingly, subject to applicable law, GSAM may be disincentivized to consider or recommend the removal of an Advisory Account's assets from, or the modification of an Advisory Account's allocations to, an Affiliated Product at a time that it otherwise would have where doing so would decrease the fees, compensation and other benefits to Goldman Sachs, including where disposal of such Affiliated Product by the Advisory Account would likely adversely affect the Affiliated Product with respect to its liquidity position or otherwise.

For additional information about the fee considerations for Affiliated Products, please refer to Item 5, Fees and Compensation. Subject to applicable law, neither Goldman Sachs nor GSAM will be required to share any fees, allocations, compensation, remuneration or other benefits received in connection with an Advisory Account with the Advisory Account or the client or offset such fees, allocations, compensation, remuneration and other benefits against fees and expenses the client may otherwise owe Goldman Sachs or GSAM.

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

NextCapital Advisers' Code of Ethics and Personal Trading of Supervised Persons

In accordance with the Advisers Act, NextCapital Advisers has adopted a Code of Ethics for all supervised persons of the firm describing NextCapital Advisers' standards of business conduct and fiduciary duty to act in the best interests of Clients. The Code of Ethics includes written policies and procedures governing the conduct of the firm's supervised persons, including, but not limited to, provisions relating to the confidentiality of Client information, a prohibition on insider trading, disclosure of conflicts of interest (including outside business activities), restrictions on the acceptance of significant gifts and entertainment (and the reporting of gifts and business entertainment items), restrictions on and required recurring reporting of personal securities trading activities and accounts, and limits on state and local political contributions for certain supervised persons deemed to be Covered Associates, among others. All supervised persons at NextCapital Advisers must acknowledge adherence to the Code of Ethics upon hire, on an annual basis, and following each amendment. Upon request, NextCapital Advisers will provide a copy of the Code of Ethics to Clients and prospective clients.

NextCapital Advisers will generate advice and, where applicable, buy or sell securities (Retail Managed Accounts) or send Fund implementation instructions (Workplace Managed Accounts) for the benefit of Client accounts based on the advice generated through proprietary algorithms coded into the Software



Platform. As a matter of policy, NextCapital Advisers supervised persons are allowed to buy or sell securities identical to or different from those recommended to Clients for their personal accounts. As a consequence, NextCapital Advisers supervised persons could have a financial incentive to buy or sell such securities for Client accounts, although this incentive is limited because NextCapital Advisers generally recommends to Clients securities where Client activity in such securities is unlikely to materially impact their price. As described above, NextCapital Advisers enforces a Code of Ethics to help monitor and mitigate supervised persons' trading activity that could be in conflict with Clients' best interests.

Dollar-Based Transactions and Fractional Shares - Retail Managed Account Services Only

NextCapital Advisers translates orders generated on behalf of Retail Managed Account Services Clients in terms of U.S. Dollars to a corresponding number of shares for purposes of sending orders for execution to the Broker and, thereafter, maintaining assets in a Client's account. As a consequence of dollar-based transactions, a Client can hold fractional share interests in certain securities. Fractional share amounts in certain securities such as ETFs are unrecognized, illiquid, unmarketable or unable to transfer to another brokerage account outside of the Retail Managed Account Services.

Pershing will allocate, at NextCapital Advisers or an Institution's discretion, transactions to Client accounts resulting in a Client account holding fractional share interests in securities.

In order to facilitate the allocation of fractional shares, the Institution must participate side-by-side in Client transactions only to the extent required to flatten Institution's Average Price Allocation Account at the Broker prior to the end of each trading day. At no time does NextCapital Advisers enter into principal transactions with Client accounts, whereby NextCapital Advisers buys from, or sells to, any Client account shares of any securities from NextCapital Advisers' inventory. See Item 12, Brokerage Practices.

Additional Information Regarding Participation or Interest in Client Transactions as a Result of NextCapital Advisers' New Ownership by Goldman Sachs

As described above, NextCapital Advisers is now part of Goldman Sachs, a world-wide, full-service investment banking, broker-dealer, asset management and financial services organization and a major participant in global financial markets. 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 Underlying Funds. 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 account and for the accounts of clients and of its personnel. In addition, Goldman Sachs has direct and indirect interests in the global fixed-income, currency, commodity, equities, bank loan and other markets. In certain cases, Goldman Sachs causes Advisory Accounts to invest in products and strategies sponsored, managed or advised by Goldman Sachs or in which Goldman Sachs has an interest, either directly or indirectly, or otherwise restricts Advisory Accounts from making such investments, as further described herein. In this regard, there are instances when Goldman Sachs' activities and dealings with other clients and third parties affect Advisory Accounts in ways that disadvantage Advisory Accounts and/or benefit Goldman Sachs or other Accounts (including Advisory



Accounts). Additionally, as described below, GSAM faces conflicts of interest arising out of Goldman Sachs' relationships and business dealings in connection with decisions to take or refrain from taking certain actions on behalf of Advisory Accounts when doing so would be adverse to Goldman Sachs' relationships or other business dealings with such parties. See Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Additional Information Regarding Participation or Interest in Client Transactions as a Result of NextCapital Advisers' New Ownership by Goldman Sachs—Certain Effects of the Activities of Goldman Sachs and Advisory Accounts.

In addition, GSAM's activities on behalf of certain other entities that are not investment advisory clients of GSAM create conflicts of interest between such entities, on the one hand, and Advisory Accounts, on the other hand, that are the same as or similar to the conflicts that arise between Advisory Accounts, or between an Advisory Account on the one hand, and an Account on the other hand, as described in this Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading. In managing conflicts of interest that arise as a result of the foregoing, GSAM generally will be subject to fiduciary requirements. The following are descriptions of certain conflicts of interest and potential conflicts of interest that are associated with the financial or other interests that GSAM and Goldman Sachs have in advising or dealing with clients (including Advisory Accounts) or third parties acting on their own behalf. The conflicts herein do not purport to be a complete list or explanation of the conflicts associated with the financial or other interests GSAM or Goldman Sachs may have now or in the future. Prior to making an investment in an Advisory Account that is a pooled investment vehicle, prospective investors are encouraged to read the offering materials relating to such Advisory Account. Please also refer to the descriptions contained in Items 10 and 11 of the Form ADV Part 2A filed by GSAML, which is available at: <https://www.gsam.com/sm/formadv2a>.

Certain Effects of the Activities of Goldman Sachs and Advisory Accounts

Goldman Sachs (including GSAM), the clients it advises, and its personnel have interests in and advise Accounts (including Advisory Accounts) that have investment objectives or portfolios similar to, related to or opposed to those of particular Advisory Accounts or, if applicable, the Advisers to which they allocate assets. Goldman Sachs may receive greater fees or other compensation (including performance-based fees) from such Accounts than it does from the particular Advisory Accounts, in which case Goldman Sachs is incentivized to favor such Accounts. In addition, Goldman Sachs (including GSAM), the clients it advises, and its personnel may engage (or consider engaging) in commercial arrangements or transactions with Accounts, and/or compete for commercial arrangements or transactions in the same types of companies, assets, securities and other instruments, as particular Advisory Accounts or, if applicable, particular Advisers. Such arrangements, transactions or investments adversely affect such Advisory Accounts by, for example, limiting clients' ability to engage in such activity or affecting the pricing or terms of such arrangements, transactions or investments. Moreover, a particular Advisory Account on the one hand, and Goldman Sachs or an Account (including through another Advisory Account), on the other hand, may vote differently on or take or refrain from taking different actions with respect to the same security, which are disadvantageous to the Advisory Account. Additionally, as described below, GSAM faces conflicts of interest arising out of Goldman Sachs' relationships and business dealings in connection with decisions to take or refrain from taking certain actions on behalf of Advisory Accounts when doing so would be adverse to Goldman Sachs' relationships or other business dealings with such parties.



