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## **Goldman Sachs & Co. LLC – Marcus Invest**

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This wrap fee Form ADV Part 2 program Brochure provides information about the qualifications and business practices of the Marcus Invest offering of Goldman Sachs & Co. LLC. If you have any questions about the contents of this Brochure relating to [www.marcus.com/us/en/invest](http://www.marcus.com/us/en/invest), please call 1-833-720-6468 or send an e-mail to [invest-support@marcus.com](mailto:invest-support@marcus.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Investment adviser registration does not imply a certain level of skill or training.

**Additional information about Goldman Sachs & Co. LLC’s Marcus Invest offering is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**March 31, 2023**

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Separate Brochures have been prepared for Goldman Sachs & Co. LLC’s Goldman Sachs Asset Management Private, Private Wealth Management, Third-Party Distribution, and Managed Account Strategies (wrap fee program) offering of the Private Wealth Management Group.

## Item 2: MATERIAL CHANGES

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This Marcus Invest Brochure (“Brochure”) is dated March 31, 2023. The following information provides a summary of material changes that have been made to this Brochure since the last annual update dated March 31, 2022.

March 31, 2023 Update:

- Item 4 (Fees) – This section was updated to reflect that:
  - the annual Management Fee (previously called an “Advisory Fee”) is 25 basis points per year on the entire value of the account balance or as otherwise specified to the client in writing by Goldman Sachs & Co. LLC (“GS&Co.”);
  - GS&Co. assumes any additional fees for ancillary services charged by Apex Clearing Corporation. GS&Co. reserves the right, in its sole discretion and from time to time, upon providing written notice to clients, to charge such expenses to client accounts; and
  - Smart Beta Portfolios, which previously received a rebate for Goldman Sachs Asset Management, LP (“GSAM LP”, an affiliate of GS&Co.) ETFs, are subject to applicable expense ratios.
- Item 5 (Account Requirements and Types of Clients) – This section was updated to reflect that there is no minimum to open an Advisory Account; however, an Advisory Account will not be invested according to the selected Portfolio until the Advisory Account has a balance of \$5 or more or as otherwise specified to a client in writing by GS&Co. (the “Minimum Balance”).

The foregoing is only a summary of material changes to the Brochure. It does not purport to identify every change to the Brochure from the last annual update. This summary of material changes is qualified in its entirety by reference to the full discussion in the Brochure. Clients are encouraged to read the Brochure in detail and contact Marcus Invest with any questions.

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## **Item 4: SERVICES, FEES, AND COMPENSATION**

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### **Introduction**

This Brochure describes the investment advisory services provided by the Marcus Invest offering (“Marcus Invest”) of Goldman Sachs & Co. LLC (“GS&Co.”). Marcus Invest, together with various affiliates as described in this Brochure, comprises the wealth management business of Goldman Sachs Asset & Wealth Management (“Asset & Wealth Management”) that performs investment advisory services on behalf of the wealth management business of Asset & Wealth Management. Through Marcus Invest, GS&Co. provides advisory services to individuals and helps clients build and preserve their financial wealth through its technology platform. GS&Co.’s services are available through its website [www.marcus.com/us/en/invest](http://www.marcus.com/us/en/invest) and its mobile application (collectively, the “Site”). Unless otherwise specified, references in this Brochure to “clients” mean clients of Marcus Invest and references to “advisory services” means the advisory services provided by GS&Co. through the Site.

GS&Co.’s principal owner is The Goldman Sachs Group, Inc. (“GS Group”), a publicly traded bank holding company and financial holding company under the Bank Holding Act of 1956, as amended (“BHCA”), and a worldwide, full-service financial services organization. GS&Co. has been a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”) since 1981. GS Group, GS&Co. and their respective affiliates, directors, partners, trustees, managers, members, officers, and employees are referred to collectively as “Goldman Sachs.”

### **Program Description**

GS&Co. offers individuals the ability to open and fund a brokerage account (“Advisory Account”) at GS&Co. through the Site solely for the purpose of receiving investment advisory services from GS&Co. for themselves individually, including Traditional Individual Retirement Accounts (“IRA”), Roth IRAs, and, in the case of a self-employed individual or independent contractor, a Simplified Employee Pension (“SEP”) IRAs (collectively, “Retirement Accounts”), as well as jointly with other individuals through an online platform that it developed and maintained with its affiliates and GS Group (the “Program”).

The Program is designed to provide a way for individuals to regularly invest money and access GS&Co.’s Marcus Invest advisory services, along with brokerage and custody services, for a single fee. The Program provides investment advice and delivers advisory services to clients primarily through the Portfolio Recommendation Tool (as defined below) and the Site, and does not generally provide investment advice in person, over the phone, in live chat, or in any other manner other than through the advisory services available on the Site.

Simultaneous with establishing Advisory Accounts with GS&Co., clients enter into an agreement with a financial institution (the “Clearing Firm”), designated by GS&Co., appointing the Clearing Firm to serve as custodian with respect to their Advisory Accounts and provide clearing and custodial services. With respect to Retirement Accounts, the Clearing Firm also serves as the IRA custodian. Subject to the terms of its agreements with clients and the Clearing Firm, GS&Co. may remove or replace the Clearing Firm at any time, with notice to existing customers of Marcus Invest. The current Clearing Firm is Apex Clearing Corporation (“Apex”), a New York corporation. Apex is a registered broker-dealer that is not affiliated with GS&Co. or its affiliates.

### **Portfolio Recommendation, Portfolio Themes, and Management**

#### *Portfolio Recommendation*

The Program is designed to prompt investing behaviors and provide access to portfolios that invest through exchange-traded funds (“ETFs”) that track or are benchmarked to indices. Through the Program, Marcus Invest offers portfolios, based on models designed by GS&Co.’s Investment Strategy Group (“ISG”), that allocate assets among ETFs representing different asset classes (each, a “Portfolio”). A team of investment professionals, which includes members of GS&Co.’s Portfolio Management Group, (“Advisory Personnel”) are responsible for construction and ongoing oversight of the Portfolios, including

but not limited to, ETF selection. Marcus Invest is currently using Portfolios that invest in ETFs that are sponsored, managed, or advised by third parties (“External ETFs”), which have been reviewed by the Alternative Investments & Manager Selection (“AIMS”) group within Goldman Sachs Asset Management, LP (“GSAM LP”), and ETFs which are sponsored, managed, or advised by affiliates of GS&Co., (“Affiliated ETFs”), which include ETFs sponsored, managed, or advised by GSAM LP (“GSAM ETFs”), as well as cash, that is held as a free credit balance by the Clearing Firm or through the Clearing Firm’s bank sweep program, as set forth in the client’s investment advisory agreement with GS&Co. governing the client’s Advisory Account (the “Client Agreement”). In its role as sponsor of the Program, GS&Co. does not manage the underlying ETFs for the Portfolio that the client selects.

ISG’s model construction process is designed to offer multi-asset class portfolios that are diversified across asset classes, regions, and the risk spectrum. The Portfolios are designed to allocate assets among ETFs that represent different asset classes in accordance with the investment methodology and style of the corresponding Portfolio Theme (defined below). However, GS&Co. reserves the right to change, in its sole discretion and from time to time, without prior notice to clients: (i) the number of Portfolios that it deems appropriate to address the investment objectives, investment time horizons, and risk tolerances of its clients; (ii) the selection of the ETFs that comprise each of the Portfolios, which can include Affiliated ETFs; (iii) the relative weightings of the ETFs and cash within each of the Portfolios; and (iv) the Portfolio Themes made available, including by account type. GS&Co. further reserves the right, in its sole discretion and from time to time, upon providing prior notice to clients, to utilize model portfolios constructed by affiliates or third parties (“Model Providers”), and to make additional Model Providers available through the Program. In the future, Marcus Invest may offer other affiliated and unaffiliated investment products through the Program.

The Program uses an algorithm that functions as a portfolio recommendation tool (the “Portfolio Recommendation Tool”) to recommend: (i) an asset allocation that aligns with the client’s investment objective based on certain information that the client provides through the Site, and, (ii) a Portfolio that aligns with that asset allocation following the client’s selection of a Portfolio Theme (the “Suggested Portfolio”). While GS&Co.’s investment advisory personnel oversee the current operation of, and are responsible for any enhancements to, the Portfolio Recommendation Tool’s algorithm, such personnel do not override the Portfolio Recommendation Tool’s algorithm to recommend a different Suggested Portfolio to any particular client, whether based on any additional criteria (including, without limitation, current market conditions) or otherwise. Clients should understand that the Portfolio Recommendation Tool currently relies on the client’s investment time horizon and risk tolerance for each Advisory Account maintained by the client in recommending a Suggested Portfolio. Clients who previously enrolled in the Program prior to consideration of this particular combination of factors may update their investment profile and, if applicable, select a new Portfolio for any of their Advisory Accounts. The Portfolio Recommendation Tool asks a series of questions to assess a client’s current age and liquidity needs as well as their investment time horizon and risk tolerance for each Advisory Account in connection with the account opening process. The Portfolio Recommendation Tool does not consider the entire range of information a client provides for purposes of recommending a Suggested Portfolio. GS&Co. uses the information clients provide through the Site regarding liquidity to make an initial determination whether the Program is appropriate for the client. The Portfolio Recommendation Tool only considers the answers to the questions regarding investment time horizon and risk tolerance for each Advisory Account, the values for which are weighted in accordance with GS&Co.’s methodology (which does not weight them equally) and are then mapped to one of various asset allocations and Portfolios which are recommended to the client. Clients are not bound by the Suggested Portfolio recommended by the Portfolio Recommendation Tool and may, at the time when they initially receive a Suggested Portfolio, select either of the Portfolios adjacent to the Suggested Portfolio on the risk spectrum of Portfolios available through the Program. Clients may cause the Portfolio Recommendation Tool to generate a new asset allocation and Suggested Portfolio for a particular Advisory Account at any time by revising the information they provide through the Site. Clients who maintain multiple Advisory Accounts may receive different asset allocations and Suggested Portfolios from the Portfolio Recommendation Tool for such Advisory Accounts if the client provides different information regarding investment time horizon and risk tolerance, or selects a different Portfolio Theme, for each Advisory Account.

## *Portfolio Themes*

As a part of the portfolio selection process, clients must choose for their Advisory Account one of the ISG-informed Portfolio Themes that GS&Co. makes available through the Program (each, a “Portfolio Theme”), each of which employs its own portfolio construction methodology. GS&Co. does not recommend a Portfolio Theme and not all Portfolio Themes are available for each account type. The asset allocation recommendation generated by the Portfolio Recommendation Tool is not impacted by the Portfolio Theme selected by the client. Instead, the ETFs and the respective weightings of those ETFs within that Portfolio, are based on the asset allocation generated by the Portfolio Recommendation Tool and the Portfolio Theme selected by the client.

