

# Investment Policy Statements | An Overview for Board Members

Goldman Sachs Institutional Client Solutions

---

## Introduction

In this Goldman Sachs Institutional Client Solutions white paper, we explore the issues boards of directors and investment committee members should consider in developing and maintaining an investment policy statement (IPS).

Goldman Sachs Institutional Client Solutions provides nonprofit institutions with ongoing market insights, expertise and client-specific solutions—from advice on individual asset class or strategy mandates to fully outsourced investment management.

We encourage you to contact us by e-mail at [icsimd@gs.com](mailto:icsimd@gs.com) if you are interested in learning more about investment policy statements or other investment management-related topics.

## Why an Investment Policy Statement?

A thoughtful IPS acts as a critical governance and investment tool for any organization. It should provide a framework for making sound and deliberate decisions. It also offers:

**A Clear Investment Process:** A written policy fosters deliberation and may diminish the emotional dimension of investing. An investment process reflecting careful deliberation and consensus will provide the board with greater “staying power” in volatile markets. A formal policy can also be useful in managing the outlying views of individual board members.

**Compliance with Relevant Laws:** An IPS can be useful in ensuring compliance with applicable rules and regulations, including diversification requirements. Organizations should review their existing IPS at least annually.

**Good Governance Structures:** An IPS may provide formal documentation regarding the exact roles and responsibilities of the various parties (e.g., the board, the investment committee, the staff, or the investment adviser). It also acts as a repository for the best practices that the organization has adopted over time.

**Institutional Memory and Continuity:** While the composition of the board may change, the permanence of an IPS provides a critical link and continuity between successive boards.

## What Makes a Good Investment Policy Statement?

While each well-crafted IPS has many unique provisions, there are often a number of common characteristics:

**Comprehensive but Flexible:** An IPS should be comprehensive, but not so detailed that its contents are difficult to follow by the various constituents involved in the investment process. Investment managers should not be overly constrained by provisions such as directions on sub-asset class level targets, tight asset class ranges, lengthy investment restrictions and non-traditional benchmarking.

**Compliant with Legal Standards:** An IPS should ensure compliance with the legal standards governing the investment of the organization's assets. We have included an overview of the key provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) for your reference at the end of this document.

**Key Governance and Investment Elements:** An IPS should identify and address 1) the organization's investment objectives and constraints, 2) investment strategy and parameters, and 3) governance issues.

## Key Governance and Investment Elements

### Organization's Objectives and Constraints

An IPS should provide background on the organization, its mission and any constraints it might face. There should be enough information included in the IPS so that all of the relevant parties, including current and future board and investment committee members, staff and investment professionals, will be able to understand the investment strategy in the appropriate context. Topics to be addressed include:

**Purpose of the Pool of Assets:** What is the mission and purpose of the organization and which activities are the assets supporting?

**Horizon:** While some organizations expect to operate for a limited period of time, many organizations are designed to exist into perpetuity. An IPS should explicitly lay out the investment time horizon.

**Spending Needs:** An IPS should define the organization's expected spending needs as these needs, along with the organization's investment horizon, will have important implications for the investment strategy.

**Constraints:** An IPS should include any potential constraints, such as illiquid holdings that require consideration when setting the overall investment strategy.

## Investment Strategy and Parameters

The investment portion of an IPS should balance the goals of the organization with the risk required to obtain the required target return. This deliberative process by the investment committee should include the use of various asset allocation models and simulation analysis, with a particular focus on “downside” risk.

### Key points to include are:

**Target Returns:** The target return of the portfolio will be a function of the organization’s spending needs, its investment horizon and risk tolerance. A common target return is 5% plus inflation, net of fees. This return would apply to an organization with a goal of spending 5% per annum while maintaining purchasing power over time.

**Strategic Asset Allocation:** Generally, the most important investment decision that any investor makes is the selection of a strategic asset allocation, the portfolio’s long-term weightings to various sectors over time. Strategic asset allocation models can quantify the expected risk and return of a given allocation. A board can use this output to gauge its comfort with any risk / return trade-off. The agreed-upon asset allocation should be expressed with percentage targets and permissible ranges.

**Acknowledgement of Risk Tolerance:** Once a strategic asset allocation is set, it can be helpful to incorporate into the IPS a formal acknowledgement that the board understands the potential risks associated with the selected allocation.