Transactions by, advice to and activities of Accounts (including with respect to investment decisions, voting and the enforcement of rights) may involve the same or related companies, securities or other assets or instruments as those in which particular Advisory Accounts (or, if applicable, Advisers) invest, and it should be expected that such Accounts engage in a strategy while an Advisory Account (or, if applicable, an Adviser) is undertaking the same or a differing strategy, any of which could directly or indirectly disadvantage the Advisory Account (including its ability to engage in a transaction or other activities).

In various circumstances, different Advisory Accounts make investments as part of a single transaction, including in situations in which multiple Advisory Accounts comprise a single "fund family." In these circumstances, the participating Advisory Accounts may have different interests, including investment horizons. Similarly, capital contribution and other obligations associated with an investment may extend beyond a particular Advisory Account's investment period or expected term. In such circumstances, GSAM may negotiate the terms of an investment on a collective basis and such terms may not be as favorable, from the perspective of a particular Advisory Account, than if the Advisory Account had been the sole participating Advisory Account. Terms required by one Advisory Account (for example, due to regulatory requirements) when it invests may negatively impact the ability of another Advisory Account to consummate the investment or may adversely alter its terms. Similarly, one Advisory Account may seek to dispose of an investment at a time when it would be desirable for another Advisory Account to continue to hold such investment (or vice versa). Depending on the structure of the applicable investment, disposing of a portion of the investment may not be practicable or may have adverse effects on the rights of Advisory Accounts continuing to hold the investment.

When making an investment decision with respect to an investment in which multiple Advisory Accounts are invested, Goldman Sachs may primarily take into account the specific effect such investment decision will have on the Advisory Accounts as a whole, and not based on the best interests of any particular Advisory Account.

In addition, Goldman Sachs may be engaged to provide advice to an Account that is considering entering into a transaction with a particular Advisory Account, and Goldman Sachs may advise the Account not to pursue the transaction with the particular Advisory Account, or otherwise in connection with a potential transaction provide advice to the Account that would be adverse to the particular Advisory Account. Additionally, an Advisory Account (or, if applicable, Adviser) buys a security and an Account establishes a short position in that same security or in similar securities, such short position may result in the impairment of the price of the security that the Advisory Account (or, if applicable, Adviser) holds or could be designed to profit from a decline in the price of the security. An Advisory Account (or, if applicable, Adviser) could similarly be adversely impacted if it establishes a short position, following which an Account takes a long position in the same security or in similar securities. Furthermore, Goldman Sachs (including GSAM) may make filings in connection with a shareholder class action lawsuit or similar matter involving a particular security on behalf of an Account (including an Advisory Account), but not on behalf of a different Account (including a different Advisory Account) that holds or held the same security.

Advisory Accounts are expected to transact with a variety of counterparties. Some of these counterparties will also engage in transactions with other Accounts managed by GSAM or another Goldman Sachs entity or business unit. For example, an Advisory Account may purchase assets from a counterparty at the same time the counterparty (or an affiliate thereof) is also negotiating to purchase different assets from another Account. This creates potential conflicts of interest, particularly with



respect to the terms and purchase prices of the sales. For example, Goldman Sachs may receive fees or other compensation in connection with the sale of assets by an Account to a counterparty, which creates an incentive to negotiate a higher purchase price for those assets in exchange for agreeing that the Advisory Account will pay a higher price in a separate transaction where an Advisory Account is a purchaser.

Similarly, a particular Advisory Account may dispose of one or more assets through a block sale that includes assets held by other Accounts or as part of a series of transactions in which assets from multiple Accounts are sold to the same purchaser. This creates potential conflicts of interest, particularly with regard to the determination of the purchase prices of the applicable assets. For example, Goldman Sachs may receive greater fees or other compensation (including performance-based fees) in connection with the sale of assets in other Accounts that participate in a block sale as compared to the compensation that Goldman Sachs receives in connection with the sale of assets by the particular Advisory Account. There can be no assurance that the compensation received by the particular Advisory Account as a result of participating in a block sale would be greater than the compensation that the particular Advisory Account would receive if its assets were sold as part of a standalone transaction. Any such transaction will be effected in accordance with GSAM's fiduciary obligations.

Advisory Accounts may also have different rights in respect of an investment with the same issuer or Underlying Adviser, or invest in different classes of the same issuer (including an Underlying Fund) that have different rights, including, without limitation, with respect to liquidity. For example, one or more Advisory Accounts may be permitted to redeem from or otherwise liquidate their investments in an Underlying Fund at times that another Advisory Account cannot. The determination to exercise such rights by GSAM on behalf of certain Advisory Accounts may have an adverse effect on other Advisory Accounts.

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

Subject to applicable law, Goldman Sachs (including GSAM) or Accounts (including investment vehicles organized to facilitate investment by its current or former directors, partners, trustees, managers, members, officers, employees, and their families and related entities, including employee benefit plans in which they participate, and current consultants ("GSAM Employee Funds") or other Advisory Accounts) may invest in or alongside particular Advisory Accounts that are pooled investment vehicles. These investments may be on terms more favorable than those of an investment by Advisory Accounts in such a pooled investment vehicle, and constitute a substantial percentage of the assets of the pooled investment vehicle, resulting in particular Advisory Accounts being allocated a smaller share of the



investment than would be the case absent the side-by-side investment. In addition, the participation of GSAM employees in certain GSAM Employee Funds may create an incentive to influence the allocation of an attractive investment opportunity to the GSAM Employee Fund, and certain Goldman Sachs personnel may have a larger investment in certain GSAM Employee Funds relative to other GSAM Employee Funds, which may present differing incentives including with respect to allocations of investment opportunities. Unless provided otherwise by agreement to the contrary, Goldman Sachs or Accounts may redeem or withdraw interests in these pooled investment vehicles at any time without notice to or regard to the effect on the portfolios of Advisory Accounts invested in the pooled investment vehicle, and adversely affect such Advisory Accounts. Substantial requests for redemption or withdrawal by Goldman Sachs in a concentrated period of time could require a pooled investment vehicle 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 pooled investment vehicle and its investors, including Advisory Accounts.

Goldman Sachs (including GSAM) creates, writes, sells, issues, invests in or acts as placement agent or distributor of derivative instruments related to Advisory Accounts such as pooled investment vehicles, or with respect to underlying securities or assets of an Advisory Account, or which are otherwise based on or seek to replicate or hedge the performance of an Advisory Account. Such derivative transactions, and any associated hedging activity, may differ from and be adverse to the interests of Advisory Accounts. For example, derivative transactions could represent leveraged investments in an Underlying Fund that is a hedge fund, 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, may 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 Adviser based on various considerations, and Goldman Sachs will not be under any obligation or other duty to provide notice to Advisory Accounts in respect of any such adjustment in assessment.

Accounts may be offered access to advisory services through several different Goldman Sachs businesses (including through GS&Co. and GSAM). Different advisory businesses within Goldman Sachs manage 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, within GSAM certain investment teams or portfolio managers can have differing or opposite investment views in respect of an issuer or a security, and as a result some or all of the positions an investment team or portfolio manager takes in respect of an Advisory Account it manages will be inconsistent with, or adverse to, the interests and activities of Advisory Accounts advised by other GSAM investment teams or portfolio managers. Moreover, research, analyses or viewpoints will be available to clients or potential clients at different times. Goldman Sachs will not have any obligation or other duty to make available to Advisory Accounts any research or analysis at any particular time or prior to its public dissemination.

The timing of transactions entered into or recommended by Goldman Sachs, on behalf of itself or its clients, including Advisory Accounts, may negatively impact Advisory Accounts or benefit certain other Accounts, including other Advisory Accounts. For example, if Goldman Sachs, on behalf of one or more Accounts (including Advisory Accounts), implements an investment decision or strategy ahead of, or contemporaneously with, or behind similar investment decisions or strategies made for Advisory



Accounts (whether or not the investment decisions emanate from the same research analysis or other information), it could result, due to market impact or other factors, in liquidity constraints, or in certain Advisory Accounts receiving less favorable investment or trading results or incurring increased costs. Similarly, if Goldman Sachs implements an investment decision or strategy that results in a purchase (or sale) of a security for one Advisory Account, such implementation may increase the value of such security already held by another Advisory Account (or decrease the value of such security that such other Advisory Account intends to purchase), thereby benefiting such other Advisory Account.