GS&Co. offers three Portfolio Themes through Marcus Invest:

- The “Core” Portfolio Theme is comprised of Portfolios which provide exposure to a mix of asset classes, like U.S. and international stocks, bonds, and real estate, through index tracking ETFs. The Core Portfolio Theme is available to clients who seek to have their Advisory Account track market capitalization-weighted benchmarks while following a strategic asset allocation informed by ISG. These Portfolios may outperform or underperform broad market indices depending on market dynamics. This Portfolio Theme currently uses only External ETFs that have been selected based on several factors, including index benchmark, tracking error to index, and assets under management, although GS&Co. has the discretion to include Affiliated ETFs in the Portfolios at any time.
- The “Impact” Portfolio Theme is the same as Core in its approach to asset class diversification and use of External ETFs; however, its Portfolios include, but do not consist exclusively of, ETFs that meet certain Environmental, Social, and Governance (“ESG”) criteria set forth in each ETF’s prospectus. While the ETFs are selected by Marcus Invest for use in the Portfolios, the actual management and decision of inclusion/exclusion of constituents in the ETF is selected by the ETF manager and Marcus Invest is not part of the inclusion/exclusion criteria. Impact Portfolios also use ETFs that do not employ ESG criteria based on characteristics of the asset class, the availability of ESG related ETF options for the asset class, and other qualitative and quantitative screens. ESG focused ETFs utilized in this Portfolio Theme seek to outperform market capitalization-weighted benchmarks over the long term, at the risk of underperformance compared to those benchmarks in the short term. ESG ETFs may also exhibit liquidity characteristics which differ from comparable traditional market capitalization-weighted ETFs such that active trading markets for those ETFs would not be maintained. As with the Core Portfolios, GS&Co. has the discretion to include Affiliated ETFs in the Portfolios at any time. The average weighted expense ratios for Impact Portfolios are higher than those for Core Portfolios with the corresponding strategic asset allocation.
- The “Smart Beta” Portfolio Theme employs the same approach to asset allocation as Core and Impact, but its Portfolios seek to outperform market capitalization-weighted benchmarks over the long term, at the risk of underperformance compared to those benchmarks in the short term. The Smart Beta Portfolios are constructed with Affiliated and External ETFs. The Affiliated ETFs in the Smart Beta Portfolio, which are GSAM ETFs, are constructed using criteria set forth in the ETF’s prospectuses to identify constituents that the ETF’s managers believe will outperform the market. The management of Affiliated ETFs in the Portfolios is the sole responsibility of GSAM LP, an affiliate of GS&Co., and GS&Co. does not have any role in the management of, or setting inclusion/exclusion criteria for, these ETFs. The Affiliated ETFs in the Smart Beta Portfolio Theme may exhibit liquidity characteristics which differ from comparable traditional market capitalization-weighted ETFs such that active trading markets for those ETFs would not be maintained. The Smart Beta Portfolios have higher average weighted expense ratios than Core and Impact Portfolios.

The performance of Portfolios with the same asset allocation will likely differ based on the Portfolio Theme selected.



## *Portfolio Management*

Although clients may select a different Portfolio or Portfolio Theme for a particular Advisory Account at any time, subject to certain limitations, they are not able to change the underlying ETFs that comprise each Portfolio or Portfolio Theme, except by requesting a reasonable investment restriction on the management of their Advisory Accounts. Clients may request an investment restriction for an Advisory Account by contacting us at 833-720-6468 or sending an e-mail to [invest-support@marcus.com](mailto:invest-support@marcus.com). GS&Co. is solely responsible for determining whether the restriction is reasonable. GS&Co. may, in its discretion, hold the amount that would be invested in the restricted security in cash, invest in substitute securities, or invest it on a pro rata basis across the other securities in the Portfolio that are not restricted. Clients should be aware that the performance of an Advisory Account with restrictions will differ from, and may be lower than, the performance of Advisory Accounts without restrictions. As part of Goldman Sachs, a global financial services organization that is subject to a number of legal and regulatory requirements, GS&Co. is subject to, and has itself adopted, internal guidelines, restrictions and policies that restrict investment decisions and activities on behalf of Advisory Accounts under certain circumstances. See **Item 9 – Additional Information.**

The Portfolio a client ultimately selects, taking into account any reasonable investment restrictions, is the client's selected Portfolio (the "Selected Portfolio"), and all investment transactions are executed with the goal of aligning the holdings of the Advisory Account with the Selected Portfolio's target allocation, including by rebalancing, as further described below. Clients may change their Selected Portfolio for an Advisory Account at any time either by (i) revising the information they submit through the Site and thereby causing the Portfolio Recommendation Tool to generate a new Suggested Portfolio for that Advisory Account; or (ii) selecting a different Portfolio Theme. An Advisory Account may not have more than one Selected Portfolio. Clients are solely responsible for the decision to invest in their Selected Portfolio. Clients should carefully review and consider the information available on our Site about the Suggested Portfolio, the Portfolio Themes, as well as any other Portfolios made available to the client, and their constituent ETFs, before choosing a Selected Portfolio for an Advisory Account. Clients who choose a Portfolio with an asset allocation that differs from the Suggested Portfolio should understand that such Portfolio may not align with the investment objective corresponding to their risk tolerance and investment time horizon, and that the Selected Portfolio may perform worse for the client over any time period than the Suggested Portfolio or any other investment.

Under the terms of the Client Agreement, clients authorize the rebalancing of holdings and acknowledge that any dividends will be received in cash and invested in accordance with the client's Selected Portfolio as part of the rebalancing process. The Advisory Accounts are monitored by GS&Co.'s portfolio management system ("PM System") which uses technology to determine if the holdings have drifted beyond a pre-determined percentage from the target allocation for the Selected Portfolio and that the Advisory Accounts are otherwise eligible to trade. Once systematically triggered, Advisory Personnel will review such deviations and will periodically rebalance the Advisory Accounts to bring the holdings back into line with the Selected Portfolio. The rebalancing process is affected through the PM System, and rebalancing orders are reviewed and initiated by Advisory Personnel. Advisory Personnel have the ability to override or delay rebalancing in the event of volatile market conditions or other circumstances that GS&Co. determines could negatively affect Advisory Accounts. Advisory Personnel have the authority to modify, at any time and in their sole discretion, the manner or frequency with which rebalancing occurs. Clients should understand that there is no guarantee that the holdings in their Advisory Account will match the allocations of their Selected Portfolio at all times, and that various factors (including the timing and frequency of deposits and withdrawals, market volatility and disruptions, the timing and frequency of a client's choice of or changes to their Selected Portfolio, reasonable restrictions, access interruptions, and hardware or software failures) can impact the extent to which holdings in a client's Advisory Account will replicate the Selected Portfolio at any particular point in time. The Program includes strategic asset allocation models that are based on GS&Co.'s long-term views. The Program does not provide tactical advice and clients should not expect to see tactical changes to their Selected Portfolios in response to market movements or market volatility events.

The ETF shares purchased or sold on behalf of a client and held in a client Advisory Account may be either whole shares or fractional shares, depending upon the amounts a client contributes to its Advisory Account. To the extent that GS&Co. trades fractional shares of any ETF on behalf of Program clients, it

does so by allocating any excess fractional shares to the Clearing Firm's fractional facilitation account, and the Clearing Firm in turn accumulates fractional shares and manages their fractional facilitation account through trades in whole share quantities in accordance with their own policies as they pertain to management of such accounts and positions. GS&Co. and the Clearing Firm each reserves the right, at any time and each in its sole discretion, without prior notice to Program clients, to change the details of the policies and procedures governing the mechanics of trading fractional shares, including, without limitation, allocation calculation and rounding procedures. Fractional shares are typically unrecognized and illiquid outside of a client's Advisory Account and, as a result, fractional shares may not be marketable or transferrable to another brokerage account. In the event of a liquidation or transfer of the assets in a client's Advisory Account to another account, GS&Co. will convert such fractional shares to cash. Dividends received in connection with assets in a client's Advisory Account will be allocated pro-rata based on the fractional shares held and clients will not receive a dividend if the pro-rata amount of such dividend is less than \$0.01.

## **Risk Factors**

This Brochure does not include every potential risk associated with the Program, or all of the risks applicable to a particular Advisory Account. Rather, it is a general description of certain risks inherent in the Program. Clients should refer to their Client Agreement and the underlying prospectuses for the ETFs offered through the Program for additional information.

***Clients should understand that all Portfolio Themes and the investments made when implementing those Portfolio Themes involve risk of loss and clients should be prepared to bear the loss of assets invested. The investment performance and the success of any Portfolio Theme or particular investment cannot be predicted or guaranteed, and the value of a client's investments fluctuates due to market conditions and other factors. The investment decisions and recommendations made and the actions taken for Advisory Accounts are subject to various market, liquidity, currency, economic, and political risks, and will not necessarily be profitable. It should be expected that the types of risks to which an Advisory Account is subject, and the degree to which any particular risks impact an Advisory Account, will change over time depending on various factors, including the Portfolio Themes, investment techniques and asset classes utilized by the Advisory Account, the timing of the Advisory Account's investments, prevailing market and economic conditions, reputational considerations, and the occurrence of adverse social, political, regulatory, or other developments. Past performance of Advisory Accounts is not indicative of future performance.***

- ***Asset Allocation and Rebalancing Risk*** – The risk that an Advisory Account's assets are out of balance with the Selected Portfolio allocation. An Advisory Account's assets will, from time to time, and, in some cases, for extended periods of time or at all times, be out of balance with the Selected Portfolio for such Advisory Account due to various factors, such as fluctuations in, and variations among, the performance of the ETFs to which the assets are allocated and reliance on estimates in connection with the determination of percentage allocations. Rebalancing of such assets can occur infrequently and, even if achieved, could have an adverse effect on the performance of the Advisory Account's assets. For example, if through rebalancing the Advisory Account's assets are allocated away from an overperforming ETF and allocated to an underperforming ETF, such rebalancing could be harmful to the Advisory Account. The rebalancing process is currently affected through the PM System, which is overseen manually by Advisory Personnel who have the ability to override the system's automatic determination of whether a Selected Portfolio should be rebalanced under certain circumstances, and is thus subject to both technological and human errors. Similarly, the use of target allocations for asset classes in Portfolios may result in an Advisory Account containing a significantly greater percentage of Affiliated ETFs than would otherwise be the case, including during periods in which Affiliated ETFs underperform External ETFs. In such circumstances, there may be one or more External ETFs that would be a more appropriate addition to a Portfolio than the Affiliated ETFs then in the Portfolio. Such External ETFs may outperform the Affiliated ETFs then in the Advisory Account. For information regarding conflicts of interest in connection with Affiliated