**Tactical Asset Allocation:** Managers often deviate from the long-term strategic asset allocation to take advantage of certain market dislocations (e.g., purchase more high-yield corporate bonds when yields are high). It is important for the IPS to not only recognize and explicitly permit this activity, but also place constraints on it.

**Implementation:** As the use of passive investment vehicles such as ETFs have become more popular, it is helpful to indicate whether the board has a bias towards active managers or passive managers, or prefers a mix.

## Sample Asset Allocation with Percentage Targets and Permissible Ranges

Asset Class / Sub-asset Class	Lower Limit	Target Allocation	Upper Limit
Investment Grade Fixed Income	15.0%	28.0%	40.0%
Other Fixed Income	3.0%	8.0%	12.0%
US Equity	15.0%	21.0%	30.0%
Non-US Equity	5.0%	13.5%	20.0%
Hedge Funds	5.0%	10.0%	15.0%
Private Equity	5.0%	12.0%	15.0%
Real Estate	3.0%	7.5%	10.0%

For illustrative purposes only

**Restrictions:** An IPS should indicate any investment restrictions. The list of restrictions should be carefully evaluated to avoid unintended application of the restriction. For example, if the use of derivatives is prohibited, a carve-out exemption might be permitted in the case of certain commingled vehicles. This ensures that a hedge fund portfolio which uses derivatives would still be permissible.

**Social Screens:** Some organizations seek to avoid investments in certain types of securities, such as alcohol and tobacco stocks. Again, a carve-out exemption is often advisable since these screens prevent the use of commingled vehicles, including mutual funds, in the portfolio. This is because the underlying holdings of a mutual fund cannot be controlled by the restrictions desired by an individual investor.

**Benchmarking / Monitoring of Portfolio and Investments:** In order to evaluate the investment performance of the portfolio, an IPS should designate appropriate benchmarks that are consistent with the strategic asset allocation. These benchmark decisions can be made in conjunction with the investment adviser. Each individual manager should be assigned a benchmark as well.

**Other Considerations:** Any other unique and relevant considerations regarding the investment strategy should be highlighted in an IPS. These may include unique investment objectives such as income requirements, short-term and long-term liquidity needs, the existence of significant non-financial assets in the portfolio, the decision to maintain an undiversified portion of the portfolio, a desire for stability and other factors.

## Governance Issues

It is important to include general guidance on how investment decisions should be made and implemented and the permissible scope of delegated authority for outside managers, advisers and internal staff. Since each organization assigns roles and responsibilities related to investment of assets in a unique way, it is helpful to be specific about each group's roles.

**Board of Directors:** The board of directors is charged with safeguarding assets of the organization. In performing this role, the board should adopt an IPS and may choose to delegate investment management responsibilities (if permitted by the bylaws) to an investment committee which in turn is responsible for implementing, monitoring and regularly reviewing the IPS.

**“It is important to include general guidance on how investment decisions should be made and implemented and the permissible scope of delegated authority for outside managers, advisers and internal staff.”**

**Investment Committee:** When considering the composition of the investment committee, the board of directors should take into account the appropriate size of the investment committee, the requisite expertise of the members (both personal qualities and professional qualifications) and any conflicts of interest issues. All decisions should be documented. The investment committee needs to report to the board of directors regularly and continually monitor for conflicts of interest.

**Outside Investment Adviser:** Common duties of the investment adviser include making asset allocation recommendations, implementing the organization's asset allocation by placing the investments with managers, evaluating and monitoring manager performance, rebalancing, and attending meetings with the board and staff of the organization.

**Staff:** The ability of the organization's staff to execute those aspects of the investment process that have been assigned to them should be clearly enumerated in the IPS or the investment committee charter. Common tasks assigned to the organization's internal staff include executing documents and contracts; regular monitoring of investments, managers and advisers; and maintenance of summaries of investment activities.

## Summary

A robust IPS can help ensure that an organization adheres to an investment decision-making process that is consistent and analytically rigorous. Organizations need to have a realistic understanding of the trade-off between risk and return. This should be clearly reflected in the IPS. An IPS should also appropriately address liquidity needs, spending requirements, inflation expectations and laws applicable to the investment management of the organization's assets. Finally, an IPS must provide the board with the ability to stay with their investment strategy during periods of market volatility. It should also allow the organization to make changes in a sound and measured manner when necessary.

