



**Asset
Management**

Prospectus

Goldman Sachs Funds SICAV

An undertaking for collective investment organised under the laws of the Grand Duchy of Luxembourg (S.I.C.A.V)

This Prospectus is only valid if accompanied by the relevant Supplement(s) referable to the Portfolio in which an investment is to be made. As at the date of this Prospectus there are four Supplements (Supplements I – V), each of which is dated May 2016



0616



Goldman Sachs Funds SICAV

An undertaking for collective investment organised under the laws of the Grand Duchy of Luxembourg organised as a *société d'investissement à capital variable* (S.I.C.A.V.)

June 2016

This Prospectus is only valid if accompanied by the relevant Supplement(s) referable to the Portfolio in which an investment is to be made. As at the date of this Prospectus there are five Supplements (Supplements I – V) which are dated June 2016.

Important Information

About this Prospectus – The Prospectus provides information about the Fund and the Portfolios and contains information which prospective investors ought to know before investing in the Fund and should therefore be retained for future reference. Prospective investors are required as part of the Original Account Agreement to confirm they have read and understood the Prospectus. Further copies of the Prospectus may be obtained from the Fund or from the Management Company, at their respective addresses which are set out in the “Directory” of the Prospectus. Copies of the most recent annual report and any subsequent semi-annual report of the Fund are available free of charge on request.

The Fund is offering Shares of its Portfolios on the basis of the information contained in the Prospectus and in the documents referred to herein. No person has been authorised to give any information or to make any representation other than those contained in the Prospectus, and, if given or made, such information or representation must not be relied upon as having been authorised. Neither the delivery of the Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that the information contained herein is correct as of any time subsequent to the date of the Prospectus or that there will be no change in the affairs of the Fund after such date.

The Board of Directors has taken reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which makes any statement contained herein misleading. The Board of Directors accepts responsibility accordingly. Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Luxembourg and are subject to changes therein. The Prospectus may be translated into other languages provided that such translation shall be a direct translation of the English text and in the event of a dispute, the English language version shall prevail. All disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of the Grand Duchy of Luxembourg.

This information must not be construed as investment or tax advice. Prospective investors should consult their financial and tax adviser before investing in order to determine whether an investment would be suitable for them.

About the Fund – The Fund is an umbrella structure enabling investors to choose between one or more investment objectives by investing in one or more separate Portfolios offered by the Fund. As of the date of the Prospectus, the Fund is offering Shares in the Portfolios described in the most recent Supplements in force at the date of the Prospectus. The Board of Directors may from time to time decide to offer additional separate investment Portfolios and/or additional Share Classes in any existing Portfolio. In such an event, the Prospectus will be updated and amended so as to include detailed information on the new Portfolios and/or Share Classes, and/or a separate supplement or Addendum with respect to such Portfolios and/or Share Classes will be prepared and distributed. The updated and amended prospectus and/or new separate supplement or Addendum will not be circulated to existing Shareholders except in connection with their subscription for Shares of such Portfolios.

The Fund represents and warrants on a continuing basis that the Fund is the sole legal owner of all its assets, and that no restrictions exist on the transfer, sale or other disposition of any of those assets and that no option, lien, charge, security interest or encumbrance exists or will exist, due to any act or omission of the Fund, other than may normally be found in the custody arrangements between a Depositary and the Fund or as may be permitted under or contemplated by the Fund Documentation.

Information for Investors – Prospective investors should conduct an independent investigation and analysis as they deem appropriate to evaluate the merits and risks of an investment in the Portfolios. A loss of capital may occur. An investor should only invest if it has the necessary financial resources to bear a complete loss of this investment. Investors may, subject to applicable law, invest in any Portfolio offered by the Fund. Investors should choose the Portfolio that best suits their specific risk and return expectations as well as their diversification needs and are encouraged to seek independent advice in that regard. A separate pool of assets will be maintained for each Portfolio and will be invested in accordance with the investment policy applicable to the relevant Portfolio in seeking to achieve its investment objective. The net asset value and the performance of the Shares of the different Portfolios and Share Classes thereof are expected to differ. It should be remembered that the price of Shares and the income (if any) from them may fall as well as rise and there is no guarantee or assurance that the stated investment objective of a Portfolio will be achieved.