ETFs and External ETFs, see **Item 9 – Additional Information, Affiliated Products / External Products and Selection of ETFs for Portfolios.**

- *Cybersecurity Risk* – The risk of actual and attempted cyber-attacks, including denial-of-service attacks, harm to technology infrastructure and data from misappropriation or corruption, and reputational harm. Due to Goldman Sachs' interconnectivity with third-party vendors, central agents, exchanges, clearing houses, and other financial institutions (including the Clearing Firm), Goldman Sachs, and thus indirectly the Advisory Accounts, could be adversely impacted if any of them is subject to a successful cyber-attack or other information security event. Although Goldman Sachs takes protective measures and endeavors to modify them as circumstances warrant, its computer systems, software, and networks are vulnerable to unauthorized access, misuse, computer viruses or other malicious code, and other events that could have a security impact, or render Goldman Sachs unable to transact business on behalf of Advisory Accounts.
- *Differences in Due Diligence Process Relating to External ETFs and Affiliated ETFs* – Various teams within Goldman Sachs review External ETFs and Affiliated ETFs before they are made available on our platform. Certain factors, such as operational and reputational risks, as well as potential conflicts of interest, are considered in connection with both Affiliated ETFs and External ETFs. The focus of certain reviews is whether the product is an Affiliated ETF or an External ETF. Such differences may cause Advisory Personnel to select or recommend an Affiliated ETF that they would not have otherwise selected or recommended (e.g., due to underperformance) had the same due diligence process applicable to External ETFs been utilized for the Affiliated ETF. For more information regarding the conflicts of interest in this regard, see **Item 9 – Additional Information, Affiliated Products / External Products and Selection of ETFs for Portfolios.**
- *Diversification Risk* – The risk that the Program assumes the beneficial nature of diversification. While using a diversified portfolio to reduce risk is a widely accepted investment principle, diversification cannot reduce risk to zero, and the returns on a diversified portfolio during any given time period may be lower than the returns on one or more investments concentrated in an industry, sector, or geographic region that was profitable during that time period.
- *Environmental, Social, and Sustainability Impact Considerations* – GS&Co. has the discretion to take into account ESG considerations and political, media and reputational considerations relating thereto, resulting in GS&Co. making or recommending investments when it would otherwise have not done so, or disposing or recommending the disposition of investments, when it would otherwise not have done so, in each case which could adversely affect the performance of Advisory Accounts. On the other hand, GS&Co. may determine not to take such considerations into account, or to take such considerations into account but not make the same decision or recommendation that it would have made regardless of such considerations, and such considerations may prove to have an adverse effect on the performance of the applicable investments. GS&Co. may take ESG and related considerations into account for some Advisory Accounts and not others, and, to the extent taking such considerations into account, may make different investment decisions or recommendations for different Advisory Accounts. GS&Co. may rely on third-party service providers in determining, from an ESG perspective, what investments to exclude from its selection or recommendation based on such service providers' categorization of the types of companies, industries, or sectors, as the case may be, that should potentially be excluded from investment. There can be no assurance that the list of categories as determined by GS&Co. and/or third-party service providers is complete or that the securities restricted as a result of such categorization represents all of the securities that might otherwise be restricted in connection therewith, and such categories or the securities restricted thereunder may change from time to time.
- *Environmental Risk* – The risk of loss as a result of statutes, rules, and regulations relating to environmental protection negatively impacting the business of the issuers.

- *Equity and Equity-Related Securities and Instruments Risk* – The risk that the value of common stocks of U.S. and non-U.S. issuers is affected by factors specific to the issuer, the issuer's industry, and the risk that stock prices historically rise and fall in periodic cycles.
- *ESG Definitional Risk* – The risk that another party disagrees on differences in interpretations of what it means for a company to be an environmental and/or social impact investment. There are significant differences in interpretations of what it means for a company to be an environmental and/or social impact investment and Goldman Sachs' interpretations may differ from others'. There is a risk that issuers self-label an issuance Green (or Social, Sustainable, or any other type of impact-related adjective) without adhering to the Green Bond Principles, Social Sustainable, or other commonly followed market guidance. There exists no binding third-party authority to certify ESG or Green issuance at this time. To the extent that there is a Green label on a security bond, Goldman Sachs relies on such issuer's determination and does not opine on the accuracy of labeling.
- *ESG Government Funding/Subsidy Risk* – The risk that the success of certain environmental and social impact investments depends on government funding, tax credits, or other public or private sector subsidies, which are not guaranteed over the life of the investment.
- *ESG/Impact Investment Return Risk* – The risk that environmental and/or social impact investments do not provide as favorable returns or protection of capital as other investments, and are more concentrated in certain sectors than investments that do not have the intention of generating measurable social and environmental impact, which means that ESG securities generate lower returns than non-ESG securities.
- *ESG Selection Return Risk* – The risk that there are lower financial returns as a result of taking into account the potential environmental and/or social impact when making decisions regarding the selection, management, and disposal of investments, which means that a Portfolio containing only ESG securities may generate lower returns than a Portfolio of securities selected without regard to ESG criteria.
- *ETF Investment Risk* – The risk that: (i) ETFs will trade at a discount or premium to their underlying net asset value ("NAV"); (ii) ETFs will not fully track the market segment or index that underlies their investment objective, resulting in performance that differs from expectations; (iii) investors purchasing an ETF at a premium will underperform the ETF NAV, while the redemption of shares will result in the ETF trading at a discount to NAV; (iv) an active trading market for an ETF's shares will not develop or be maintained; and (v) the requirements of the exchange necessary to maintain the listing of an ETF will be changed or otherwise not met.
- *Frequent Trading and Portfolio Turnover Rate Risks* – The risk that high turnover and frequent trading in an Advisory Account could result in, among other things, higher transaction costs and adverse tax consequences.
- *Hypothetical Performance and Projected Returns* – The risk arising from reliance in making an investment decision on performance of a portfolio not necessarily achieved by any particular investor. Projected returns are hypothetical, do not reflect actual investment results, and are not guarantees of future results. Such projected performance is subject to a number of limitations and assumptions designed to determine the probability or likelihood of a particular investment outcome based on a range of possible outcomes. It is possible that any of those assumptions will prove not to be accurate. In addition, performance of a model portfolio, other portfolios, or a client's Advisory Account may differ materially from investment gains and avoidance of investment losses projected, described, or otherwise referenced in forward-looking statements and the projected returns associated with any of the foregoing may not materialize.
- *Index/Tracking Error Risks* – The risk that the performance of an Advisory Account that tracks an index does not match, and varies substantially from, the index for any period of time and is negatively impacted by any errors in the index, including as a result of an Advisory Account's

inability to invest in certain securities as a result of legal and compliance restrictions, regulatory limits or other restrictions applicable to the Advisory Account or Goldman Sachs, reputational considerations or other reasons. Where an index consists of relatively few securities or issuers, it should be expected that tracking error will be heightened at times when an Advisory Account is limited by restrictions on investments that the Advisory Account may make.

- *Inflation Risk* – The U.S. and other economies have recently begun to experience higher-than-normal inflation rates. It remains uncertain whether substantial inflation in the U.S. and other economies will be sustained over an extended period of time and/or have a significant adverse effect on the U.S. and other economies. Inflation and rapid fluctuations in inflation rates have had in the past, and will likely in the future have, negative effects on economies and financial markets.
- *Interest Rate Risk* – The risk that interest rates fluctuate potentially significantly, causing price volatility with respect to ETFs held by an Advisory Account. Interest rate risk includes the risk of loss as a result of the decrease in the value of fixed income securities due to interest rate increases. Long-term fixed income securities will normally have more price volatility because of interest rate risk than short-term fixed income securities. Risks associated with changing interest rates can have unpredictable effects on the markets and Advisory Accounts.
- *Limited Nature of the Portfolio Recommendation Tool and PM System* – In addition to the risks described in “Cybersecurity Risk” above and “Limited Nature of the Program” and “Reliance on Data Risk” below, the use of algorithms such as the ones underlying the Portfolio Recommendation Tool and PM System to provide investment advisory services carries the risk that changes to the algorithm’s code, although subject to compliance controls and testing, will not have the desired effect with respect to client accounts. While this risk increases if changes to an algorithm are insufficiently tested prior to implementation, even extensively tested changes may not produce the desired effect over time. The Portfolio Recommendation Tool uses a limited universe of inputs to recommend a Suggested Portfolio for each Advisory Account maintained by a client from a limited universe of possible outputs. In particular, the Portfolio Recommendation Tool currently recommends a Suggested Portfolio based on the Portfolio Theme selected by a client and a client’s responses to questions relating to investment time horizon and risk tolerance for a particular Advisory Account, in each case as provided by the client through the Site, and does not verify the completeness or accuracy of such information or consider any information regarding outside assets, concentration, debt, or other accounts a client may have with GS&Co., any of its affiliates, or with any third party. The Portfolio Recommendation Tool uses this information regarding the client’s investment time horizon and risk tolerance for a particular Advisory Account and the Portfolio Theme selected by the client to recommend a Suggested Portfolio for that Advisory Account from a limited number of asset allocation models, profiles, and underlying instruments. The Portfolio Recommendation Tool assumes that each combination of relevant responses either maps to one of the Portfolios available in the Program or means that such client should be prevented from opening an Advisory Account. The Portfolio Recommendation Tool does not take into account changes in market conditions, and GS&Co. does not override the Portfolio Recommendation Tool’s recommendation of a Suggested Portfolio under any circumstances, whether due to market conditions or otherwise, although each client may, subject to the procedures and limitations described above, select a different Portfolio for an Advisory Account. The functionality of the PM System is partly dependent upon information provided by the Clearing Firm, third parties, and other external sources, meaning that performance of the PM System could be impacted by issues with the delivery or the accuracy of the information provided.
- *Limited Nature of the Program* – The risk arising from the limited nature and scope of the Program. The Program is designed to offer individuals the ability to invest in Advisory Accounts by providing a simple, efficient solution. The Program does not provide comprehensive financial or tax planning or legal advice unless explicitly agreed to in writing between a client and GS&Co., and clients are advised and afforded the opportunity to seek the advice and counsel of their own tax, financial, and legal advisers. Neither GS&Co. nor any of its affiliates is responsible for

establishing or maintaining any Advisory Account's compliance with the requirements of the Internal Revenue Code for a Traditional IRA, Roth IRA, SEP IRA, or any other type of account that may be offered through the Program or determining any client's individual tax treatment regarding such account. Furthermore, neither GS&Co. nor any of its affiliates is responsible for withholding any tax penalties that may apply to clients' accounts or for any state or federal income tax withholding, except as may otherwise be required by applicable law. GS&Co.'s recommendations are limited based on the information clients provide through the Site and the Program's use of the Portfolio Recommendation Tool, the limitations of which are further discussed above. Clients should take into consideration the limited nature of the Program in evaluating the investment advice and recommendations provided through the Site. Furthermore, the Program: (a) is not a complete investment program; (b) does not account for multiple investment goals within an Advisory Account; (c) does not consider outside assets, concentration, debt, or other accounts a client may have with GS&Co., any of its affiliates, or with any third party; (d) offers a limited number of asset allocation models, profiles, and underlying instruments; (e) is not suitable for all investors; and (f) relies on the information provided by clients to Marcus Invest in providing investment advice, and does not verify the completeness or accuracy of such information. There could be one or more products available in the investment community that are more appropriate than the investment products made available through the Program. Given the inherent limitations of the Program, clients should carefully consider whether the Program is the right investment solution for their needs.