## Key Provisions of Uniform Prudent Management of Institutional Funds Act (UPMIFA)

All states (except Pennsylvania) have enacted the UPMIFA, a uniform statute that governs investing and spending practices of nonprofit organizations. It should be noted that many states have adopted versions of UPMIFA that differ to some extent from the uniform statute.

Under UPMIFA, the organization's *investment strategy* must consider the following factors, if relevant:

- General economic conditions
- Possible effects of inflation / deflation
- Expected tax consequences (if any) of investment decisions or strategies
- Role that each investment or course of action plays within the overall investment portfolio
- Expected total return of the portfolio
- Other resources of the organization
- Needs of the organization and particular investment funds to make distributions and preserve capital
- Special relationship or value (if any) of a particular asset to the organization's charitable purpose

Management decisions should be made in the context of the overall portfolio and within the overall risk management strategy of the organization, rather than in isolation. Diversification is *required*, unless the organization reasonably determines that its needs are better served without diversification. Retention or disposition decisions following the receipt of property need to be made in a reasonable period of time.

UPMIFA also provides guidelines on *spending from endowment funds* – endowment funds are funds that are not “wholly expendable by the institution on a current basis.” A board may spend or accumulate as much of an endowment fund as is prudent for the purposes of the fund, taking into consideration the following factors:

- Duration and preservation of the endowment fund
- Purposes of the organization and the endowment fund
- General economic conditions
- Possible effects of inflation / deflation
- Expected total return from income and the appreciation of investments
- Other resources of the organization
- Investment policy of the organization

Organizations may delegate management and investment functions to their committees, officers or employees. They may also delegate the management and investment of institutional funds to an external agent as long as the board of directors or the investment committee is acting in good faith. They must use the care that an ordinary prudent person in like circumstances would exercise in:

- Selecting an agent
- Establishing the scope and terms of the delegation
- Periodically reviewing the agent's actions in order to monitor the agent's performance and compliance with the scope and terms of the delegation

If the directors properly delegate the investment function, they and the organization will not be liable for the decisions or actions of their agent.

Please note that Goldman Sachs & Co. LLC does not provide legal, tax or accounting advice.

## Important Information

While we consult with those organizations in need of assistance in formally defining their investment needs and objectives, we do not draft Investment Policy Statements.

**Our Relationship with Clients.** Goldman Sachs & Co. LLC (“we,” “us,” and “GS&Co.,” and together with its affiliates, “Goldman Sachs” or “GS”) is registered with the Securities and Exchange Commission (“SEC”) as both a broker-dealer and an investment adviser and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). We predominantly offer investment advisory and brokerage services to retail investors through our Wealth Management business unit, which includes Private Wealth Management (“PWM”). How we are compensated by you may change over time and will depend on various factors. Please ask questions and review the GS&Co. Form CRS and GS&Co. Relationship Guide/Regulation Best Interest disclosures (available at: <https://www.goldmansachs.com/disclosures/customer-relationship-summary-form-crs/index.html>) for important information, including the difference between advisory and brokerage accounts, compensation, fees, conflicts of interest, and our obligations to you. We are part of a full-service, integrated investment banking, investment management, and brokerage firm. Other firm businesses may implement investment strategies that are different from the strategies used or recommended for your portfolio.

**Intended Audience.** This material is generally intended for clients of PWM and/or prospective clients who would meet the eligibility requirements to be clients of PWM. If you have any questions on whether this material is intended for you, please contact your PWM Team. Materials that discuss advisory services are generally intended for individuals who are Qualified Clients as defined under Rule 305-3 of the Investment Advisers Act of 1940. Materials that discuss alternative investment products are generally intended for recipients who qualify as Accredited Investors as defined in the Securities Act of 1933. GS&Co. considers client suitability, eligibility, and sophistication when distributing marketing materials; not all materials are appropriate for all GS clients. Distribution is premised on the reasonable belief that the recipient has sufficient financial expertise and/or access to resources to independently analyze the information presented. If you do not believe you meet these criteria, please disregard and contact your PWM Team.