GSAM, in its discretion, in certain circumstances recommends that certain Advisory Accounts and/or certain of their portfolio companies have ongoing business dealings, arrangements or agreements with persons who are (i) former employees of Goldman Sachs, (ii) affiliates or other portfolio companies of Goldman Sachs or other Advisory Accounts, (iii) Goldman Sachs' employees' family members and/or relatives and/or certain of their portfolio companies or (iv) persons otherwise associated with an Advisory Account investor, portfolio company, or service provider. The Advisory Accounts and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. These recommendations, and recommendations relating to continuing any such dealings, arrangements or agreements, pose conflicts of interest and may be based on differing incentives due to Goldman Sachs' relationships with such persons. In particular, when acting on behalf of, and making decisions for, Advisory Accounts, GSAM may take into account Goldman Sachs' interests in maintaining its relationships and business dealings with such persons. As a result, GSAM faces conflicts of interest arising out of Goldman Sachs' relationships and business dealings in connection with decisions to take or refrain from taking certain actions on behalf of Advisory Accounts when doing so would be adverse to Goldman Sachs' relationships or other business dealings with such parties.

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

In some cases, Goldman Sachs (including GSAM) or Accounts (including Advisory Accounts), on the one hand, and a particular Advisory Account, on the other hand, invest in or extend credit to different parts of the capital structure of a single issuer. As a result, Goldman Sachs (including GSAM) or Accounts may take actions that adversely affect the particular Advisory Account. In addition, in some cases, Goldman Sachs (including GSAM) advises Accounts with respect to different parts of the capital structure of the same issuer, or classes of securities that are subordinate or senior to securities, in which a particular Advisory Account invests. Goldman Sachs (including GSAM) is able to 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 Accounts with respect to an issuer in which a particular Advisory Account has invested, and such actions (or inaction) may have an adverse effect on such Advisory Account.

For example, in the event that Goldman Sachs (including GSAM) or an Account holds loans, securities or other positions in the capital structure of an issuer that ranks senior in preference to the holdings of a particular Advisory Account in the same issuer, and the issuer experiences financial or operational challenges, Goldman Sachs (including GSAM), acting on behalf of itself or the Account, may seek a liquidation, reorganization or restructuring of the issuer that has, or terms in connection with the foregoing, that have, an adverse effect on or otherwise conflict with the interests of the particular Advisory Account's holdings in the issuer. In connection with any such liquidation, reorganization or restructuring, a particular Advisory Account's holdings in the issuer may be extinguished or substantially diluted, while Goldman Sachs (including GSAM) or an Account recover some or all of the amounts due to them. In addition, in connection with any lending arrangements involving the issuer in which Goldman



Sachs (including GSAM) or an Account participates, Goldman Sachs (including GSAM) or the Account may seek to exercise their rights under the applicable loan agreement or other document, in a manner detrimental to the particular Advisory Account.

Alternatively, in situations in which an Advisory Account holds a more senior position in the capital structure of an issuer experiencing financial or other difficulties as compared to positions held by other Accounts (including those of Goldman Sachs and GSAM), GSAM may determine not to pursue actions and remedies available to the Advisory Account or enforce particular terms that might be unfavorable to the Accounts holding the less senior position. In addition, in the event that Goldman Sachs (including GSAM) or the Accounts hold voting securities of an issuer in which a particular Advisory Account holds loans, bonds or other credit-related assets or securities, Goldman Sachs (including GSAM) or the Accounts may vote on certain matters in a manner that has an adverse effect on the positions held by the Advisory Account. Conversely, Advisory Accounts may hold voting securities of an issuer in which Goldman Sachs (including GSAM), or Accounts hold credit-related assets or securities, and GSAM may determine on behalf of the Advisory Accounts not to vote in a manner adverse to Goldman Sachs (including GSAM) or the Accounts. (including by abstaining from the relevant vote or voting in line with other pari passu investors in the same debt tranche). Finally, Goldman Sachs has certain relationships and other business dealings with an issuer, other holders of credit-related assets or securities of such issuer, or other transaction participants that cause Goldman Sachs to pursue an action or engage in a transaction that has an adverse effect on the positions held by the Advisory Account.

These potential issues are examples of conflicts that Goldman Sachs (including GSAM) will face in situations in which Advisory Accounts, and Goldman Sachs (including GSAM) or other Accounts, invest in or extend credit to different parts of the capital structure of a single issuer. Goldman Sachs (including GSAM) addresses these issues based on the circumstances of particular situations. For example, Goldman Sachs (including GSAM) relies on information barriers between different Goldman Sachs (including GSAM) business units or portfolio management teams. GSAM may have the right, in its sole discretion, to utilize, on a case-by-case basis, a committee of investors in an Advisory Account or other persons to provide advice or consent with respect to one or more transactions or actions. Goldman Sachs (including GSAM) in some circumstances relies on the actions of similarly situated holders of loans or securities rather than, or in connection with, taking such actions itself on behalf of the Advisory Account.

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

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. As a result of information barriers, GSAM generally will not have access, or will have limited access, to certain information and personnel, including senior personnel, in other areas of Goldman Sachs relating to business transactions for clients (including transactions in investing, banking, prime brokerage and certain other areas), and



generally will not manage the Advisory Accounts with the benefit of information held by these other areas. Goldman Sachs, due to its access to and knowledge of funds, markets and securities based on its prime brokerage and other businesses, will from time to time make decisions based on information or take (or refrain from taking) actions with respect to interests in investments of the kind held (directly or indirectly) by Advisory Accounts in a manner that is adverse to Advisory Accounts, and will not have any obligation or other duty to share information with GSAM.

In limited circumstances, however, including for purposes of managing business and reputational risk, and subject to policies and procedures, personnel on one side of an information barrier may have access to information and personnel on the other side of the information barrier through "wall crossings." GSAM faces conflicts of interest in determining whether to engage in such wall crossings. In addition, Goldman Sachs or GSAM may determine to move certain personnel, businesses, or business units from one side of an information barrier to the other side of the information barrier. In connection therewith, Goldman Sachs personnel, businesses, and business units that were moved will no longer have access to the personnel, businesses and business units on the side of the information barrier from which they were moved.

Information obtained in connection with such wall crossings and changes to information barriers may limit or restrict the ability of GSAM to engage in or otherwise effect transactions on behalf of Advisory Accounts (including purchasing or selling securities that GSAM may otherwise have purchased or sold for an Advisory Account in the absence of a wall crossing). See Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Additional Information Regarding Participation or Interest in Client Accounts as a Result of NextCapital Advisers' New Ownership by Goldman Sachs —Certain Effects of the Activities of Goldman Sachs and Advisory Accounts and Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Additional Information Regarding Participation or Interest in Client Accounts as a Result of NextCapital Advisers' New Ownership by Goldman Sachs —Firm Policies, Regulatory Restrictions, and Certain Other Factors Affecting Advisory Accounts. In managing conflicts of interest that arise as a result of the foregoing, GSAM generally will be subject to fiduciary requirements.

Information barriers also exist between certain businesses within GSAM and within each Registered Adviser. The conflicts described herein with respect to information barriers and otherwise with respect to Goldman Sachs and GSAM also apply to the Asset Management Division of Goldman Sachs (of which GSAM is a part), as well as to the businesses within the Asset Management Division of Goldman Sachs (including GSAM).

In addition, there may also be circumstances in which, as a result of information held by certain portfolio management teams in GSAM, GSAM limits an activity or transaction for Advisory Accounts, including Advisory Accounts managed by portfolio management teams other than the team holding such information.