Shareholder Rights – The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise its investor rights directly against the Fund, if the investor is registered itself and in its own name in the Shareholders' register. In cases where an investor invests in the Fund through an intermediary investing into the Fund in its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholders' rights directly against the Fund. Investors are advised to take advice on their rights.

Investment in a Pooled Vehicle – The Fund is an umbrella structure and each of its Portfolios is a pooled investment vehicle. Investment in an umbrella structure with pooled portfolios has certain characteristics of which investors should be aware.

Subscription monies will be pooled with those of other investors and the Portfolio in which an investor invests has not been established or designed with any one particular investor in mind. This means that it has not been tailored to an investor's specific circumstances and every investor needs to determine whether an investment in the Portfolio is suitable in the context of his own circumstances.

In addition, investors will have no discretion over the investments made for the Portfolio; the Investment Adviser will have complete discretion for selecting investments for purchase and sale by the Portfolio. The Portfolio's success therefore depends, to a large extent, on the services of the Investment Adviser and investors will not have any direct contractual claim against the Investment Adviser with respect to the services it provides to the Portfolio.

In each year an annual report and a semi-annual report will be prepared. In addition, the Fund may, but is not obliged to, to make available to the Shareholders, upon request and subject to certain policies and conditions, reports that contain estimates of a Portfolio's performance, list a Portfolio's investment positions and/or collateral holdings and activities or contain other information about the Portfolio. Unless otherwise indicated in the context of a particular report, no report will be tailored specifically for investors or with their particular circumstances in mind. In addition, other than in the context of the annual report and semi-annual report, the Fund and the Investment Adviser make no representation as to the accuracy, completeness, fitness for a particular purpose or timeliness of any information contained in any report, and the Fund, the Investment Adviser and their respective Affiliates will not be liable for any loss suffered by investors as a result of reliance on any such report.

The Fund is an umbrella vehicle with more than one Portfolio. Pursuant to Luxembourg law, the Fund should not be liable as a whole to third parties and there should not be the potential for cross contamination of liabilities between different Portfolios. However, there can be no categorical assurance that, should an action be brought against the Fund in the courts of another jurisdiction, the segregated nature of the Portfolios will necessarily be upheld. Accordingly, it is not free from doubt that the assets of the Portfolio in which an investor invests may not be exposed to the liabilities of other Portfolios.

Data Protection - In accordance with the provisions of the Luxembourg law of 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended, the Fund, as data controller, collects, stores and processes, by electronic or other means, the data supplied by Shareholders for the purpose of fulfilling the services required by the Shareholders and complying with its legal obligations. The data processed includes in particular the name, contact details (including postal or email address), banking details, invested amount and holdings in the Fund of each Shareholder (the "Personal Data"). The Shareholder may at his/her discretion refuse to communicate the Personal Data to the Fund. In this case, however, the Fund may reject such Shareholder's request for Shares. Data supplied by Shareholders is processed for the purpose of (i) maintaining the register of Shareholders, (ii) processing subscriptions, redemptions and exchanges of Shares and payments of dividends to Shareholders, (iii) performing controls on excessive trading and market timing practices, and (iv) complying with applicable anti-money laundering rules. Personal Data may be transferred to the Fund's data processors (the "Processors"), which include in particular the Management Company, the Registrar and Transfer Agent, the Administrator and the Distributor that are located in the EU. In particular, such Personal Data may be disclosed to local tax authorities, who may, in turn, acting as data controller, disclose it to foreign tax authorities. Personal Data may also be transferred to Processors which are located in countries outside of the EU and whose data protection laws may not offer an adequate level of protection. In subscribing for Shares, the Shareholder expressly consents and agrees to the transfer of his/her Personal Data to Processors located in Australia, Singapore, Japan, Korea, Hong Kong, India and the U.S.. Such transfers will in particular allow Shareholders to benefit from information services outside European business hours. In subscribing for Shares, the Shareholder also acknowledges and expressly consents to his/her data being disclosed by the Management Company to the following entities: Access Data Corp., which has offices in the U.S. and India, Broadridge Investor Communication Solutions Inc., which has offices in the U.S., Canada and India, both of which provide sales information monitoring services to the Management Company, and Boston Financial Data Systems and DST Systems, both located in the U.S., which