**Entities Providing Services.** Investment advisory and/or financial counseling services may be provided by GS&Co., an affiliate, or an external manager under the wrap program sponsored by GS&Co. Affiliates may include but are not limited to The Ayco Company, L.P. d/b/a Goldman Sachs Ayco Personal Financial Management (“Ayco”) (a wholly-owned subsidiary of The Goldman Sachs Group, Inc. or “GS Group”); United Capital Financial Advisers, LLC d/b/a Goldman Sachs Personal Financial Management (“GS PFM”); or another affiliate. Brokerage services are provided by GS&Co. Banking and payment services (including check-writing, ACH, direct debit, and margin loans) are provided or facilitated by GS&Co. Over-The-Counter (“OTC”) derivatives, foreign exchange forwards, and related financing are offered by GS&Co. Trust services are provided by The Goldman Sachs Trust Company, N.A. or The Goldman Sachs Trust Company of Delaware. Deposit products, mortgages, and bank loans are offered by Goldman Sachs Bank USA, member Federal Deposit Insurance Corporation (“FDIC”) and an Equal Housing Lender.



GS&Co. and its present and future affiliates may offer and provide through the GS Family Office (“GSFO”) offering—or through a client referral to third parties—a suite of personal family office services (“GSFO Services”) specifically designed for certain Wealth Management (“WM”) clients of GS. As part of GSFO Services, GSFO may discuss with you various aspects of financial planning, including but not necessarily limited to the potential income tax consequences of your investments, estate planning, philanthropic endeavors, and certain other activities that may affect your income tax, gift tax and estate tax. GSFO Services vary among clients, are provided based on individual client needs and preferences, and are generally limited to educational consultations that should not be viewed as tax or legal advice. GSFO does not provide investment advice, investment management services, or advise on or offer the sale of insurance products. GSFO Services are offered in the United States through GS&Co. but may also be provided in part by Ayco. Ayco may, separately and distinctly from GSFO Services, provide tax and insurance advice in addition to personal family office services (“Ayco Family Office Services”). We encourage you to clearly establish your set of services with your advisory team.

**Investment Strategy Group (“ISG”).** The Investment Strategy Group, part of the Asset & Wealth Management business (“AWM”) of GS, focuses on asset allocation strategy formation and market analysis for GS Wealth Management. Any information that references ISG, including their model portfolios, represents the views of ISG, is not financial research and is not a product of GS Global Investment Research and may vary significantly from views expressed by individual portfolio management teams within AWM, or other groups at GS. ISG Model Portfolios are provided for illustrative purposes only. Your actual asset allocation may look significantly different based on your particular circumstances and risk tolerance. Model performance calculations assume that (1) each asset class was owned in accordance with the recommended weight; (2) all tactical tilts were tracked at the time the recommendation was made; and (3) the portfolios are rebalanced at the end of every quarter. Model performance is calculated using the daily returns (actual or interpolated) of indices that ISG believes are representative of the asset classes included in the model. Results shown reflect the total return but generally do not consider any investment management fees, commissions or other transaction expenses, which would reduce returns. Hedge fund indices and data from Cambridge Associates are net of manager fees. The results shown reflect the reinvestment of dividends and other earnings. All returns are pre-tax and are not adjusted for inflation. Additional information about the model portfolio performance calculations is available upon request.



**Investment Risks and Information.** GS&Co. offers a range of products that you should carefully consider for their unique terms and risks prior to investing to ensure they are appropriate for your individual circumstances. Below are descriptions of major risks for our more complex products; please review the offering documents and product prospectuses for particular products, as well as additional information about the nature and risks of these and other products in GS&Co.'s ADV Part 2A Brochure and PWM Relationship Guide. Investing involves the risk of loss.

**Alternative Investments (“AI”).** AIs may involve a substantial degree of risk, including the risk of total loss of capital, use of leverage, lack of liquidity, and volatility of returns. Private equity, private credit, private real estate, hedge funds, and AI investments structured as private investment funds are subject to less regulation than other types of pooled vehicles. Review the Offering Memorandum, Subscription Agreement, and any other applicable offering documents for risks, potential conflicts of interest, terms and conditions and other disclosures.

**Commodities.** The risk of loss in trading commodities can be substantial due, but not limited, to lack of liquidity, volatile political, market, and economic conditions, and abrupt changes in price which may result from unpredictable factors including weather, labor strikes, inflation, foreign exchange rates, etc. Due to the use of leverage, a small move against your position may result in a loss that may be larger than your initial deposit.

**Currencies.** Currency exchange rates can be extremely volatile, particularly during times of political or economic uncertainty. There is a risk of loss when an investor has exposure to foreign currency or holds foreign currency traded investments.