In addition, regardless of the existence of information barriers, Goldman Sachs will not have any obligation or other duty to make available for the benefit of Advisory Accounts any information regarding Goldman Sachs' trading activities, strategies or views, or the activities, strategies or views used for other Advisory Accounts or other Accounts. Furthermore, to the extent that GSAM has developed fundamental analysis and proprietary technical models or other information Goldman Sachs and its personnel, or other parts of GSAM, will not be under any obligation or other duty to share certain information with Advisory Accounts, and such Advisory Accounts may make investment decisions that differ from those they would



have made if Goldman Sachs or GSAM had provided such information, and be disadvantaged as a result thereof.

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

Goldman Sachs operates a business known as Prime Services, which provides prime brokerage, administrative and other services to clients that from time to time involve Underlying Funds or markets and securities in which 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 GSAM. In addition, Goldman Sachs from time-to-time acts as a prime broker to one or more Underlying Funds, in which case Goldman Sachs will have information concerning the investments and transactions of such Underlying Funds that is not available to GSAM.

As a result of these and other activities, parts of Goldman Sachs will possess information in respect of markets, investments, Advisers and Underlying Funds, which, if known to GSAM, might cause GSAM to seek to dispose of, retain or increase interests in investments held by Advisory Accounts or acquire certain positions on behalf of Advisory Accounts, or take other actions. Goldman Sachs will be under no obligation or other duty to make any such information available to GSAM or personnel involved in decision-making for Advisory Accounts.

Goldman Sachs Acting in Multiple Commercial Capacities

Goldman Sachs faces conflicts of interest in providing and selecting services for Advisory Accounts because Goldman Sachs provides many services and has many commercial relationships with companies and affiliated and unaffiliated Underlying Funds (or their applicable personnel). In this regard, Goldman Sachs may be hired by GSAM on behalf of an Advisory Account or directly by an Advisory Account, or by an Underlying Fund or a company in which an Advisory Account has an interest, to provide investment advisory, custody, distribution, transfer agency, administrative, lending or other services (including legal, accounting and other back-office services) to the Advisory Account, company or Underlying Fund. In addition, a company in which an Advisory Account has an interest may hire Goldman Sachs to provide underwriting, merger advisory, other financial advisory, placement agency, foreign currency hedging, research, asset management services, brokerage services or other services to the company. Furthermore, Goldman Sachs sponsors, manages, advises or provides services to affiliated Underlying Funds (or their personnel) in which Advisory Accounts invest. In addition, Goldman Sachs may simultaneously provide the same or different services to a portfolio company and certain personnel thereof. In connection with such commercial relationships and services, Goldman Sachs receives fees, compensation and remuneration that may be substantial, as well as other benefits.

In connection with providing such services, Goldman Sachs takes commercial steps in its own interest, or advises the parties to which it is providing services, or takes other actions. Such actions may benefit Goldman Sachs. For example, Goldman Sachs may require repayment of all or part of a loan from a



company in which Advisory Accounts hold an interest, which could cause the company to default or be required to liquidate its assets more rapidly, which could adversely affect the value of the company and the value of the Advisory Accounts invested therein. If Goldman Sachs advises a company to make changes to its capital structure, the result of which would be a reduction in the value or priority of a security held (directly or indirectly) by Advisory Accounts. In addition, underwriters, placement agents or managers of initial public offerings, including GS&Co., often require Advisory Accounts who hold privately placed securities of a company to execute a lock-up agreement prior to such company's initial public offering restricting the resale of the securities for a period of time before and following the IPO. As a result, GSAM will be restricted from selling the securities in such Advisory Accounts at a more favorable price. Actions taken or advised to be taken by Goldman Sachs in connection with other types of transactions may also result in adverse consequences for Advisory Accounts.

Providing services to the Advisory Accounts, Underlying Funds (or personnel of the applicable Underlying Adviser) and companies (or their personnel) in which the Advisory Accounts invest enhances Goldman Sachs' relationships with various parties, facilitates additional business development and enables Goldman Sachs to obtain additional business and/or generate additional revenue. Advisory Accounts will not be entitled to compensation related to any such benefit to businesses of Goldman Sachs or GSAM. In addition, such relationships may adversely impact Advisory Accounts, including, for example, by restricting potential investment opportunities, as described below, incentivizing GSAM to take or refrain from taking certain actions on behalf of Advisory Accounts when doing so would be adverse to such business relationships, and/or influencing GSAM's selection or recommendation of certain investment products and/or strategies over others.

See Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Additional Information Regarding Participation or Interest in Client Accounts as a Result of NextCapital Advisers' New Ownership by Goldman Sachs —Certain Effects of the Activities of Goldman Sachs and Advisory Accounts.

Certain of Goldman Sachs' activities on behalf of its clients also restrict investment opportunities that are otherwise available to Advisory Accounts. For example, Goldman Sachs is often engaged by companies as a financial advisor, or to provide financing or other services, in connection with commercial transactions that are potential investment opportunities for Advisory Accounts. There are circumstances in which Advisory Accounts are precluded from participating in such transactions as a result of Goldman Sachs' engagement by such companies. In addition, in connection with an equity offering of securities of a portfolio company for which Goldman Sachs is acting as an underwriter, Advisory Accounts may, in certain instances, be subject to regulatory restrictions (in addition to contractual restrictions) on their ability to sell equity securities of the portfolio company for a period after completion of the offering. Goldman Sachs reserves the right to act for these companies in such circumstances, notwithstanding the potential adverse effect on Advisory Accounts. Goldman Sachs (including GSAM) also represents creditor or debtor companies in proceedings under Chapter 11 of the U.S. Bankruptcy Code (and equivalent non-U.S. bankruptcy laws) or prior to these filings. From time to time, Goldman Sachs (including GSAM) serves on creditor or equity committees. It should be expected that these actions, for which Goldman Sachs (or GSAM, as applicable) may be compensated, will limit or preclude the flexibility that the Advisory Account otherwise has to buy or sell securities issued by those companies, as well as certain real estate or other assets. Please also refer to Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Additional Information Regarding Participation or Interest in Client Accounts as a Result of NextCapital Advisers' New Ownership by Goldman Sachs —Considerations



Relating to Information Held by Goldman Sachs above and Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading— Additional Information Regarding Participation or Interest in Client Accounts as a Result of NextCapital Advisers' New Ownership by Goldman Sachs —Firm Policies, and Regulatory Restrictions Affecting Advisory Accounts below.

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

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

Advisory Accounts may be precluded from selling their investment during the assignment. Goldman Sachs evaluates potential buyer assignments in light of factors similar to those that will be considered in engaging in seller assignments.

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

GSAM restricts its investment decisions and activities on behalf of an Advisory Account in various circumstances, including as a result of applicable regulatory requirements, information held by GSAM or Goldman Sachs, 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 or by Goldman Sachs), Goldman Sachs' internal policies and/or potential reputational risk in connection with Accounts (including Advisory Accounts). In certain cases, GSAM will not engage in transactions or other activities for, enforce certain rights in favor of, or recommend transactions or activities to, an Advisory Account due to Goldman Sachs' activities outside the Advisory Account and regulatory requirements, policies and reputational risk assessments.

In addition, in certain circumstances GSAM restricts, limits or reduces the amount of an Advisory Account's investment, or restricts the type of governance or voting rights it acquires or exercises, where Advisory Accounts (potentially together with Goldman Sachs and other Accounts) exceed a certain ownership interest, or possess certain degrees of voting or control or have other interests. For example, such limitations may exist if a position or transaction 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 GSAM, or on other Advisory Accounts, or where exceeding a threshold is prohibited or results in regulatory or other restrictions. In certain cases, restrictions and limitations will be applied to avoid approaching such a 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. In addition, due to regulatory restrictions (including ERISA), certain Advisory Accounts are prohibited from trading with or through Goldman Sachs, from engaging Goldman Sachs as a service provider or from purchasing investments issued or managed by Goldman Sachs.