- *Low Trading Volume Risk* – The risk that a client is not able to monetize his/her investment or will have to do so at a loss as a result of generally lower trading volumes of the securities compared to other types of securities or financial instruments.
- *Market/Volatility Risk* – The risk that the value of the assets in which an Advisory Account invests decreases (potentially dramatically) in response to the prospects of individual companies, particular industry sectors or governments, changes in interest rates, regional or global pandemics, and national and international political and economic events due to increasingly interconnected global economies and financial markets.
- *Model Risk* – Where the management of a client's Advisory Accounts by GS&Co. in its advisory capacity includes the use of the Portfolios, which are based on various quantitative and investment models. It should be expected that there may be deficiencies in the design or operation of these Portfolios, including as a result of shortcomings or failures of processes, people, or systems. Investments selected using the Portfolios may perform differently than expected as a result of the factors used in the Portfolios, the weight placed on each factor, changes from the factors' historical trends, the speed that market conditions change, and technical issues in the construction and implementation of the Portfolios (including, for example, data problems and/or software issues). The use of proprietary quantitative models could be adversely impacted by unforeseeable software or hardware malfunction and other technological failures, power loss, software bugs, malicious code such as "worms," viruses, or system crashes or various other events or circumstances within or beyond the control of Goldman Sachs. Certain of these events or circumstances are difficult to detect. Moreover, the effectiveness of a Portfolio may diminish over time, including as a result of changes in the market and/or changes in the behavior of other market participants. Models may not be predictive of future price movements if their return mapping is based on historical data regarding particular asset classes, particularly if unusual or disruptive events cause market movements, the nature or size of which are inconsistent with the historical performance of individual markets and their relationship to one another or to other macroeconomic events. In addition, certain strategies can be dynamic and unpredictable, and a model used to estimate asset allocation may not yield an accurate estimate of the then current allocation. The models used to construct the Portfolios also rely heavily on data that is licensed from a variety of sources, and the functionality of the models depends, in part, on the accuracy of voluminous data inputs. Operation of a Portfolio may result in negative performance, including returns that deviate materially from historical performance, both actual and pro-forma. Additionally, commonality of holdings across Portfolios may amplify losses. There is no guarantee that the use of the Portfolios will result in effective investment decisions for a

client's Advisory Account.

- *Multiple Levels of Fees and Expenses* – Subject to applicable law, Advisory Accounts investing in advisers or underlying funds generally bear any asset-based and performance-based fees or allocations and expenses at the Advisory Account level and at the underlying fund level (although there will be circumstances in which Advisory Accounts bear such fees at only the Advisory Account level or only the adviser level).
- *Non-U.S. Securities Risk* – The heightened risk of loss as a result of more or less non-U.S. government regulation, less public information, less liquidity, risk of nationalization or expropriation of assets and greater volatility in the countries of domicile of the issuers of the securities and/or the jurisdiction in which these securities are traded. These risks and costs are generally greater in connection with an Advisory Account's investment, directly or indirectly through ETFs, in securities of issuers located in emerging market countries.
- *Operational Risk* – The risk of loss arising from shortcomings or failures in internal processes or systems of Goldman Sachs, GS&Co., the Clearing Firm, vendors, external events impacting those systems, and human error. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents such as major system failures.
- *Passive Investing* – As it relates to the "Core" Portfolio Theme, the risk arising from passive investing. The Core portfolios assumes a preference for passive over active investing. It should be expected that passive investing will yield lower returns than active investing from time to time, because passive investing is based on the theory that consistently outperforming an efficient market is impossible, and thus passive investors do not attempt to outperform the market at all, thereby foregoing any potential gains that could result from outperforming the market in the short term.
- *Portfolio Theme Risk* – The risk that an Advisory Account outperforms or underperforms other Accounts that invest in similar asset classes but employ different Portfolio Themes.
- *Regulatory Restrictions Applicable to Goldman Sachs* – From time to time, the activities of Affiliated ETFs are restricted because of regulatory or other requirements applicable to Goldman Sachs and/or its internal policies designed to comply with, limit the applicability of, or otherwise relate to such requirements. External ETFs may or may not be subject to the same or similar restrictions or requirements and, as a result, may outperform Affiliated ETFs.
- *Reliance on Data Risk* – The risk arising from reliance on data. The Program relies on data from third parties and other external sources. GS&Co. will in its discretion determine what third-party and external data to use in connection with the Program. The data used in the Program is obtained or derived from sources believed to be reliable, but GS&Co. does not verify such data and cannot guarantee its accuracy and completeness. In addition, the Portfolio Recommendation Tool relies on information provided by clients to Marcus Invest in recommending a Suggested Portfolio for an Advisory Account. There is no guarantee that any specific data or type of data will be used in generating recommendations.
- *Risks Related to Selection by Advisory Personnel of Affiliated ETFs versus External ETFs* - Advisory Personnel determine which ETFs to include in the Portfolios. When considering potential ETFs for a particular Portfolio, Advisory Personnel give different weights to different factors depending on the nature of the Portfolio Theme and investment objective of the Portfolio. There is a risk that consideration of such factors will not be applied consistently over time or by particular Advisory Personnel across all Portfolio Themes or Portfolios or across different ETFs and will play a greater role in the review of certain ETFs while others play no role at all, and that the factors will change from time to time. It should be expected that Advisory Personnel will not review the entire universe of External ETFs that may be appropriate for a Portfolio. As a result, there may be one or more External ETFs that would be a more appropriate addition to a Portfolio



than the Affiliated ETF selected by Advisory Personnel. Such External ETFs may outperform the Affiliated ETFs selected for the Portfolio. See **Item 9 – Additional Information, Affiliated Products / External Products and Selection of ETFs for Portfolios**.

- **Tax, Legal and Regulatory Risks** – The risk of loss due to increased costs and reduced investment and trading opportunities resulting from unanticipated legal, tax, and regulatory changes, including the risk that the current tax treatment of securities could change in a manner that would have adverse tax consequences to existing investors. Regulations, including regulations such as the Volcker rule contained within the Dodd-Frank Act and comprehensive tax reform, may affect the types of investments that certain clients enter into, which could impact the performance of the Advisory Accounts or the commercial benefits the client obtains from Goldman Sachs. In addition, the California Consumer Privacy Act (the “CCPA”) imposes privacy compliance obligations with regard to the personal information of California residents. Other states may, in the future, impose similar privacy compliance obligations. Increased regulatory oversight may also impose additional compliance and administrative obligations on GS&Co. and its affiliates, including, without limitation, responding to investigations and implementing new policies and procedures. Additional information regarding such matters is also available in the current public SEC filings made by Goldman Sachs.
- **U.S. Treasury Securities Risk** – Securities backed by the U.S. Treasury or the full faith and credit of the United States are guaranteed only as to the timely payment of interest and principal when held to maturity, but the market prices for such securities are not guaranteed and will fluctuate, including as changes in global economic conditions affect the demand for these securities.

## Fees

**Management Fee.** The Program charges a “wrap” fee, which is currently structured as a single per-account fee that covers investment advisory and brokerage services provided by GS&Co. and the custodial and clearing services provided by Clearing Firm (“Management Fee”). The Management Fee applicable to each Advisory Account maintained by a client is 25 basis points per year on the entire value of the Advisory Account or as otherwise specified to the client in writing by GS&Co. The Management Fee is determined based on the average daily value of the assets in the applicable Advisory Account and is deducted from the Advisory Account. The Management Fee, in either case, is subject to any applicable discounts, or waivers, as discussed below. The fee is paid quarterly in arrears. The Management Fee is generally not negotiable, and GS&Co. reserves the right to discount or waive any fees associated with the Program in its sole discretion. Any fee waivers or discounts, or terminations of such waivers or discounts, will be communicated to clients where applicable. GS&Co. may negotiate in its discretion a Management Fee for certain clients, including employees of the firm or an affiliate, clients of an affiliate, or clients who held digital advisory accounts with GS&Co. prior to the availability of Marcus Invest, in some cases will be lower than, but in no case shall exceed, 25 basis points per year on the entire value of the Advisory Account.

Clients should further understand that the Management Fee may exceed the aggregate cost of purchasing separately the investment products and individual services that comprise the advisory and brokerage services offered through the Program.

**ETF Fees.** The Management Fee does not cover the internal expense ratios (or similar type fees) applicable to ETFs held in an Advisory Account from time to time. These ETFs charge their own internal advisory, brokerage, and other fees and/or expenses. These internal fees and expenses are deducted from the ETF’s net asset value and are borne by the ETF’s shareholders or equity investors, which would include an Advisory Account under the Program. Additionally, all customers holding Affiliated ETFs, including Smart Beta Portfolio customers who hold GSAM ETFs, bear the ETFs’ applicable expense ratios. Please consult each ETF’s respective prospectus or collective investment trust document for information about the specific expense ratio.

**No Ancillary Fees.** Clients do not pay any additional fees for ancillary services, including but not limited to requests for printed statements, check copies or account ownership transfers, charged by Apex



Clearing Corporation. GS&Co. reserves the right, however, in its sole discretion and from time to time, upon providing prior written notice to clients, to charge such expenses to client accounts, including but not limited to wire transfer fees.

**No Performance Fees.** Marcus Invest does not charge performance fees on Advisory Accounts.

### **Brokerage Services**

Under the Program, clients must enter into an agreement with GS&Co. as broker-dealer for the purposes of opening a brokerage account through which the client will receive the advisory services available through the Program. Under the terms of the Client Agreement, clients authorize and direct GS&Co. to execute orders to buy and sell ETFs with the Clearing Firm. By directing brokerage to GS&Co., GS&Co. may not always be able to achieve the most favorable execution for client transactions and clients may pay higher transaction costs or receive less favorable pricing as a result. Clients should understand that not all advisers require their clients to direct brokerage.