**Digital Assets / Cryptocurrency.** Digital assets regulation is still developing across all jurisdictions and governments may in the future restrict the use and exchange of any or all digital assets. Digital assets are generally not backed nor supported by any government or central bank, are not FDIC insured and do not have the same protections that U.S. or other countries' bank deposits may have and are more volatile than traditional currencies. Transacting in digital assets carries the risk of market manipulation and cybersecurity failures such as the risk of hacking, theft, programming bugs, and accidental loss. Differing forms of digital assets may carry different risks. The volatility and unpredictability of the price of digital assets may lead to significant and immediate losses.

**Over-the-Counter (“OTC”) Derivatives.** OTC derivatives are illiquid as there is no public market. The price or valuation of each OTC derivative transaction is individually negotiated between GS&Co. and each counterparty, and GS&Co. does not represent or warrant that the prices for which it offers OTC derivative transactions are the best prices available. You may therefore have trouble establishing whether the price you have been offered for a particular OTC derivative transaction is fair. OTC derivatives may trade at a value that is different from the level inferred from interest rates, dividends, and the underlier due to factors including expectations of future levels of interest rates and dividends, and the volatility of the underlier prior to maturity. The market price of the OTC derivative transaction may be influenced by many unpredictable factors, including economic conditions, GS creditworthiness, the value of any underliers, and certain actions taken by GS. Because GS may be obligated to make substantial payments to you as a condition of an OTC derivative transaction, you must evaluate the credit risk of doing business with GS. Depending on the type of transaction, your counterparty may be GS&Co. or another GS affiliate. Counterparties may be subject to different rules depending on whether they are a registered U.S. broker dealer. OTC derivative transactions with GS affiliates cannot be assigned or transferred without GS's prior written consent. The provisions of an OTC derivative transaction may allow for early termination and, in such cases, either you or GS may be required to make a potentially significant termination payment depending upon whether the OTC derivative transaction is in-the-money at the time of termination. You should carefully review the Master Agreement, including any related schedules, credit support documents, addenda, and exhibits. You may be requested to post margin or collateral at levels consistent with the internal policies of GS to support written OTC derivatives.

**Emerging Markets and Growth Markets.** Emerging markets and growth markets investments involve certain considerations, including political and economic conditions, the potential difficulty of repatriating funds or enforcing contractual or other legal rights, and the small size of the securities markets in such countries coupled with a low volume of trading, resulting in potential lack of liquidity and price volatility.

**Non-US Securities.** Non-US securities investments are subject to differing regulations, less public information, less liquidity, and greater volatility in the countries of domicile of the security issuers and/or the jurisdiction in which these securities are traded. In addition, investors in securities such as ADRs/GDRs, whose values are influenced by foreign currencies, effectively assume currency risk.

**Options.** The purchase of options can result in the loss of an entire investment and the risk of uncovered options is potentially unlimited. You must read and understand the current Options Disclosure Document before entering into any options transactions. The booklet entitled Characteristics and Risk of Standardized Options can be obtained from your PWM team or at <http://www.theocc.com/components/docs/riskstoc.pdf>. A secondary market may not be available for all options. Transaction costs may be significant in option strategies that require multiple purchases and sales of options, such as spreads. Supporting documentation for any comparisons, recommendations, statistics, technical data, or other information will be supplied upon request.

**Real Estate.** Real estate investments, including real estate investments trusts (“REITS”) and non-traded REITS, involve additional risks not typically associated with other asset classes. Such investments (both through public and private markets) may be subject to changes in broader macroeconomic conditions, such as interest rates, and sensitivities to temporary or permanent reductions in property values for the geographic region(s) represented. Non-traded REITS may carry a higher risk of illiquidity, incomplete or nontransparent valuations, dilution of shares, and conflicts of interest.

**Structured Investments.** Structured investments are complex and investors assume the credit risk of the issuer or guarantor. If the issuer or guarantor defaults, you may lose your entire investment, even if you hold the product to maturity. Structured investments often perform differently from the asset(s) they reference. Credit ratings may pertain to the credit rating of the issuer and are not indicative of the market risk associated with the structured investment or the reference asset. Each structured investment is different, and for each investment you should consider 1) the possibility

that at expiration you may be forced to own the reference asset at a depressed price; 2) limits on the ability to share in upside appreciation; 3) the potential for increased losses if the reference asset declines; and 4) potential inability to sell given the lack of a public trading market.