When faced with the foregoing limitations, Goldman Sachs will generally avoid exceeding the threshold because exceeding the threshold could have an adverse impact on the ability of GSAM or Goldman Sachs to conduct business activities. GSAM may also reduce a particular Advisory Account's interest in, or restrict certain Advisory Accounts from participating in, an investment opportunity that has limited availability or where Goldman Sachs has determined to cap its aggregate investment in consideration of certain regulatory or other requirements so that other Advisory Accounts that pursue similar investment strategies are able to acquire an interest in the investment opportunity. In some cases, GSAM determines not to engage in certain transactions or activities beneficial to Advisory Accounts because engaging in such transactions or activities in compliance with applicable law would result in significant cost to, or administrative burden on, GSAM or create the potential risk of trade or other errors.

In circumstances in which Advisory Accounts in which one or more registered investment funds are invested make side-by-side investments, Goldman Sachs, acting on behalf of the Advisory Accounts, may be limited in the terms of the transactions that it may negotiate under applicable law. In some cases, this



has the effect of limiting the ability of certain Advisory Accounts from participating in certain transactions or result in terms to Advisory Accounts that are less favorable than would have otherwise been the case.

GSAM generally is not permitted to use material non-public information in effecting purchases and sales in transactions for Advisory Accounts that involve public securities. GSAM may limit an activity or transaction (such as a purchase or sale transaction or a subscription to or redemption from an Underlying Fund) which might otherwise be engaged in on behalf of a particular Advisory Account, including as a result of information held by Goldman Sachs (including GSAM or personnel of the various entities comprising GSAM ("GSAM Personnel")). For example, directors, officers and employees of Goldman Sachs may take seats on the boards of directors of, or have board of directors observer rights with respect to, companies in which Goldman Sachs invests on behalf of Advisory Accounts. To the extent a director, officer or employee of Goldman Sachs were to take a seat on the board of directors of, or have board of directors observer rights with respect to, a public company, GSAM (or certain of its 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 portfolio company may have duties to the portfolio company in his or her capacity as a director that conflict with GSAM's duties to Advisory Accounts, and may act in a manner that disadvantages or otherwise harms Advisory Accounts and/or benefit the portfolio company and/or Goldman Sachs.

In addition, GSAM may, in its sole discretion, determine to limit the information it receives in respect of an investment opportunity to avoid receiving material non-public information. As a result, other investors may be in possession of information in respect of investments, which, if known to GSAM, might cause GSAM to not make such investment, to seek to dispose of, retain or increase interests in such investments, or take other actions. Any decision by GSAM to limit access to such information may be disadvantageous to an Advisory Account.

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

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

GSAM 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 any particular Advisory Account is subject). Such economic and trade sanctions may 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 GSAM of its compliance program in respect thereof, will restrict or limit an Advisory Account's investment activities, and may require GSAM to cause an Advisory Account to sell its position in a particular investment at an inopportune time and/or when GSAM would otherwise not have done so.

GSAM may determine to limit or not engage at all in transactions and activities on behalf of Advisory Accounts for reputational, legal or other reasons. Examples of when such determinations may be made include, but are not limited to, where Goldman Sachs is providing (or may provide) advice or services to an entity involved in such activity or transaction, where Goldman Sachs or an Account is or may be engaged in the same or a related activity or transaction to that being considered on behalf of the Advisory Account, where Goldman Sachs or another Account has an interest in an entity involved in such activity or transaction, where there are political, public relations, or other reputational considerations relating to counterparties or other participants in such activity or transaction or where such activity or transaction on behalf of or in respect of the Advisory Account could affect in tangible or intangible ways Goldman Sachs, GSAM, an Account or their activities. Please also refer to Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – Additional Information Regarding Participation or Interest in Client Accounts as a Result of NextCapital Advisers' New Ownership by Goldman Sachs –Goldman Sachs Acting in Multiple Commercial Capacities.

Goldman Sachs has and seeks to have long-term relationships with many significant participants in the financial markets. Goldman Sachs also has and seeks to have long standing relationships with, and regularly provides financing, investment banking services and other services to, a significant number of corporations and private equity sponsors, leveraged buyout and hedge fund purchasers, and their respective senior managers, shareholders and partners. Some of these purchasers may directly or indirectly compete with Advisory Accounts for investment opportunities. Goldman Sachs considers these relationships in its management of Accounts. In this regard, there may be certain investment opportunities or certain investment strategies that Goldman Sachs (i) does not undertake on behalf of Accounts in view of these relationships, or (ii) refers to clients (in whole or in part) instead of retaining for Accounts. Similarly, Goldman Sachs may take the existence and development of such relationships into consideration in the management of Advisory Account portfolios. Without limiting the generality of the foregoing, there may, for example, be certain strategies involving the acquisition, management or realization of particular investments that an Advisory Account will not employ in light of these relationships, as well as investment opportunities or strategies that an Advisory Account will not pursue in light of their potential impact on other areas of Goldman Sachs or on Advisory Account investments or be unable to pursue as a result of non-competition agreements or other similar undertakings made by Goldman Sachs.

Goldman Sachs will consider its client relationships and the need to preserve its reputation in its management of Advisory Accounts and, as a result, (i) there may be certain investment opportunities or strategies that Goldman Sachs will not undertake on behalf of Advisory Accounts or will refer to one or more Advisory Accounts but not others, (ii) there may be certain rights or activities that Goldman Sachs will not undertake on behalf of Advisory Accounts (including in respect of director representation and recusal), or (iii) there may be certain investments that, in certain limited circumstances, are sold, disposed of or restructured earlier or later than otherwise expected.



In order to engage in certain transactions on behalf of Advisory Accounts, GSAM will also be subject to (or cause Advisory Accounts to become subject to) the rules, terms and/or conditions of any venues through which it trades securities, derivatives or other instruments. This includes, but is not limited to, where GSAM and/or the Advisory Accounts are required to comply with the rules of certain exchanges, execution platforms, trading facilities, clearing houses 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 GSAM and/or the Advisory Accounts being subject to, among other things, margin requirements, additional fees and other charges, disciplinary procedures, reporting and recordkeeping, position limits and other restrictions on trading, settlement risks and other related conditions on trading set out by such venues.

From time to time, an Advisory Account, GSAM or its affiliates and/or their service providers or agents are required, or determine that it is advisable, to disclose certain information about an Advisory Account, including, but not limited to, investments held by the Advisory Account, and the names and percentage interest of beneficial owners thereof, to third parties, including Advisers, local governmental authorities, regulatory organizations, taxing authorities, markets, exchanges, clearing facilities, custodians, brokers and trading counterparties of, or service providers to, GSAM, Advisers or Underlying Funds or the Advisory Account. Unless agreed in the agreement governing the Advisory Account or otherwise directed by a client, GSAM will comply with requests to disclose such information as it so determines, including through electronic delivery platforms. In some instances, GSAM will cause the sale of certain assets for the Advisory Account, at a time that is inopportune from a pricing or other standpoint. In addition, GSAM may provide third parties with aggregated data regarding the activities of, or certain performance or other metrics associated with, the Advisory Accounts it manages, and GSAM may receive compensation from such third parties for providing them such information.

Pursuant to the Bank Holding Company Act of 1956, as amended ("BHCA"), with respect to Advisory Accounts that are commingled funds in connection with which an affiliate of GSAM acts as general partner, managing member or in certain other capacities, the periods during which certain investments may be held are limited. As a result, such Advisory Accounts may be required to dispose of investments at an earlier date than would otherwise have been the case had the BHCA not been applicable. In addition, under the Volcker Rule, the size of Goldman Sachs' and Goldman Sachs personnel's ownership interest in certain types of funds is limited, and certain personnel will be prohibited from retaining interests in such funds. As a result, Goldman Sachs and Goldman Sachs' personnel have been, and continue to be, required to dispose of, all or a portion of their investments in such funds through redemptions, withdrawals, sales to third parties or affiliates, or otherwise, including at times that other investors in such funds may not have the opportunity to dispose of their fund investments. Any such disposition of fund interests by Goldman Sachs and Goldman Sachs personnel could reduce the alignment of interest of Goldman Sachs with other investors in such funds and otherwise adversely affect such funds.