provide document imaging and workflow technology hosting for the purposes of enhancing the efficiency of anti-money laundering checks carried out on behalf of the Fund by the Management Company and to enhance the controls around workflow with respect to shareholder servicing by the Management Company. In addition, in subscribing for Shares, the Shareholder expressly consents to the processing of his/her Personal Data by Goldman Sachs Asset Management LP, Goldman Sachs & Co and Goldman Sachs Group, Inc., located in the U.S. as well as certain of Goldman Sachs Group Inc.'s Affiliates as may be appropriate from time to time and which may be located in countries outside of the EU that may not offer an adequate level of protection, for the purposes of more efficiently processing, tracking and monitoring sales information relating to the Fund. Each Shareholder has a right to access his/her Personal Data and may ask for the Personal Data to be rectified where it is inaccurate or incomplete by writing to the Fund, c/o the Management Company at the address set out in the Directory.

Luxembourg – The Fund is registered pursuant to Part I of the Law of 17 December 2010. However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the Prospectus or the assets held in the various Portfolios. Any representations to the contrary are unauthorised and unlawful. The Fund has appointed the Management Company to act as its designated management company in accordance with the Law of 17 December 2010.

Selling Restrictions – The distribution of the Prospectus and the offering of the Shares are restricted in certain jurisdictions. The Prospectus does not constitute an offer to sell or solicitation of an offer to buy any other than the Shares to which it relates or an offer to sell or the solicitation of an offer to buy Shares by any person in any circumstances in which such offer or solicitation is unlawful or in any jurisdiction where to do so is unlawful or the person making the offer or solicitation is not qualified to do so or a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of the Prospectus and of any person wishing to apply for Shares to inform themselves about and to observe all applicable laws and regulations of all relevant jurisdictions. Investors should inform themselves and should take appropriate advice as to the legal requirements, possible tax consequences, foreign exchange restrictions and/or exchange control requirements that may be applicable under the laws of the countries of their citizenship, residence, or domicile and that might be relevant to the subscription, purchase, holding, exchange, redemption or disposal of Shares.

European Union – The Fund qualifies as a UCITS under the UCITS Directive, for marketing to the public in certain Member States and certain countries in the EEA, further details of which are available from the Distributor whose address is set out in the Directory of the Prospectus.

U.S. – The Shares offered hereunder have not been and will not be registered under the 1933 Act for offer or sale as part of their distribution and the Fund has not been and will not be registered under the 1940 Act. Therefore, subject to the ultimate discretion of the Board of Directors, the Shares may not be offered or sold to or for the benefit of a U.S. Person as such term is defined herein. The Articles provide that the Fund may mandatorily redeem any Shares that are transferred, or attempted to be transferred, to or for the benefit of any U.S. Person. Investors may be required to certify to the Fund that, among other things, the Shares are not being acquired and will not at any time be held for the account or benefit, directly or indirectly, of any U.S. Person except as otherwise authorised by the Board of Directors as set out in Section 15 “Transfer of Shares” (under the heading “Subscriptions by and Transfers to U.S. Persons”) in the Prospectus. It is the responsibility of each Shareholder to verify that it is not a U.S. Person that would be prohibited from owning Shares. The offering and sale of the Shares to Non-U.S. Persons will be exempt from registration pursuant to Regulation S promulgated under the 1933 Act. If permitted by the Board of Directors, any purchaser of Shares that is a U.S. Person must be a “qualified purchaser” as defined in the 1940 Act and the rules promulgated thereunder and an “accredited investor” as defined in Regulation D under the 1933 Act.

Although the Investment Adviser is, and certain of its advisory Affiliates may be, registered under the Advisers Act, because the Portfolios are non-U.S. investment entities, the Portfolios' investors will not have the benefit of the substantive provisions of U.S. law, including the Advisers Act, except to the extent the Investment Adviser has delegated any of its obligations to the Fund to an Affiliate located in the U.S. that is registered under the Advisers Act.

Notwithstanding anything in the foregoing or anything else contained in this Prospectus to the contrary, except as reasonably necessary to comply with applicable securities laws, each prospective investor (and any employee, representative or other agent thereof) may disclose to any and all persons, without limitation of any kind, the tax

treatment and tax structure of the offering, the ownership of Shares, and any potential transaction described herein and all materials of any kind (including opinions and other tax analyses) that are provided to the prospective investor relating to such tax treatment and tax structure. For this purpose, "tax structure" means any facts relevant to the U.S. federal and state income tax treatment of the offering, the ownership of Shares and any potential transaction described herein, and does not include information relating to the identity of the issuer or its Affiliates.