**Tactical Tilts.** Tactical tilts may involve a high degree of risk. No assurance can be made that profits will be achieved or that substantial losses will not be incurred. For various reasons, GS may implement a tactical tilt, invest in an affiliated fund that may invest in tactical tilts, or unwind a position for its client advisory accounts or on its own behalf before your advisor does on behalf of your account, or may implement a tactical tilt that is different from the tactical tilt implemented by advisors on client accounts, which could have an adverse effect on your account and may result in poorer performance by your account than by GS or other client accounts.

**U.S. Registered Mutual Funds / Exchange Traded Funds (“ETFs”) or Exchange Traded Notes (“ETNs”).** You should consider a fund’s investment objectives, risks, and costs, and read the summary prospectus and/or the Prospectus (which may be obtained from your PWM Team) carefully before investing. You may obtain documents for ETFs or ETNs for free by 1) visiting EDGAR on the SEC website at <http://www.sec.gov/>; 2) contacting your PWM Team; or 3) calling toll-free at 1-866-471-2526. Unlike traditional mutual funds, ETFs can trade at a discount or premium to the net asset value and are not directly redeemable by the fund. Leveraged or inverse ETFs, ETNs, or commodities futures-linked ETFs may experience greater price movements than traditional ETFs and may not be appropriate for all investors. Most leveraged and inverse ETFs or ETNs seek to deliver multiples of the performance (or the inverse of the performance) of the underlying index or benchmark on a daily basis. Their performance over a longer period of time can vary significantly from the stated daily performance objectives or the underlying benchmark or index due to the effects of compounding. Performance differences may be magnified in a volatile market. Commodities futures-linked ETFs may perform differently than the spot price for the commodity itself, including due to the entering into and liquidating of futures or swap contracts on a continuous basis to maintain exposure (i.e., “rolling”) and disparities between near term future prices and long term future prices for the underlying commodity. You should not assume that a commodity-futures linked ETF will provide an effective hedge against other risks in your portfolio.

**Security-Specific References.** References to a specific company or security are intended solely as examples or for context and are not research or investment advice; do not rely upon them in making an investment decision. GS may have a relationship with such companies and/or its securities that may present conflicts of interest. Contact your PWM Team for further information on any securities mentioned.

**Off-Platform Investments.** If you ask us for guidance on external investment opportunities not offered by GS, any information we may provide is as an accommodation only and we will not be acting as your advisor. We assume no obligation to determine whether the opportunity is suitable for you in connection with such investment decisions and will not assume any liability for such investment decisions. Our Form ADV has information on conflicts of interest we may have in connection with any such requests.

**ISG/GIR Forecasts.** Economic and market forecasts presented (“forecasts”) generally reflect either ISG’s or GIR’s views and are subject to change without notice. Forecasts do not consider investment objectives, restrictions, tax and financial situations or other needs of any specific client. Forecasts are subject to high levels of uncertainty that may affect actual performance and represents only one of a broad range of possible outcomes. Forecasts and any return expectations are as of the date of this material, and do not project returns of any given investment or strategy. Forecasts are estimated, based on capital market assumptions, and are subject to significant revision and may change materially as economic and market conditions change. Any case studies and examples are for illustrative purposes only. If applicable, a copy of the GIR Report used for GIR forecasts is available upon request. Forecasts do not reflect advisory fees, transaction costs, and other expenses a client would have paid, which would reduce return.

**Client Specific Markets.** Investments held in your name with a subcustodian in the local market where traded in order to comply with local law will be indicated on your statements.

**Performance / Estimated Income / Estimated Cash Flow.** Past performance is not a guide of future results and may include investments no longer owned in current or closed accounts. Current performance may be lower or higher than the performance data quoted. Where not relevant or representative, outliers may be excluded. To request the most current or historical performance data, or asset classification schema information, please contact your PWM team at the number provided on your monthly statement or toll-free in the U.S. at 1-800-323-5678.