Goldman Sachs may become subject to additional restrictions on its business activities that could have an impact on the Advisory Accounts' activities. In addition, GSAM may restrict its investment decisions and activities on behalf of particular Advisory Accounts and not other Accounts (including other Advisory Accounts).

Conflicts of Interest Associated with Unaffiliated Advisers

Unaffiliated Advisers have interests and relationships that create conflicts of interest related to their management of the accounts and Underlying Funds to which Advisory Account assets are allocated.



Such conflicts of interest are in many cases the same as or similar to those relating to GSAM in connection with its management of Advisory Accounts. However, the Unaffiliated Advisers are subject to different and additional conflicts of interest. With respect to Advisory Accounts that are invested directly in Underlying Funds managed by Unaffiliated Advisers, additional information about conflicts of interest that arise in connection with the activities of Unaffiliated Advisers of those Underlying Funds is available in the prospectuses, offering memoranda and constituent documents of the Underlying Funds.

Item 12: Brokerage Practices

Retail Managed Account Services Trade Aggregation

NextCapital Advisers' policy is to aggregate Client trade orders where possible and when advantageous to Clients. In these instances, Client accounts participating in any aggregated transactions will receive an average share price and any transaction costs will be shared equally and on a pro-rata basis. In order to avoid buying and selling the same security for all Client accounts through multiple broker-dealers, NextCapital Advisers generally aggregates all such Client transactions into one block trade that is executed through one broker-dealer (i.e., the Broker). This practice enables NextCapital Advisers to potentially obtain more favorable execution, including better pricing and enhanced investment opportunities than would otherwise be available if orders were not aggregated. Using block transactions can also assist NextCapital Advisers in potentially avoiding an adverse effect on the price of a Fund that could result from simultaneously placing a number of separate, successive, or competing Client trade orders. However, as it pertains to Client accounts, this practice can result in "trading away" from the Broker, which, as previously described, is where NextCapital Advisers executes trades for a Client with a broker-dealer other than the Broker. See Item 5, Fees and Compensation.

NextCapital Advisers will aggregate purchase or sale orders for a Client account with purchase or sale orders in a particular Fund for other Clients accounts when such aggregation is expected to result in a more favorable net result to participating Clients. However, NextCapital Advisers is under no obligation to aggregate orders. If any of these aggregated trade orders are not fully executed on a particular day, it is NextCapital Advisers' policy to allocate the executed shares to Client accounts on a pro-rata basis.

Circumstances can arise where NextCapital Advisers determines that, while it would be both desirable and suitable to aggregate Client orders for a particular Fund or other investment, there is a limited supply or demand for the Fund or other investment, thus making aggregation impractical. Under such circumstances, NextCapital Advisers will seek to allocate investment opportunities equitably, over time, to Client accounts, as Clients are not assured of participating equally or at all in particular investment allocations. As a consequence, different groups of Clients are likely to receive different execution prices and experience different rates of return.

Retail Managed Account Services Best Execution

NextCapital Advisers has an obligation to seek "best execution" of Client trade orders when NextCapital Advisers acts with full discretionary authority to execute trades with the Broker or broker-dealers it believes are capable of providing the execution that is the most favorable to Clients under the circumstances. NextCapital Advisers will seek to determine whether the Broker or another broker-dealer's execution capabilities is appropriate under the circumstances. In complying with its best execution



obligation, NextCapital Advisers will review several factors that reflect on the quality of broker-dealer trade execution.

NextCapital Advisers can consider the full range and quality of a broker-dealer's services, including, but not limited to, execution price, as well as the following factors:

- The nature of the security;
- The size and type of transaction;
- The expected transaction and commission costs of execution through the broker-dealer;
- The nature and character of relevant markets;
- The executing broker's execution, clearing, settlement capabilities and reputation;
- The importance of speed, knowledge, efficiency, consistency and anonymity provided by the executing broker-dealer; and
- Other investment opportunities.

Additional trading costs associated with "trading away," as previously described, are one of several factors NextCapital Advisers assesses when fulfilling its best execution obligation. NextCapital Advisers will consider different factors and place different weights on the factors it uses to meet its best execution obligation. NextCapital Advisers' best execution obligation does not require NextCapital Advisers to solicit competitive bids for each transaction, or to seek the lowest available commission cost of executing Client trade orders, so long as NextCapital Advisers reasonably believes that the broker-dealer selected can be expected to provide Clients with the most favorable execution under the circumstances.

Retail Managed Account Services Broker Selection

In selecting broker-dealers to serve as a Broker for Client accounts, NextCapital Advisers first determines which broker-dealers have an investment management platform that allows NextCapital Advisers to submit trade orders for execution on behalf of Clients. NextCapital Advisers then assesses broker-dealers using factors that include, but are not limited to, the following:

- Financial strength and reputation of the broker-dealer;
- Whether the broker-dealer has a trading platform that supports the administrative requirements for trading and record keeping;
- The amount of experience the broker-dealer has in handling the transaction, brokerage, custodial and record-keeping needs of an internet-based (or robo) investment adviser;
- Whether the broker-dealer's securities pricing, transaction, and custodial costs are reasonable;
- The likelihood the broker-dealer will meet or exceed its best execution obligations for Client account transactions;
- The level of responsiveness that the broker-dealer will bring to NextCapital Advisers' execution needs for Client accounts;
- The extent to which the broker-dealer has access to securities that NextCapital Advisers selects for Client account transactions;
- The broker-dealer's block trading capabilities;



- The broker-dealer's ability to facilitate creations and redemptions of Funds; and
- The accuracy of trades and trade confirmations and, in the event that errors occur, a rapid and fair error correction process.

Currently, NextCapital Advisers only utilizes Pershing as the Broker (and Qualified Custodian) for Retail Managed Account Services Client accounts and securities transactions. NextCapital Advisers anticipates utilizing other Brokers in the future. NextCapital Advisers periodically seeks to confirm that Pershing provides Clients with best execution. See Item 5, Fees and Compensation.

Retail Managed Account Services Directed Brokerage

In a directed brokerage arrangement, the Client, instead of NextCapital Advisers, determines the selection of a particular broker-dealer for securities transactions in the Client account. NextCapital Advisers currently does not permit Client-directed brokerage transactions but reserves the right to allow for such transactions in the future.

Retail Managed Account Services Soft Dollar Benefits

Soft dollars relate to the practice of using a portion of commissions generated when executing client transactions to acquire research and brokerage services from broker-dealers. Client trades executed through Pershing are not subject to commission, transaction charges, or prime brokerage fees. NextCapital Advisers does, however, avail itself of benefits provided by Pershing. Pershing provides NextCapital Advisers with trading tools and sponsors/pays for NextCapital Advisers' access to a third-party trade order execution management system ("EMS"). Access to the EMS allows NextCapital Advisers use of Pershing's algorithmic trading and direct market access systems, and also provides NextCapital Advisers with the ability to route and execute Client trade orders through other broker-dealers. These benefits reduce the administrative costs of NextCapital Advisers.

Retail Managed Account Services Trade Allocation

Where NextCapital Advisers has discretion to place orders to execute transactions on behalf of Client accounts, NextCapital Advisers can allocate such transactions to selected broker-dealers on certain markets, at certain prices, and at certain commission rates as NextCapital Advisers, in good faith, deems appropriate. NextCapital Advisers will take into consideration, in the selection of broker-dealers, not only the available prices and rates of brokerage commissions, but also other relevant factors including, but not limited to, execution capabilities and other services provided by broker-dealers, provided that such services are in compliance with Section 28(e) of the Securities Exchange Act of 1934.