### **Clearing and Custody Services**

In order to participate in the Program, clients must enter into an agreement directly with Clearing Firm to serve as the custodian for client's assets invested through the Program and provide clearing services.

## **Item 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

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The Program is available for, and provided to, individuals who are U.S. citizens, or lawful residents of the U.S. for tax purposes who have a social security number or an ITIN, are located in the United States, and maintain a checking account with a U.S. bank. There is no minimum to open an Advisory Account; however, an Advisory Account will not be invested according to the selected Portfolio until the Advisory Account has a balance of \$5 or more or as otherwise specified to a client in writing by GS&Co. (the "Minimum Balance"). If a client's Advisory Account remains open and unfunded after 90 days, GS&Co. reserves the right to terminate a client's Advisory Account upon notice to the client. GS&Co. reserves the right to waive any Minimum Balance requirements in its sole discretion. If a client withdraws funds from their Advisory Account and the total account balance is less than \$5 or less than 95 percent of the total account balance at the time of withdrawal, GS&Co. reserves the right to terminate a client's Advisory Account. Clients may elect through the Site to make one-time or recurring deposits or contributions in any whole dollar amount of \$5 or more. If the date the client selected to make a deposit or contribution is not a Business Day (as defined below), the deposit or contribution will be initiated on the following Business Day.

## **Item 6: PORTFOLIO MANAGER SELECTION AND EVALUATION**

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GS&Co. does not select or recommend portfolio managers through Marcus Invest. Advisory Personnel are responsible for designing and implementing the Portfolios available through the Program, subject to any reasonable restrictions imposed by a client.

## **Item 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

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GS&Co., through the Portfolio Recommendation Tool, recommends a Suggested Portfolio based on the information about a client's investment time horizon and risk tolerance for a specific Advisory Account and the Portfolio Theme selected by the client, in each case as provided by each client through the Site. Other information collected by GS&Co. through, or by way of, the Site includes, among other things, information about a client's identity, liquidity, age, e-mail address, physical address, location, nationality, citizenship, tax residency, bank account information (including account balance, subject to client consent), or other information that is supplied to GS&Co. through, or by way of, the Site.

## **Item 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS**

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Clients may contact GS&Co. via e-mail at [invest-support@marcus.com](mailto:invest-support@marcus.com) or by phone at 1-833-720-6468 or chat Monday to Friday from 9:00 AM to 6:30 PM (ET). Personnel are available during normal business hours to address technical and client service issues. In the event a client has a question about the management of his or her Advisory Account, such personnel will contact Advisory Personnel to obtain the relevant information.

## **Item 9: ADDITIONAL INFORMATION**

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### **Disciplinary Information**

In the ordinary course of its business, GS&Co. and its management persons have in the past been, and may in the future be, subject to periodic audits, examinations, claims, litigation, formal and informal regulatory inquiries, requests for information, subpoenas, employment-related matters, disputes, investigations, and legal or regulatory proceedings involving the SEC, other regulatory authorities, or private parties. Such audits, investigations, and proceedings have the potential to result in findings, conclusions, settlements, charges, or various forms of sanctions against GS&Co. or its management persons, as well as Goldman Sachs and other Goldman Sachs personnel, including fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions and may increase the exposure of the Advisory Accounts, GS&Co. and Goldman Sachs to potential liabilities and to legal, compliance, and other related costs. In addition, such actions or proceedings may involve claims of strict liability or similar risks against Advisory Accounts in certain jurisdictions or in connection with certain types of activities.

Additional information about GS&Co.'s advisory affiliates is contained in Part 1 of GS&Co.'s Form ADV.

For information relating to other Goldman Sachs entities, please visit [www.gs.com](http://www.gs.com) and refer to the public filings of GS Group.

### **Other Financial Industry Activities**

GS&Co. is registered with the SEC as a broker-dealer and in addition to its advisory business, is engaged in business as a Futures Commission Merchant, commodity trading advisor, swap dealer, registered municipal advisor and commodity pool operator. Certain of GS&Co.'s management persons may also be registered as associated persons of GS&Co. to the extent necessary or appropriate to perform their responsibilities.

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

GS&Co. uses, suggests, and recommends its own services or the services of affiliated Goldman Sachs entities in connection with its advisory business. GS&Co. manages Accounts (as defined below) on behalf of such affiliated Goldman Sachs entities, which creates potential conflicts of interest relating to GS&Co.'s determination to use, suggest, or recommend the services of such entities. The particular services involved will depend on the types of services offered by the affiliate. The arrangements may involve sharing or joint compensation, or separate compensation, subject to the requirements of applicable law. GS&Co. shares resources or delegates certain of its trading, advisory, and other activities for clients to other businesses within GS&Co. other than Marcus Invest and/or to GS&Co.'s affiliates and portfolio management functions may be shared or moved between affiliated advisers. Particular relationships include, but are not limited to, those discussed below. Goldman Sachs' affiliates will retain any compensation when providing investment services to, or in connection with investment activities of, Accounts, subject to applicable law. Compensation takes the form of referral payments, commissions, markups, mark-downs, service fees, or other commission equivalents. Advisory Accounts will not be entitled to any such compensation retained by Goldman Sachs' affiliates.

## Broker-Dealer

GS&Co. is registered with the SEC as a broker-dealer. Certain of GS&Co.'s management persons may also be registered representatives of GS&Co. to the extent necessary or appropriate to perform their responsibilities. Marcus Invest receives recordkeeping, administrative and support services from other parts of GS&Co. or its affiliates. GS&Co., in its advisory capacity, obtains research ideas, analyses, reports and other services (including distribution services) from its affiliates. GS&Co., United Capital Financial Advisers, LLC ("United Capital" d/b/a Goldman Sachs Personal Financial Management or "GS PFM"), and The Ayco Company, L.P. ("Ayco" d/b/a Goldman Sachs Ayco Personal Financial Management) have overlapping officers, personnel, and share office space and certain expenses.

In addition, Goldman Sachs has ownership interests in trading networks, securities or derivatives indices, trading tools and settlement systems.

Goldman Sachs also holds ownership interests in, and Goldman Sachs personnel sit on the boards of directors of, national securities exchanges, electronic communication networks, alternative trading systems and other similar execution or trading systems or venues (collectively, "ECNs"). Goldman Sachs may be deemed to control one or more of such ECNs based on its levels of ownership and its representation on the board of directors of such ECNs. As of the date hereof, Goldman Sachs held ownership interests in the following ECNs: (i) Members Exchanges, (ii) GS Sigma X<sup>2</sup>, (iii) PureStream, and (iv) Marquee. Goldman Sachs may acquire ownership interests in other ECNs (or increase ownership in the ECNs listed above) in the future.

Consistent with its duty to seek best execution for the Advisory Accounts, GS&Co. will, from time to time, indirectly through the Clearing Firm, effect trades for Advisory Accounts through such ECNs. In such cases, Goldman Sachs receives an indirect economic benefit based upon its ownership interests in ECNs. In addition, Goldman Sachs receives fees, cash credits, rebates, discounts, or other benefits from ECNs to which it, as broker, routes order flow based on the aggregate trading volume generated by Goldman Sachs (including volume not associated with client orders), and the type of order flow routed, and certain ECNs, such as many exchanges, provide rebates or charge fees based on whether routed orders contribute to, or extract liquidity from, the ECN. Discounts or rebates received by Goldman Sachs from a ECN during any time period may differ and may exceed the fees paid by Goldman Sachs to the ECN during that time period. The amount of such discounts or rebates varies, but generally does not exceed \$0.004 per share or \$1.00 per contract for listed options. Further, the US listed options exchanges sponsor marketing fee programs through which registered market-makers receive payments from the exchanges based upon their market making status and/or as a result of their designation as a "preferenced" market maker by an exchange member with respect to certain options orders. GS&Co. may receive payments from "preferenced" registered market makers related to these exchange-sponsored marketing fee programs. The amount of such payments varies, but generally does not exceed \$0.70 per contract. GS&Co. will, indirectly through the Clearing Firm, effect trades for an Advisory Account through such ECNs only if GS&Co. reasonably believes that such trades are in the best interest of the Advisory Account and that the requirements of applicable law have been satisfied. As discussed in further detail in **Item 4 – Services, Fees, and Compensation**, "Brokerage Services" above, and in "Trade Handling" below, Marcus Invest executes transactions in accordance with its best execution policies and procedures.

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

## Investment Companies and Other Pooled Investment Vehicles

GS&Co. and certain of its affiliates, including GSAM LP, act in an advisory or sub-advisory capacity with respect to separately managed accounts and private investment funds and in other capacities, including as trustee, managing member, adviser, administrator, and/or distributor to a variety of U.S. and non-U.S. investment companies as well as other pooled investment vehicles including collective trusts, ETFs, closed end funds, business development companies, private investment funds, special purpose

acquisition vehicles, and operating companies. Such advisory, sub-advisory, or other relationships may be with affiliated entities or with institutions that are not part of Goldman Sachs. Certain GS&Co. personnel are also directors, trustees, and/or officers of these investment companies and other pooled investment vehicles. GS&Co and its affiliates, in their capacities as advisers or sub-advisers to these investment companies or pooled vehicles, including ETFs (collectively, "Funds"), will receive management or advisory fees in connection with their advisory roles. Although such fees are generally paid by the Funds, the costs are ultimately borne by shareholders. These fees will be in addition to any advisory fees or other fees agreed between the client and GS&Co. for investment advisory and brokerage services. Clients of GS&Co. and its affiliates may invest in these investment companies and other pooled investment vehicles offered by Goldman Sachs without paying fees to GS&Co. The Management Fee that will apply to the Advisory Account is the same for both Affiliated ETFs and External ETFs. For additional information on compensation earned for the sale of these products, please see **Item 4 – Services, Fees, and Compensation**.

#### Other Investment Advisers

GS&Co. has investment advisory affiliates in and outside of the United States that are registered with the SEC as investment advisers. These affiliates include, but are not limited to: GS PFM, GSAM LP, Goldman Sachs Asset Management International ("GSAMI"), Ayco, Goldman Sachs Hedge Fund Strategies LLC ("HFS"), and GS Investment Strategies, LLC ("GSIS"). Where permissible by law, GS&Co. and its affiliates share resources in connection with providing investment advisory services, including credit analyses, execution services, and trade support.

GS&Co. personnel may recommend the investment advisory services of its affiliates, including, but not limited to, Ayco, GS PFM, and GSAM LP, to its clients. Certain personnel who make such referrals receive compensation for referring clients to such affiliates, subject to applicable law. From time to time, GS&Co. personnel also refer clients to certain unaffiliated investment advisers. In all such instances, the investment adviser pays GS&Co. a portion of the investment management fee charged to the client.