Performance reports, where shown, generally present the relevant time weighted performance, which is a combination of daily returns compounded over a specified time period with the removal of the deposit and withdrawal impacts, and may show internal rate of return calculations where requested. Aggregate performance may not equal the sum of returns at an investment level. Where performance is shown net of fees, actual fees may differ. Net performance for advisory accounts is calculated net of fees and expenses that were or would have been paid in connection with GS’s services, including management fees, and might include investments for which actual market prices are not currently available. If included, estimated income figures and estimated private equity future cash flows are estimates of future activity, and actual results may vary substantially. GS&Co. has adjusted performance calculations for certain asset classes or strategies and may do so in the future. Performance of net cash (i.e., cash less margin debit) is generally included in the total performance calculation but not displayed separately. Option performance is included in the performance of the asset class of the underlier.

**Offer to Provide Additional Performance Information.** Where GS provides you with the results of a subset of investments extracted from a portfolio (“extracted performance”), you may request the performance results of the total portfolio. Where GS provides you with illustrative performance regarding private fund investments that was not actually achieved by GS (“hypothetical performance”), you may request additional information regarding the risks and limitations of using such performance.

**Indices / Benchmarks.** References to indices, benchmarks, or other measures of relative market performance over a specified period are informational only and are not predictions or guarantees of performance. In addition to the benchmark assigned to a specific investment strategy, other benchmarks

("Comparative Benchmarks") may be displayed, including ones displayed at your request. Managers may not review the performance of your account against the performance of Comparative Benchmarks. Where a benchmark for a strategy has changed, the historical benchmark(s) are available upon request. Inception to date ("ITD") returns and benchmark/reference portfolio returns may reflect different periods. ITD returns for accounts or asset classes only reflect performance during periods in which your account(s) held assets and/or were invested in the asset class. The benchmark or reference portfolio returns shown reflect the benchmark / portfolio performance from the date of inception of your account or your initial investment in the asset class. If displayed, estimated income figures are estimates of future activity obtained from third party sources.

Indices are unmanaged and investors cannot directly invest in them. The figures for the index reflect the reinvestment of all income or dividends, as applicable, but may not always reflect the deduction of any fees or expenses which would reduce returns. Where appropriate, relevant index trademarks or index information has been licensed or sub-licensed for use. Inclusion of index information does not mean the relevant index or its affiliated entities sponsor, endorse, sell, or promote the referenced securities, or that they make any representation or warranty regarding either the advisability of investing in securities or the ability of the index to track market performance.

**Pricing and Valuations.** Prices do not necessarily reflect realizable values and are based on information considered to be reliable but are not guaranteed for accuracy, currency, or as realizable values. Certain positions may be provided by third parties or may appear without a price if GS is unable to obtain a price and/or the security is not actively traded for a certain amount of time. Pricing sources and methods are available upon request and are subject to change.

**Consolidated Reporting and Third Party Investments.** Where GS provides a consolidated report or references information regarding your non-GS investments held by third party custodians, such information provided as a courtesy for informational purposes only; it is not your official statement. Such information (including valuation) is based on information provided by you and is as of the date of any materials/information provided to us. GS does not perform review or diligence on, independently verify the accuracy of information regarding, or provide advice on such non-GS investments; GS assumes no responsibility for the accuracy of the source information and such assets may not be included on GS's books and records. Unless otherwise agreed in writing, we have not assessed whether those investments fit within your investment objective and the asset classification shown may not be accurate and/or may differ from your custodian or external adviser's classification. You should maintain the original source documents (including third party financial statements) and review them for any notices or relevant disclosures. Assets held away may not be covered by SIPC.

**Tax Information.** GS does not provide legal, tax or accounting advice, unless explicitly agreed in writing between you and GS, and does not offer the sale of insurance products. You should obtain your own independent tax advice based on your circumstances. The information included in this presentation, including, if shown, in the Tax Summary section, does not constitute tax advice, has not been audited, should not be used for tax reporting, and is not a substitute for the applicable tax documents, including your Form 1099, Schedule K-1 for private investments, which we will provide to you annually, or your monthly GS account statement(s). The cost basis included in this presentation may differ from your cost basis for tax purposes. Information regarding your AIs and transactions for retirement accounts are not included in the Tax Summary section.

Notice to ERISA / Qualified Retirement Plan / IRA / Coverdell Education Savings Account (collectively, "Retirement Account") Clients: Information regarding your Retirement Account(s) included in this presentation is for informational purposes only and does not constitute investment or other advice or a recommendation relating to any investment or other decisions, and GS is not a fiduciary or advisor with respect to any person or plan by reason of providing the presentation including under the Employee Retirement Income Security Act of 1974 or Department of Labor Regulations. Unless GS agrees otherwise, any target allocation shown for such Retirement Account represents decisions you have communicated to GS regarding such asset allocation, without any advice or recommendations from GS, after considering your financial circumstances, objectives, risk tolerance and goals.