PURSUANT TO U.S. TREASURY DEPARTMENT CIRCULAR 230, THE FUND IS INFORMING PROSPECTIVE INVESTORS THAT (A) ANY TAX DISCLOSURE SET FORTH HEREIN IS NOT INTENDED AND WAS NOT WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE U.S. FEDERAL TAX LAWS THAT MAY BE IMPOSED ON THE TAXPAYER, (B) ANY TAX DISCLOSURE SET FORTH HEREIN WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE FUND AND THE PLACEMENT AGENTS OF THE SHARES, AND (C) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

Hong-Kong – This Prospectus has not been delivered for registration to the Registrar of Companies in Hong Kong nor has its content been reviewed by any regulatory authority in Hong Kong. Accordingly, unless permitted by the securities laws of Hong Kong, (i) no person may issue or cause to be issued this Prospectus in Hong Kong, other than to persons who are "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made thereunder or in circumstances which do not constitute an offer or sale of Shares in the Fund to the public in Hong Kong for the purposes of the prospectus requirements of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong); and (ii) no person may issue or have in its possession for the purposes of issue, this Prospectus, or any advertisement, invitation or document relating to the Shares in the Fund, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed by, the public in Hong Kong, other than with respect to the Shares in the Fund which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made thereunder.

Japan – Some of the Share Classes of certain Portfolios of the Fund may be registered in Japan. The Prospectus is not for distribution in Japan. If a Share Class of a Portfolio is registered in Japan, a separate prospectus will be prepared for use in Japan and such prospectus will be distributed pursuant to the Financial Instruments and Exchange Law of Japan and will include substantially all of the information in respect of the relevant Share Classes of those registered Portfolios referred to in the Prospectus.

Uruguay – Certain Portfolios of the Fund described in the Prospectus may only be offered to those persons to whom it may be lawfully offered for sale. This Prospectus does not constitute an offer or solicitation to the general public in Uruguay or in any jurisdiction where or to any person to whom it would be unauthorised or unlawful to do so.

CERTAIN PORTFOLIOS OF THE FUND MAY BE PRIVATELY PLACED AND HAVE NOT BEEN CREATED UNDER THE REGIME SET FORTH BY LAW N° 16,774 OF SEPTEMBER 27, 1996, AND ARE NOT REGISTERED BEFORE THE CENTRAL BANK OF URUGUAY.

Chile – Date of commencement of the offer: December 2012. The present offer is subject to General Rule N° 336 (Norma de Carácter General N° 336) of the Chilean securities and insurance regulator ("Superintendencia de Valores y Seguros" or "SVS"). The present offer deals with securities that are not registered in the Securities Registry (Registro de Valores) nor in the Foreign Securities Registry (Registro de Valores Extranjeros) kept by the SVS, and, therefore, the securities which this offer refers to are not subject to the supervision of the SVS. Given the fact that the securities of the present offer are not registered with the SVS, there is no obligation for the issuer to disclose in Chile public information about said securities. These securities may not be publicly offered as long as they are not registered in the corresponding Securities Registry kept by the SVS.

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Directory

Goldman Sachs Funds:

c/o State Street Bank Luxembourg S.C.A.
49, avenue J-F Kennedy
L-1855 Luxembourg
Grand-Duchy of Luxembourg
RCS B41 751

Management Company:

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Investment Adviser:

Goldman Sachs Asset Management International
Peterborough Court
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Distributor:

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London EC4A 2BB
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Registrar and Transfer Agent:

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14, Porte de France
L-4360 Esch-sur-Alzette
Grand-Duchy of Luxembourg

Auditor:

PricewaterhouseCoopers, Société Coopérative
Reviser d'entreprises
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Directors of the Fund¹:

Frank Ennis
Theodore T. Sotir
Katherine Uniacke
Gráinne Alexander

Directors of the Management Company:

Stephen Davies
Theodore T. Sotir
Glenn R. Thorpe
Karl Wiancki
Barbara Healy

Depository, Administrator, Paying Agent, Domiciliary Agent and Listing Agent:

State Street Bank Luxembourg S.C.A.
49, Avenue J-F Kennedy
L-1855 Luxembourg
Grand-Duchy of Luxembourg

Legal Advisers to the Fund :

Arendt & Medernach S.A.
41A, Avenue J.F. Kennedy
L-2082 Luxembourg
Grand-Duchy of Luxembourg

Legal Advisers to the Management Company:

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Valuer:

Goldman, Sachs & Co
200 West Street
New York, NY 10282
U.S.