Workplace Managed Account Services

For Workplace Managed Account Services, the use of any particular broker, recordkeeper, or custodian is directed by the Plan Sponsor under Section 3(16) of ERISA. NextCapital Advisers does not have any soft-dollar arrangements and does not receive any soft-dollar benefits, other than as previously described for Retail Managed Account Services. For Plans where NextCapital Advisers serves as a Workplace Investment Manager, NextCapital Advisers will discretionarily submit Fund weighting instructions through the Software Platform that map to designated Plan Participant Security Model Portfolios. These weighting instructions are then processed, implemented and ultimately executed in the aggregate on behalf of Plan Participants by the designated broker, recordkeeper or custodian.



Account Errors and Error Resolution

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

Errors may occur in software-based services, such as the Managed Account Services, as a result of programming errors, database errors, or other causes, such as the use of algorithms. Consistent with the applicable standard of care, the algorithms used in the Managed Account Services are not intended to replicate a perfect asset allocation or "model" portfolio, but are, instead, intended to reflect NextCapital Adviser's investment philosophy, which can evolve from time to time and over time. Therefore, not all mistakes will be considered compensable to the Client. In particular, NextCapital Advisers generally views the implementation of a Client's asset allocation to be suitable and prudent if the equity allocation is within a pre-determined equity level threshold assigned by the advice algorithm.

Item 13: Review of Accounts

Reviewing Algorithm Inputs and Outputs

Client accounts placed into the Retail Managed Account Services are reviewed via proprietary algorithms run through the Software Platform and/or other trading systems and advisory platform tools provided to NextCapital Advisers by Pershing.

NextCapital Advisers personnel or its affiliate's personnel oversee these outputs, and, as applicable, the personnel of an Institution. NextCapital Advisers' algorithms, or those provided to NextCapital Advisers by an Institution, consider the information and risk profile provided by each Client and/or recordkeeper, including individual goals (financial and otherwise), current financial status, investment objectives, and risk preference, as applicable. Algorithms run through the Software Platform and/or other third-party systems also take into account overall market movement, significant changes to one or more of the Funds comprising a Client account, or changes in the applicable Client's life circumstances (to the extent the Client or the Client's Institution reports such changes to NextCapital Advisers).

Algorithms run through the Software Platform will also rely upon, as applicable, information received from Client's Held-Away accounts. When dispensing advice or undertaking actions on behalf of a Client account, NextCapital Advisers will rely upon the most recently available information from these Held-Away accounts, even though the information could be out-of-date (for example, due to a syncing issue). Thus, it is important for Clients to continually ensure the integrity and accuracy of all personal information within Software Platform, including but not limited to, birthday, marital status, income, retirement age, savings rate, Held-Away accounts, or new managed accounts and related information, and immediately report changes to their personal information through the Software Platform. NextCapital uses and relies on the accurate provision of data regarding, among other things, Client data, information about the Plan, the Plan's investment objective, restrictions placed on the account, and other information



provided by the Client and/or recordkeeper. Failure on the part of the Client and/or recordkeeper to provide NextCapital Advisers with current, accurate, truthful, and complete information will affect NextCapital Adviser's ability to provide the Advisory Services.

Reviewing and Adjusting Client Investment Recommendations

Client accounts utilizing Retirement Goal-based advice are reviewed at least annually and pursuant to a periodicity determined by NextCapital Advisers or the Client's Institution or Plan. The Client, their Institution, or Plan can also update Retirement Goal-based advice at any time (as applicable and enabled) via the Software Platform by submitting changes to the Client's Retirement Goal profile and objectives. Similarly, for General Investing Risk-based advice (Retail Managed Account Services Only), the Client or their Institution can update Client advice at any time by updating responses to the General Investing questionnaire through the Software Platform. Managed Account Services Client accounts will also be reviewed and adjusted in those instances where a Client account is identified to fall outside of the Advice Range outlined in Item 8, Methods of Analysis, Investment Strategies and Risk of Loss.

In providing the Managed Account Services, and as previously stated, NextCapital Advisers relies on data directly provided by Clients, and, as applicable, Record-Kept Data to inform Client investment goals and recommendations through the Software Platform. As such, if NextCapital Advisers were provided with materially inaccurate or false information, or if there is a failure to provide material information or update material information in a timely manner, the quality and applicability of the Managed Account Services will be materially impacted.

Reviewing and Rebalancing Client Asset Allocations

NextCapital Advisers' algorithms monitor managed asset allocations pursuant to thresholds and periodicities established by the Client's Institution, NextCapital Advisers' Investment Panel, or, as applicable, a Client's Program Sponsor or Plan (for Workplace Managed Account Services). For Retail Managed Account Services, NextCapital Advisers has discretion to rebalance Client assets in order to meet target asset allocations within established thresholds. Should a Retail Managed Account Services Client's target allocation fall outside established thresholds, NextCapital Advisers will re-balance or, as authorized, submit Fund weighting re-balance instructions, so as to bring Client assets to a level within established thresholds. For Workplace Managed Account Services, and as authorized by separate agreements, NextCapital Advisers will discretionarily submit Fund weighting instructions through the Software Platform that map to designated Plan Participant Security Model Portfolios. The automated rebalancing of Client accounts can occur as frequently as daily, and without regard to market conditions. It should be noted, however, that there can be situations where a Client portfolio falls outside of an established threshold, including, but not limited to, periods of extraordinary stock or bond market volatility or disruptions, disorderly market conditions, significant order imbalances, stock exchange outages, inordinate bid/ask spreads, inefficient function of price discovery mechanisms, stock exchange circuit breakers being activated, pricing discrepancies, disruptions of Treasury, Interest Rate or Credit markets, and limited and/or deteriorating liquidity.

Item 14: Client Referrals and Other Compensation



NextCapital Advisers does not have any referral arrangements whereby it compensates third-parties for referring Clients to NextCapital Advisers.

In addition to base salary, some NextCapital Advisers personnel are eligible for bonus compensation. However, bonus compensation is not directly tied to the performance or amount of Client assets managed. NextCapital Advisers mitigates this potential conflict through firm compliance training with respect to fiduciary obligations, and through other mechanisms such as firm governance. For example, one mandate of NextCapital Advisers' Investment Panel is to ensure that any advice services offered by the firm are prudent in nature and geared to serve the best interests of Clients.

Item 15: Custody

Retail Managed Accounts Services

NextCapital Advisers does not maintain physical custody of any Retail Managed Account Services Client assets. NextCapital Advisers is deemed to have limited custody over Client assets where the Client authorizes NextCapital Advisers (as the Institution's authorized agent) to instruct the Broker to deduct the Institutional Fees, including NextCapital Advisers' negotiated portion of the same, directly from the Client account. Client assets and Client accounts are held in the name of the applicable Client and are maintained in the custody of the Broker, who shall be a "Qualified Custodian" as defined by SEC Rule 206(4)-2. Clients will receive periodic statements from the Broker. NextCapital Advisers urges each Client to carefully review account statements received from the Broker and compare such official custodial records to any account statements provided by the Client's Institution or, as applicable, NextCapital Advisers to ensure accuracy (e.g., fee deductions). Account statements provided by the Institution or NextCapital Advisers can vary from the Broker's statements based on accounting procedures, reporting dates, or valuation methodologies of certain Funds or other instruments.

Workplace Managed Accounts Services

NextCapital Advisers does not maintain physical custody of any Workplace Managed Account Services Client assets. NextCapital Advisers also does not deduct Workplace Fees, as fee deduction is typically actioned by a Plan's designated recordkeeper.

Item 16: Investment Discretion

The level of investment discretion exercised by NextCapital Advisers varies by the Managed Account Service arrangement NextCapital Advisers has in place with an Institution, Program Sponsor or Plan. In order to act with discretionary authority, NextCapital Advisers must receive express discretionary authority either directly from a Client or through the applicable Plan or Plan Sponsor. Receipt of discretionary authority must be evidenced by an investment advisory agreement (or equivalent) or, for Workplace Managed Account Services, a Plan Sponsor Agreement.