**GSFO Services.** Where GS&Co. provides or refers GSFO Services, it does so based on individual client needs. Not all clients will receive all services and certain activities may fall beyond the scope of the GSFO Services. Any asset management services provided are governed by a separate investment management agreement (as may be applicable). Personnel providing GSFO Services do not provide discretionary management over client investments. Where GSFO provides art or collectibles advisory services, such services are generally limited to education; GS does not recommend purchasing art or collectibles as an investment strategy, provide formal or informal appraisals of the value of, or opine on the future investment potential of, any specific artwork or collectible. Any discussions of pending legislation, or hypothetical projections based on same, are educational and should not be construed as or relied upon as investment, tax, or legal advice. Upon your request, the Family Office team may discuss with you various aspects of financial planning; the scope of such planning services will vary among clients and may only include episodic and educational consultations that should not be viewed as tax advice. GS&Co. assumes no duty to take action pursuant to any recommendations, advice, or financial planning strategies discussed with you as part of GSFO Services. It is your responsibility to determine if and how any such recommendations, advice, or financial planning strategies should be implemented or otherwise followed, and you are encouraged to consult with your own tax advisor and other professionals regarding your specific circumstances. GS is not liable for any services received from your independent advisors or the results of any incident arising from any such services or advice. Cybersecurity consultations provided by GS&Co. are intended to provide a general overview of cyber and physical security threats, but are not comprehensive; GS is not liable for any incident following such consultations. GS&Co. is not liable for clients' ultimate selection and utilization of any Third Party Vendor for any GSFO Services, or the results of any incident arising from any such referral. GS&Co. is not responsible for the supervision, monitoring, management, or performance of such Third Party Vendors and is not liable for any failure of Third Party Vendors to render services or any losses incurred as a result of such services. Ayco Family Office Services may also be offered through Ayco. These services are separate and distinct from those services provided by GSFO, and may vary substantially.

**Other Services.** Any provided financial planning services, including cash flow analyses based on information you provide, are hypothetical illustrations of mathematical principles and are not a prediction or projection of performance of an investment or investment strategy. Certain illustrations may be

predicated on an Investment Analysis tool, an interactive technological tool that produces simulations and statistical analyses that present the likelihood of various investment outcomes based on client input. Such services may not address every aspect of a client's financial life; topics that were not discussed with you may still be relevant to your financial situation. In providing financial services, GS relies on information provided by you and is not responsible for the accuracy or completeness of any such information, nor for any consequences related to the use of any inaccurate or incomplete information. Where materials and/or analyses are provided to you, they are based on the assumptions stated therein, which are likely to vary substantially from the examples shown if they do not prove to be true. These examples are for illustrative purposes only and do not guarantee that any client will or is likely to achieve the results shown. Assumed growth rates are subject to high levels of uncertainty and do not represent actual trading and may not reflect material economic and market factors that may have an impact on actual performance. GS has no obligation to provide updates to these rates.

**Not a Municipal Advisor.** Except where GS expressly agrees otherwise, GS is not acting as a municipal advisor and the opinions or views contained in this presentation are not intended to be, and do not constitute, advice, including within the meaning of Section 15B of the Securities Exchange Act of 1934.

**Additional Information for Ayco Clients.** Your GS team may include individuals from your Ayco team. Ayco may provide tax advice or other Ayco Family Office Services to certain clients. Ayco does not provide brokerage services. As part of its financial counseling services, Ayco may provide you with certain reports where similar information contained herein is presented differently. You should view each report independently and raise any questions with your Ayco team.

**No Distribution; No Offer or Solicitation.** This material may not, without GS' prior written consent, be (i) duplicated by any means, or (ii) distributed to any person that is not an employee, officer, director, or authorized agent of the recipient. This material is not an offer or solicitation with respect to the purchase or sale of any security in any jurisdiction in which such offer or solicitation is not authorized, or to any person to whom it would be unlawful to make such offer or solicitation. We have no obligation to provide any updates or changes to this material.

© 2023 Goldman Sachs. All rights reserved.