Ongoing due diligence of External ETFs used in Marcus Invest's Portfolios is performed by GSAM LP.

Clients may be offered access to advisory services through GS&Co., GS PFM, Ayco, GSAM LP, GSAMI, or other affiliated investment advisers. These investment advisers manage accounts according to different strategies and may also apply different criteria to the same or similar products. Since each investment adviser's investment decisions are made independently, it should be expected that GSAM LP and/or GSAMI may be buying while GS&Co., GS PFM and/or Ayco are selling, or vice versa. Therefore, it is possible that accounts managed by GSAM LP or GSAMI could sustain losses during periods in which accounts managed by GS&Co., GS PFM or Ayco achieve significant profits on their trading, and vice versa.

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

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

#### Financial Planning

GS&Co.'s affiliate, Ayco, provides financial planning ("Financial Planning," which may also be referred to at times as "financial counseling" or "financial coaching") as described more fully in the combined Ayco and GS PFM Brochure, which focuses on employment benefits, including compensation, cash-flow,

retirement, estate, insurance, investment, philanthropic, and tax planning, in addition to investment management, financial education and other services to publicly traded companies and privately held firms and their respective executives and employees, high net worth individuals, and affinity and membership organizations and their members and participants. Ayco's personnel will recommend GS&Co.'s investment advisory services to its clients and will receive fees from GS&Co. to the extent permitted by applicable law.

Ayco also offers Financial Planning through the Ayco Personal Advisor Service ("APAS"), which is available to clients who generally do not have another Financial Planning relationship with Ayco, but who have the potential to have at least \$250,000 held in Advisory Accounts. Additional information about APAS can be found in the combined Ayco and GS PFM Brochure. APAS is expected to transition from Ayco to GS PFM in the future.

GS PFM provides Financial Planning (which may also be referred to as "Financial Guidance"), as described more fully in the combined Ayco and GS PFM Brochure, to individual client and related accounts. GS PFM Financial Planning generally focuses on development of a client's financial plan, including an assessment and review of goals, financial needs, capacity for risk, retirement, cash flow, cash management, investment and insurance planning, savings, and other aspects as applicable to a client's specific needs. GS PFM typically makes Financial Planning services available together with investment management services, but clients may also decide to engage GS PFM for Financial Planning services only. In those cases, clients are not required to implement their financial plans through GS PFM or its affiliates (each in their capacities as asset managers, insurance agencies, bank or broker-dealer, as applicable). GS PFM does not have discretion over client assets when engaging GS PFM for Financial Planning only.

#### Bank or Thrift Institution

##### *Banks*

GS Group is a bank holding company under the BHCA. As a bank holding company, GS Group is subject to supervision and regulation by the Federal Reserve Board.

Goldman Sachs Bank USA ("GS Bank") is a Federal Deposit Insurance Corporation ("FDIC") insured New York State-chartered Federal Reserve member bank. GS Bank accepts brokered and omnibus deposits, lends to individuals and corporate clients, transacts in certain derivatives, and provides securities lending, custody, and hedge fund administration services. Marcus Invest clients may open separate savings accounts and certificates of deposit, as well as enter into lending transactions, with GS Bank. Any such loans are solely self-directed and are not made on an advisory basis.

##### *Trust Companies*

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

#### Insurance Company or Agency

GS&Co.'s affiliates, The Ayco Services Agency, L.P., the Ayco Services Insurance Agency, Inc., and United Capital Risk Management, LLC are licensed insurance agencies and engage in the insurance agency business for purposes of selling, brokering and co-brokering, including, but not limited to, life insurance policies and annuity contracts (both fixed and variable) and long-term care insurance. GS&Co. may refer clients to these related affiliates and will receive referral fees subject to applicable law.



### Sponsor or Syndicator of Limited Partnerships

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

### Management Persons; Policies and Procedures

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

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

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

### Affiliated Indices and ETFs

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

Goldman Sachs has adopted policies and procedures that are designed to address potential conflicts that arise in connection with Goldman Sachs' operation of the Indices, Affiliated ETFs, and the Advisory Accounts. Goldman Sachs has established certain information barriers and other policies designed to address the sharing of information between different businesses within Goldman Sachs, including with respect to personnel responsible for maintaining the Indices and those involved in decision-making for the ETFs. In addition to "Participation or Interest in Client Transactions" and "Personal Trading" below, GS&Co. has adopted a code of ethics.

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

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

GS&Co. has adopted a Code of Ethics (the "Code") under Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), designed to provide that personnel involved in investment decision-making for clients comply with applicable federal securities laws and place the interests of clients first in conducting personal securities transactions. The Code imposes certain restrictions on securities transactions in the personal accounts of covered persons to help avoid conflicts of interest. Subject to the limitations of the Code, covered persons buy and sell securities or other investments for their personal accounts, including investments in pooled investment vehicles that are sponsored, managed, or advised



by Goldman Sachs, and also take positions that are the same as, different from, or made at different times than, positions taken (directly or indirectly) for Advisory Accounts. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. Employee trading is monitored under the Code to reasonably prevent conflicts of interest between GS&Co. and its clients. GS&Co. provides a copy of the Code to clients or prospective clients upon request.

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

## **Trade Handling**

### *Employee Accounts*

Employees or related persons of GS&Co. may open Advisory Accounts in the Program, and as a result trade in the same securities with unaffiliated clients. GS&Co.'s procedure is to treat any employee's Advisory Account or related person's Advisory Account in the same fashion as unaffiliated clients' Advisory Accounts.

### *Client Accounts*

GS&Co. seeks to execute orders for its Advisory Accounts fairly and equitably over time. GS&Co. follows policies and procedures pursuant to which it is able (but not required) to combine or aggregate purchase or sale orders for the same security for multiple clients (sometimes called "bunching" or "aggregating," as appropriate) so that the orders can be executed at the same time. In such circumstances, GS&Co. (or a related account) and Advisory Accounts receive securities at a total average price. GS&Co. retains records of the trade order (specifying each participating account) and its allocation, which are completed prior to the entry of the aggregated order. Completed orders are allocated as specified in the initial trade order. Partially filled orders are allocated on a pro rata basis. Any exceptions will be explained on the order.

From time to time, the Clearing Firm, which is not an affiliate of Goldman Sachs, receives compensation in the form of rebates, monetary compensation, or inter-company transfer of funds for routing customer orders, including orders for GS&Co.'s clients, to a designated exchange, market maker, dealer, or market center for execution. GS&Co. does not receive any payments from the Clearing Firm in connection with such order flow, and in all cases seeks the best execution possible for its clients' orders.

In order to permit sufficient time to ensure that the transfer of assets into a client's Advisory Account has been successfully completed by the financial institution that maintains such client's bank account, Marcus Invest will generally wait at least one Business Day after the day the Clearing Firm credits the applicable deposit to such client's Advisory Account to generate and place trade orders for such purchases. "Business Day" means a day when the New York Stock Exchange is open for trading and banking institutions located in the State of New York are open for business during all or part of the day. As a result, each deposit or transfer a client makes will generally not be invested in such client's Selected Portfolio for at least one Business Day after the day the Clearing Firm credits the applicable deposit, and such uninvested cash will not be subject to financial gains or losses resulting from movement in market prices during that time period.

GS&Co. reserves the right, at any time and without notice, to delay or manage the trading of client orders if GS&Co. determines it is appropriate and consistent with its obligations under the Client Agreement.

## *Errors*

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

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

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

## *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 funds (or their applicable personnel). In this regard, a company in which an Advisory Account has an interest may hire Goldman Sachs to provide underwriting, merger advisory, distribution, other financial advisory, placement agency, foreign currency hedging, research, asset management services, brokerage services or other services to the company. In addition, Goldman Sachs sponsors, manages, advises, or provides services to affiliated funds (or their personnel) in which Advisory Accounts invest and may advise or provide services to unaffiliated funds (or their personnel) in which Advisory Accounts invest. In connection with such commercial relationships and services, Goldman Sachs receives fees, compensation, and remuneration that may be substantial, as well as other benefits. For example, providing such services enhances Goldman Sachs' relationships with various parties, facilitate 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, including Marcus Invest. In addition, such relationships may have an adverse impact on Advisory Accounts, including, for example, by restricting potential investment opportunities, as described below, incentivizing Goldman Sachs to take or refrain from taking certain actions on behalf of Advisory Accounts when doing so would be adverse to such business relationships, and/or influencing GS&Co's selection or recommendation of certain investment products and/or strategies over others.

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

Providing such services may also have an adverse effect on Advisory Accounts. For example, Goldman Sachs makes loans to, and enters into margin, asset-based, or other credit facilities or similar transactions with clients, companies, individuals, or investment managers or their affiliates that are at times secured by publicly or privately held securities or other assets. Some of these borrowers are public or private companies, or founders, officers, or shareholders in companies in which Goldman Sachs, funds managed by Goldman Sachs, or Advisory Accounts or other Accounts (directly or indirectly) invest, and such loans may be secured by securities of such companies, which may be the same as, or *pari passu* with or more senior or junior to, interests held (directly or indirectly) by Goldman Sachs, funds managed by Goldman Sachs, Advisory Accounts, or other Accounts. In connection with its rights as lender, Goldman Sachs acts to protect its own commercial interest and may take actions that adversely affect the borrower, including by liquidating or causing the liquidation of securities on behalf of a borrower or foreclosing and liquidating such securities in Goldman Sachs' own name. Such actions may adversely affect Advisory Accounts (if, for example, a large position in securities is liquidated, among the other potential adverse consequences, the value of such security may decline rapidly and Advisory Accounts holding (directly or indirectly) such security may in turn decline in value or may be unable to liquidate their positions in such security at an advantageous price or at all).

Actions taken or advised to be taken by Goldman Sachs in connection with other types of services and transactions may also result in adverse consequences for Advisory Accounts. For example, if Goldman Sachs advises a company to make changes to its capital structure, the result would be a reduction in the value or priority of a security held by Advisory Accounts.

Certain 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 may be potential investment opportunities for Advisory Accounts. There may be circumstances in which Advisory Accounts are precluded from participating in such transactions as a result of Goldman Sachs' engagement by such companies. Goldman Sachs reserves the right to act for these companies in such circumstances, notwithstanding the potential adverse effect on Advisory Accounts. Goldman Sachs (including GS&Co.) 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 GS&Co.) serves on creditor or equity committees. It should be expected that these actions, for which Goldman Sachs (or GS&Co., 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. Please also refer to *Firm Policies, Regulatory Restrictions, and Certain Other Factors Affecting Advisory Accounts*, below.