Item 17: Voting Client Securities

NextCapital Advisers does not vote proxies on behalf of Workplace or Retail Managed Account Services Clients.

Item 18: Financial Information

NextCapital Advisers has no financial commitment that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to Clients, and NextCapital Advisers has not been the subject of a bankruptcy.



**ADV Part 2B - Firm Brochure Supplement
of
NEXTCAPITAL ADVISERS, INC.**

Managed Account Services - Retail and Workplace

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Chicago, IL 60603
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September 26, 2022

This Managed Account Services firm brochure supplement provides information about certain NextCapital Advisers, Inc., ("NextCapital Advisers") supervised persons that supplements the NextCapital Advisers ADV Part 2A Managed Account Services Firm Brochure you should have received. If you have any questions about the contents of this brochure supplement, please contact NextCapital Advisers at: (212) 902-1000.

Additional information about NextCapital Advisers, Inc. and Goldman Sachs Asset Management, L.P., (individually, "GSAML") (collectively, "GSAM") is also available on the Securities and Exchange Commission's website at: www.adviserinfo.sec.gov.

NextCapital Advisers' investment advice is provided by a team of more than four supervised persons. NextCapital Advisers has provided supplementary information below for the supervised persons with the most significant responsibility for the day-to-day advice provided to Clients. Please see the firm address and telephone number on the cover page as the address and telephone number for each listed supervised person.



Dirk Allan Quayle

Born 1963

Education

B.B.A., Finance, University of Iowa, 1985

Chartered Financial Analyst, CFA Institute, 1992

Business Experience for the Preceding 5 Years

2017 - 2021 President, Chief Investment Officer and Investment Committee Chair, NextCapital Advisers and President, NextCapital Group, Inc.

2021 – 2022 Director, President and Investment Committee Member, NextCapital Advisers and President, NextCapital Group, Inc.

2022 – present Managing Director, GSAMLP and Investment Panel Member, NextCapital Advisers

Disciplinary Information

There are no reportable legal or disciplinary events.

Other Business Activity

GSAM has adopted policies that prohibit employees, including Dirk Quayle, from accepting gifts and entertainment that could influence or appear to influence their business judgment. As such, employees are generally not permitted to receive business related gifts that are valued at more than \$100. From time to time, GSAM employees may accept invitations to meals and other business related entertainment, so long as they are consistent with GSAM policies.

Additional Compensation

None

Supervision

GSAM supervises Dirk Quayle and monitors the advice Dirk Quayle provides to their clients. Padideh Raphael is responsible for supervising the advisory activities of Dirk Quayle.

David Bradley Slusarski

Born 1974

Education

B.B.A., Finance, Loyola University of Chicago, 1999

Business Experience for the Preceding 5 Years

2017 - 2018 Director, Portfolio Operations, NextCapital Advisers

2018 - 2021 Vice President, Portfolio Operations and Investment Committee Member, NextCapital Advisers

2021 - 2022 Senior Vice President, Advisory Operations and Investment Committee Member, NextCapital Advisers

2022 - present Vice President, GSAMLP and Investment Panel Chair, NextCapital Advisers

Disciplinary Information



There are no reportable legal or disciplinary events.

Other Business Activity

GSAM has adopted policies that prohibit employees, including David Slusarski, from accepting gifts and entertainment that could influence or appear to influence their business judgment. As such, employees are generally not permitted to receive business related gifts that are valued at more than \$100. From time to time, GSAM employees may accept invitations to meals and other business related entertainment, so long as they are consistent with GSAM policies.

Additional Compensation

None

Supervision

GSAM supervises David Slusarski and monitors the advice David Slusarski provides to their clients. Kenneth Cawley is responsible for supervising the advisory activities of David Slusarski.

Tristan Linke

Born 1985

Education

B.A. (Hons.) in European Business with Distinction, Finance, DCU Business School, 2010
 Diplom-Betriebswirt in Diplom-Betriebswirt in Europäischer Betriebswirtschaft Distinction (German M.Sc. equivalent), Management, Economics and Finance, ESB Business School, 2010
 M.Sc., Quantitative Finance with Distinction, Financial Econometrics, Lancaster University, 2011
 Visiting Ph.D. candidate, Finance, Faculty of Business & Economics, University of Amsterdam, 2015
 Ph.D., Finance, Financial Econometrics, Lancaster University Management School, 2011-2016

Business Experience for the Preceding 5 Years

2017 - 2019 Director, Advice Finance, NextCapital Advisers
 2019 – 2022 (Outside) Vice President, Advice Research and Methodology, NextCapital Group, Inc. and Investment Committee Member, NextCapital Advisers
 2022 – present Vice President, GSAML P and Investment Panel Observer, NextCapital Advisers

Disciplinary Information

There are no reportable legal or disciplinary events.

Other Business Activity

GSAM has adopted policies that prohibit employees, including Tristan Linke, from accepting gifts and entertainment that could influence or appear to influence their business judgment. As such, employees are generally not permitted to receive business related gifts that are valued at more than \$100. From time to time, GSAM employees may accept invitations to meals and other business related entertainment, so long as they are consistent with GSAM policies.

Additional Compensation

None

Supervision

GSAM supervises Tristan Linke and monitors the advice Tristan Linke provides to their clients. Roy Appelman is responsible for supervising the advisory activities of Tristan Linke.



Rasinee Pongchairerks

Born 1984

Education

M.E., Computer Engineering, Assumption University, Thailand 2006
 M.IS., Computer and Engineering Management, Assumption University, Thailand 2008
 M.S., Finance, Stuart School of Business - Illinois Institute of Technology 2016
 Chartered Financial Analyst, CFA Institute, 2018
 Financial Risk Manager, Global Association of Risk Professionals, 2019

Business Experience for the Preceding 5 Years

2017 - 2019 Financial Engineer, NextCapital Advisers
 2019 - 2020 Senior Quantitative Financial Engineer, NextCapital Advisers
 2020 - 2021 Principal, Risk Management, NextCapital Advisers
 2021 - 2022 Vice President, Advice Finance and Investment Committee Member, NextCapital Advisers
 2022 - present Vice President, GSAML P and Investment Panel Member, NextCapital Advisers

Disciplinary Information

There are no reportable legal or disciplinary events.

Other Business Activity

GSAM has adopted policies that prohibit employees, including Rasinee Pongchairerks, from accepting gifts and entertainment that could influence or appear to influence their business judgment. As such, employees are generally not permitted to receive business related gifts that are valued at more than \$100. From time to time, GSAM employees may accept invitations to meals and other business related entertainment, so long as they are consistent with GSAM policies.

Additional Compensation

None

Supervision

GSAM supervises Rasinee Pongchairerks and monitors the advice Rasinee Pongchairerks provides to their clients. Roy Appelman is responsible for supervising the advisory activities of Rasinee Pongchairerks.

Roy Appelman

Born 1974

Education

B.S., Physics, Mathematics, Hebrew University of Jerusalem, 1996
 M.S., Electrical Engineering, Tel Aviv University, 2001
 M.B.A., Massachusetts Institute of Technology (MIT), 2005

Business Experience for the Preceding 5 Years

2017 - present Senior Strategist and Portfolio Manager, GSAML P

Disciplinary Information

There are no reportable legal or disciplinary events.

Other Business Activity



GSAM has adopted policies that prohibit employees, including Roy Appelman, from accepting gifts and entertainment that could influence or appear to influence their business judgment. As such, employees are generally not permitted to receive business related gifts that are valued at more than \$100. From time to time, GSAM employees may accept invitations to meals and other business related entertainment, so long as they are consistent with GSAM policies.

Additional Compensation

None

Supervision

GSAM supervises Roy Appelman and monitors the advice Roy Appelman provides to their clients. Greg Calnon is responsible for supervising the advisory activities of Roy Appelman.