In addition, Goldman Sachs gathers information in the course of such other activities and relationships about companies in which a client holds or may in the future hold an interest. In the event that Goldman Sachs is consulted in connection with opportunities with respect to these companies, Goldman Sachs shall have no obligation to disclose such information, any other non-public information which is otherwise subject to an obligation of confidence to another person, or the fact that Goldman Sachs is in possession

of such information, to the client or to use such information on the client's behalf. As a result of actual or potential conflicts, Goldman Sachs may not be able to provide a client with information or certain services with respect to a particular opportunity. See also *Considerations Relating to Information Held by Goldman Sachs*, below.

Goldman Sachs may create, write, sell, issue, invest in or acts as placement agent or distributor of derivative instruments related to securities issued by Goldman Sachs or its affiliates, including structured investments, and separately managed accounts and pooled vehicles managed by Goldman Sachs ("Affiliated Products"), or with respect to underlying securities or assets of Affiliated Products, or which are otherwise based on, or seek to replicate or hedge, the performance of Affiliated Products. Such derivative transactions, and any associated hedging activity, may differ from, and be adverse to, the interests of Advisory Accounts. For example, derivative transactions could represent leveraged investments in an investment fund in which Advisory Accounts have an interest, and the leveraged characteristics of such investments could make it more likely, due to events of default or otherwise, that there would be significant redemptions of interests from such underlying fund more quickly than might otherwise be the case. Goldman Sachs, acting in commercial capacities in connection with such derivative transactions, 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 based on various considerations, and Goldman Sachs will not be under any obligation to provide notice to Advisory Accounts in respect of any such adjustment in assessment. See also *Differing Advice and Competing Interests*, below.

GS&Co. uses the Portfolios to manage the Advisory Accounts. Prior to Advisory Personnel having had the chance to evaluate or act upon recommendations with respect to any of the Portfolios, other Accounts, including those advised by GS&Co. and its affiliates, may have already begun to trade based upon such recommendations. As a result, trades ultimately placed on behalf of Advisory Accounts, based upon the Portfolios, will be subject to price movements, particularly with large orders or thinly traded securities. In these circumstances, it should be expected that the Advisory Accounts receiving prices for transactions that will be less favorable than the prices for transactions obtained for other clients of Goldman Sachs. This could occur because of time zone differences or other reasons that cause orders to be placed at different times. In addition, the Portfolios available through Marcus Invest might not be available through affiliates of GS&Co., and vice versa, and might experience different performance than other model portfolios.

#### *Differing Advice and Competing Interests*

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



It should be expected that other Accounts (including Advisory Accounts) engage in a strategy while an Advisory Account is undertaking the same or a differing strategy, any of which could directly or indirectly disadvantage the Advisory Account (including its ability to engage in a transaction or other activities). For example, if an Advisory Account buys a security, and Goldman Sachs or a Goldman Sachs client establishes a short position in that same security or in similar securities, any such short position may result in the impairment of the price of the security that the Advisory Account holds or could be designed to profit from a decline in the price of the security. Similarly, Goldman Sachs may be engaged to provide advice to a client in connection with a potential transaction that would be adverse to the particular Advisory Account.

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

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

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

#### *Allocation of Investment Opportunities*

Goldman Sachs businesses outside of Marcus Invest are under no obligation to provide investment opportunities to Advisory Accounts, and generally are not expected to do so. Such investments may include local emerging market securities, high yield securities, fixed-income securities, interests in alternative investment funds, master limited partnerships, and initial public offerings and new issues.

Opportunities not allocated to Advisory Accounts may be undertaken by Goldman Sachs, including for Goldman Sachs' accounts, or made available to other Accounts or third parties.

*Affiliated Products / External Products and Selection of ETFs for Portfolios*

GS&Co. makes available a range of investment products, including both Affiliated ETFs and External ETFs. The decision to offer Affiliated ETFs or External ETFs is affected by a variety of factors, including, but not limited to, the availability of ETFs, performance track records, ETF terms (including investment minimums, management fees, and expenses), and the specialized nature of the ETFs.

The universe of ETFs that are made available to Advisory Accounts is limited for certain reasons, including, for example, (i) because one or more External ETFs have not been reviewed or approved for investment; (ii) as a result of internal informational barriers that restrict access to certain information regarding Affiliated ETFs, as described below; or (iii) for administrative, practical or other considerations. As a result, there may be one or more ETFs that could have otherwise been included in a Portfolio but for such limitations, and such other ETFs may be more appropriate or have superior historical returns than the ETF selected or recommended for the Portfolio or Advisory Account.

Before making Affiliated ETFs or External ETFs available on the GS platform, various teams within Goldman Sachs review such products and, in doing so, consider certain factors, including the operational and reputational risks as well as potential conflicts of interest. The focus of certain reviews and the teams conducting such reviews, however, differ depending on whether the product is an Affiliated ETF or an External ETF. In addition, different teams review or screen such products in different ways. With respect to External ETFs, certain External ETFs are reviewed by the AIMS group within GSAM LP, while other External ETFs are reviewed by other teams within Goldman Sachs. In this regard, AIMS reviews External ETFs that it sources or that are sourced elsewhere in Goldman Sachs but are intended to be offered to or placed with wealth management clients of GS&Co., including Marcus Invest clients, or GSAM LP covered institutional clients. External ETFs that are sourced by other groups within Goldman Sachs and that are intended to be placed with GS&Co.'s Investment Banking clients or FICC and Equities clients would be reviewed by such other sourcing group(s) within Goldman Sachs, but generally not by AIMS.

With respect to evaluation of External ETFs, AIMS applies quantitative screens that assess specific factors, including tracking error, total assets, expense ratio, length of track record, and other factors (subject to periodic adjustment). AIMS will not review the entire universe of External ETFs that may be otherwise appropriate for Goldman Sachs' platform.

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

After investment products have been approved for offering by GS&Co., Advisory Personnel determine which products to select or recommend to clients as a part of their Suggested Portfolios. When considering potential investment products for a particular Portfolio, Advisory Personnel give different weights to different factors depending on the investment objective of the client and on whether their review is for an Affiliated ETF or for an External ETF. Such factors include quantitative considerations (such as the ETF's returns and performance consistency over specified time periods) and qualitative considerations (such as the ETF's investment objective and process), which are inherently subjective and include a wide variety of factors. Advisory Personnel generally consider, for example, without limitation: (i) product-related factors, such as track record, index comparisons, risk and return assumptions; (ii) Portfolio-driven factors, such as the Portfolio's investment objective, and the effect on the Portfolio's diversification objectives; and (iii) other factors, such as capacity constraints and minimum investment requirements. It should be expected that consideration of such factors will not be applied consistently over



time or by particular Advisory Personnel across all Portfolios or across different ETFs and may play a greater role in the review of certain Portfolios or ETFs while others play no role at all, and the factors are subject to change from time to time. See also *Differing Advice and Competing Interests*, above.

Advisory Personnel may consider qualitative and subjective factors to a greater extent than quantitative factors when they review an Affiliated ETF from an External ETF. In such instances, Affiliated ETFs and External ETFs will not be subject to the same review of quantitative and qualitative characteristics. Accordingly, such Advisory Personnel may recommend or select an Affiliated ETF over an External ETF, and the Affiliated ETF that was recommended or selected may not perform as well as the External ETF that would have been recommended or selected had the more quantitative review been applied to both Affiliated ETF and External ETF.

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

It should be expected that Advisory Personnel will not review the entire universe of External ETFs that are appropriate for a Portfolio. As a result, there may be one or more External ETFs that would be a more appropriate addition to the Portfolio than the ETFs selected by Advisory Personnel. Such External ETFs may outperform the ETF(s) selected for the Portfolios.

The availability of Affiliated ETFs versus External ETFs gives rise to additional conflicts of interest. Goldman Sachs receives higher fees, compensation, and other benefits, when assets of Advisory Accounts are allocated to Affiliated ETFs rather than External ETFs. GS&Co., therefore, is incentivized to allocate Advisory Account assets to Affiliated ETFs, rather than to External ETFs. Similarly, GS&Co. is 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 ETF 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 ETF by the Advisory Account would likely adversely affect the Affiliated ETF with respect to its liquidity position or otherwise. Moreover, GS&Co. has an interest in allocating or recommending the assets of Advisory Accounts to Affiliated ETFs that impose higher fees than those imposed by other Affiliated ETFs or that provide other benefits to Goldman Sachs. Any differential in compensation paid to personnel in connection with certain Affiliated ETFs rather than other Affiliated ETFs creates a financial incentive on the part of GS&Co. to select or recommend certain Affiliated ETFs over other Affiliated ETFs. For information regarding fees and compensation, see **Item 4 – Services, Fees and Compensation**.

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

It should be expected that the various types of investors in and beneficiaries of Affiliated ETFs, including Goldman Sachs and its affiliates, will have conflicting investment, tax, and other interests with respect to their interest in the Affiliated ETFs. When considering a potential investment for an Affiliated ETF, Goldman Sachs will generally consider the investment objectives of the Affiliated ETF, not the investment objectives of any particular investor or beneficiary. Goldman Sachs' decisions, including with respect to tax matters, from time to time will be more beneficial to one type of investor or beneficiary than another, or to GS&Co. and its affiliates than to investors or beneficiaries unaffiliated with GS&Co. In addition, Goldman Sachs may face certain tax risks based on positions taken by an Affiliated ETF, including as a

withholding agent. Goldman Sachs reserves the right on behalf of itself and its affiliates to take actions adverse to the Affiliated ETF or other Accounts in these circumstances, including withholding amounts to cover actual or potential tax liabilities. See *Differing Advice and Competing Interests*, above.

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

Goldman Sachs may restrict its investment decisions and activities on behalf of an Advisory Account in various circumstances, including as a result of applicable regulatory requirements, information held by Goldman Sachs, as more fully described below, Goldman Sachs' roles in connection with other clients and in the capital markets (including in connection with advice it gives to such clients or commercial arrangements or transactions that are undertaken by such clients or by Goldman Sachs), Goldman Sachs' internal policies, and/or potential reputational risk in connection with Accounts (including Advisory Accounts). As a result, in certain cases, Goldman Sachs might not engage in transactions for, or recommend transactions to, an Advisory Account, or will reduce an Advisory Account's position in an investment with limited availability to create availability for an Advisory Account managed in the same strategy, in consideration of Goldman Sachs' activities outside an Advisory Account and regulatory requirements, policies, and reputational risk assessments. For example, in certain circumstances Goldman Sachs restricts or limits the amount of an Advisory Account's investment where exceeding a certain aggregate amount could require a filing or a license or other regulatory or corporate consent, which could, among other things, result in additional costs and disclosure obligations for or impose regulatory restrictions on Goldman Sachs (including GS&Co.) 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 threshold. Circumstances in which such restrictions or limitations may 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 Advisory Accounts should a threshold be exceeded; (iii) provisions that cause Goldman Sachs to be considered an "interested stockholder" of an issuer; (iv) provisions that cause Goldman Sachs to be considered an "affiliate" or "control person" of the issuer; and (v) the imposition by an issuer (through charter amendment, contract or otherwise) or governmental, regulatory, or self-regulatory organization (through law, rule, regulation, interpretation, or other guidance) of other restrictions or limitations.

When faced with the foregoing limitations, Goldman Sachs will generally avoid exceeding the threshold because exceeding the threshold could have an adverse impact on the ability of Goldman Sachs to conduct business activities. Goldman Sachs 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 so that other Advisory Accounts that pursue similar investment strategies are able to acquire an interest in the investment opportunity. Goldman Sachs may determine 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, Goldman Sachs (including GS&Co.) or create the potential risk of trade or other errors.

In addition, Goldman Sachs generally is not permitted to obtain or use material non-public information in effecting purchases and sales in transactions for Advisory Accounts that involve public securities. Restrictions (such as limits on purchase and sale transactions) may be imposed on particular Advisory Accounts and not on other Accounts (including other Advisory Accounts). For example, directors, officers, and employees of Goldman Sachs may take seats on the boards of directors of, or have board of directors observer rights with respect to, companies in which Goldman Sachs invests on behalf of Advisory Accounts. To the extent a director, officer, or employee of Goldman Sachs were to take a seat on the board of directors of, or have board of directors observer rights with respect to, a public company, Goldman Sachs (including GS&Co.) may be limited and/or restricted in its or their ability to trade in the securities of the company. In addition, any such director, officer or employee of Goldman Sachs that is a member of the board of directors of a company in which Goldman Sachs invests on behalf of Advisory Accounts may have duties to such company in his or her capacity as a director that conflict with Goldman Sachs' duties to Advisory Accounts, and may act in a manner that disadvantages or otherwise harms Advisory Accounts and/or benefits the portfolio company and/or Goldman Sachs.

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

Goldman Sachs operates a program reasonably designed to ensure compliance generally with economic and trade sanctions-related obligations applicable directly to its activities (although such obligations are not necessarily the same obligations to which an 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 Goldman Sachs of its compliance program in respect thereof, will restrict or limit an Advisory Account's investment activities.

In order to engage in certain transactions on behalf of Advisory Accounts, GS&Co. will be subject to (or cause Advisory Accounts to become subject to) the rules, terms and/or conditions of any venues through which it trades securities, derivatives, or other instruments. This includes, but is not limited to, where GS&Co. 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 may result in GS&Co. 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, GS&Co. or its affiliates and/or their service providers or agents are required, or will determine that it is advisable, to disclose certain information about an Advisory Account, including, but not limited to, investments held by the Advisory Account, and the names and percentage interest of beneficial owners thereof, to third parties, including advisers, local governmental authorities, regulatory organizations, taxing authorities, markets, exchanges, clearing facilities, custodians, brokers and trading counterparties of, or service providers to, GS&Co., advisers or underlying funds or the Advisory Account. GS&Co. will comply with requests to disclose such information as it so determines, including through electronic delivery platforms. GS&Co. may determine to cause the sale of certain assets for the Advisory Account, and such sale may be at a time that is inopportune from a pricing or other standpoint. In addition, Goldman Sachs may provide third parties with aggregated data regarding the activities of, or certain performance or other metrics associated with, the Advisory Accounts it manages, and Goldman Sachs may receive compensation from such third parties for providing them such information.

GS&Co. can 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: (i) where Goldman Sachs is providing (or may provide) advice or services to an entity involved in such activity or transaction, (ii) where Goldman Sachs 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, (iii) where Goldman Sachs or another Account has an interest in an entity involved in such activity or transaction, (iv) where there are political, public relations, or other reputational considerations relating to counterparties or other participants in such activity or transaction or (v) where such activity or transaction on behalf of or with respect to the Advisory Account could affect in tangible or intangible ways Goldman Sachs, an Account or their activities. See *Goldman Sachs Acting in Multiple Commercial Capacities*, above.

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

Goldman Sachs has established certain information barriers and other policies to address the sharing of information between different businesses within Goldman Sachs and within GS&Co. As a result of information barriers, Marcus Invest generally does not have access, or has limited access, to 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, may make decisions based on information or take (or refrain from taking) actions with respect to interests in investments of the kind held by Advisory Accounts in a manner that will be adverse to Advisory Accounts, and Goldman Sachs will not have any obligation to share information with Marcus Invest. Information barriers also exist between businesses within GS&Co. In addition, regardless of the existence of information barriers, Goldman Sachs will not have any obligation to make available any information regarding its trading activities, strategies, or views, or the activities, strategies, or views used for other Accounts for the benefit of clients or Advisory Accounts. From time to time, different areas of GS&Co. and Goldman Sachs will take views, and make decisions or recommendations, that are different than other areas of GS&Co., including Marcus Invest, and Goldman Sachs. To the extent that Marcus Invest personnel have access to fundamental analysis or other information developed by Goldman Sachs and its personnel, GS&Co. personnel will not be under any obligation to effect transactions on behalf of the Advisory Accounts in accordance with such analysis. In the event Goldman Sachs elects not to share certain information with clients or Advisory Accounts, such clients or Advisory Accounts may make investment decisions that differ from those they would have made if Goldman Sachs had provided such information and are disadvantageous to the Advisory Account. Different personnel within Marcus Invest may make decisions based on information or take (or refrain from taking) actions with respect to Advisory Accounts they advise in a manner that differs from or is adverse to other Advisory Accounts. Such teams may not share information with other portfolio management teams within GS&Co. (or other areas of Goldman Sachs), including as a result of certain information barriers and other policies, and will not have any obligation to do so. See *Differing Advice and Competing Interests*, above.

Goldman Sachs operates a business known as Prime Services ("Prime Services"), which provides prime brokerage, administrative, and other services to clients that from time to time involve investment funds in which Advisory Accounts have an interest 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 Marcus Invest. In addition, Goldman Sachs may act as a prime broker to one or more investment funds in which Advisory Accounts have an interest, in which case Goldman Sachs will have information concerning the investments and transactions of such investment fund that is not available to GS&Co. As a result of these and other activities, parts of Goldman Sachs may be in possession of information regarding markets, investments, and investment funds, which, if known to GS&Co., might cause GS&Co. to seek to: (i) dispose of, retain, or increase interests in investments held by Advisory Accounts; (ii) acquire certain positions on behalf of Advisory Accounts; or (iii) take other actions. Goldman Sachs will be under no obligation or fiduciary or other duty to make any such information available to Marcus Invest or personnel involved in decision-making for Advisory Accounts.

### *Conflicts of Interest Associated with Investment Managers of ETFs Available in the Program*

Investment managers of ETFs available in the Program have interests and relationships that create conflicts of interest related to their management of the ETFs to which Advisory Account assets are allocated. For information about conflicts of interest that arise in connection with the activities of the investment managers of the ETFs available in the Program, please refer to the prospectuses, offering memoranda, and constituent documents of such ETFs and to the Forms ADV of such investment managers.

## **Review of Accounts**

GS&Co.'s trade operations personnel periodically review Advisory Accounts to determine whether Advisory Account holdings significantly deviate from the Selected Portfolios. Clients are provided with periodic reports through the Site that include information relating to ETF holdings and account balances.

Clients should understand that GS&Co. relies on the information that clients provide through the Site to provide advisory services under the Program. Clients should notify GS&Co. immediately in the event of material changes to their financial circumstances or any other information that might affect the recommendation of a Suggested Portfolio. GS&Co. will, at least annually, contact clients via e-mail or other electronic means to determine whether there have been any changes to their account profile information and whether the client would like to impose or change any reasonable restrictions. GS&Co. will also, at least quarterly, notify clients that they should contact GS&Co. if there have been any changes to their account profile information or if they would like to impose or change any reasonable restrictions on their account. In addition, clients may update their account profile information at any time through, or as directed through, the Site.

## **Client Referrals and Other Compensation**

From time to time, GS&Co. makes cash or non-cash payments for testimonials, endorsements, or client referrals to affiliates and third parties consistent with applicable laws, including Rule 206(4)-1 under the Advisers Act. In the case of client referrals, the compensation arrangements generally are either a flat fee calculated and paid on a periodic basis or a fee based on a percentage of the Management Fees paid to GS&Co. by the referred clients and are disclosed to clients. In addition, from time to time, GS&Co. compensates employees of GS&Co. and its affiliates for client referrals consistent with applicable laws.

Additionally, GS&Co. and its affiliates, including GS PFM and Ayco, make referrals of clients to each other for whom such entity's services seem to be appropriate and will generally receive or pay, as the case may be, a percentage of fee revenue as compensation.

## **Voting Client Securities**

GS&Co. does not accept authority to vote client securities held in Advisory Accounts. It is GS&Co.'s policy that clients must vote securities held in their Advisory Account directly, appoint or instruct the Clearing Firm holding such securities as nominee to do so, or appoint an unaffiliated provider of proxy voting services to vote proxies in connection with certain securities on the client's behalf. Clients are responsible for voting proxies on securities or matters on which their proxy voting service provider or the Clearing Firm declines to vote. GS&Co. does not render any advice with respect to a particular proxy solicitation.

GS&Co. does not render any advice or take any action with respect to securities or other property currently or formerly held in Advisory Accounts or the issuers thereof that become the subject of any legal proceedings, including bankruptcies and class actions. In addition, GS&Co. generally does not render any advice or take any action with respect to corporate actions relating to securities held in Advisory Accounts, including the right to participate in or consent to any distribution, plan or reorganization, creditors committee, merger, combination, consolidation, liquidation, underwriting or similar plan.

Clients are encouraged to contact the Clearing Firm to ensure that they receive proxy materials and notices for class actions and other legal proceedings related to the securities in their Advisory Accounts. GS&Co. recommends that clients promptly review these materials, as they identify important deadlines and may require action on the client's part. GS&Co. is not required to notify the Clearing Firm or clients of proxy notices, shareholder class action lawsuits, and similar matters related to securities held in their Advisory Accounts.



**Termination of Advisory Relationships**

Relationships with our clients may be terminated by the client through, or as otherwise directed through, the Site. The termination of a client's relationship with the Clearing Firm would currently result in the termination of the client's participation in the Program and relationship with GS&Co. Any portion of the Management Fee and other fees due will be deducted from the Advisory Accounts prior to termination.

**Privacy**

The information clients provide to Marcus Invest, including clients' personal information, is subject to the terms of the Online Privacy Policy for Goldman Sachs Bank USA's Consumer & Small Business Platforms and Goldman Sachs & Co. LLC's Marcus Invest, which is available on the Site.

**Financial Information**

Not applicable.