¹ Mark Heaney has resigned from his position as director of the Fund with effect from 27 May 2016. The remaining directors contemplate co-opting another director in replacement of Mark Heaney.

Sub-Advisers:

Goldman Sachs (Asia) L.L.C. – Hong Kong Branch²
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Level 17
101 Collins Street
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² Subject to regulatory approval and licensing and completion of other relevant steps, it is expected that Goldman Sachs Asset Management (Hong Kong) Ltd. whose address is 2 Queens Road, Cheung Kong Center, 68th Floor Central, Hong Kong will be appointed as a Sub-Adviser by the Investment Adviser in place of Goldman Sachs (Asia) L.L.C. – Hong Kong Branch, by the end of August 2016.

³ It is expected that Goldman Sachs (Singapore) Pte. will cease to act as sub-adviser by the end of August 2016.

Definitions

In the Prospectus, unless more particularly defined herein, the following words and phrases shall have the meanings attributed to them below. In the event of a conflict between the Prospectus and a Supplement in respect of these words or phrases, the meaning assigned to such word or phrase in the Supplement shall prevail in respect of that Supplement. Currency abbreviations are listed at the end of this “Definitions” section.

“1933 Act”	means the U.S. Securities Act of 1933, as amended;
“1934 Act”	means the U.S. Securities Exchange Act of 1934, as amended;
“1940 Act”	means the U.S. Investment Company Act of 1940, as amended;
“Accumulation Shares” or “Acc.”	means those Shares providing for the net income earned to be retained in the net asset value of the Share and representing such number of Shares in the capital of the Fund as is equal to a Share issued at subscription and increased by the amount of retained net income proportionately equal to that paid on Distribution Shares in respect of each intervening accounting period;
“Addendum”	means a document or documents updating or amending the Prospectus and which is filed with, and which is in a form approved by the Luxembourg Supervisory Authority (and the term “Addenda” shall be construed accordingly);
“Administration Agreement”	means the agreement between the Management Company, State Street and the Fund, pursuant to which the Administrator is appointed by the Management Company as its delegate to provide certain administrative services in relation to the Fund, as may be amended by written agreement between the parties from time to time;
“Administrator”	means State Street or such other appointee as may be engaged by the Management Company or the Fund to act as administrator of the Fund from time to time;
“Advisers Act”	means the U.S. Investment Advisers Act of 1940, as amended;
“ADXY Share Class”	means a Share Class of a Portfolio as particularly described in Section 3 “Description of Share Classes” (paragraph 3.26 “Currency Hedged Share Classes and Currency Exposure Share Classes”) in the Prospectus;
“Affiliate”	means, in relation to a person, another person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such person; and “affiliated” shall be construed accordingly;
“Alternative Portfolio”	means those Portfolios as are more particularly described in Section 2 “Investment Objectives and Policies” (paragraph 2.6 “Alternative Portfolios”) in the Prospectus and in one or more Supplements;

“Articles”	means the articles of incorporation of the Fund;
“Asian Currency Exposure Share Class”	means a Share Class of a Portfolio as particularly described in Section 3 “Description of Share Classes” (paragraph 3.26 “Currency Hedged Share Classes and Currency Exposure Share Classes”) in the Prospectus;
“Associated Territories”	means Aruba, British Virgin Islands, Curaçao, Guernsey, Isle of Man, Jersey, Montserrat and Sint Maarten;
“Auditor”	means PricewaterhouseCoopers, <i>Société Coopérative</i> , or such other auditor in Luxembourg appointed as auditor by the Fund as successor thereto, in accordance with the applicable requirements.
“Base Currency”	means the base currency of a Portfolio as detailed in the Prospectus;
“Benefit Plan Investors”	has the meaning set out in Appendix D – “Certain ERISA Considerations” hereto;
“Board of Directors”	means the board of directors of the Fund or any duly appointed committee thereof;
“Business Day”	means for each Portfolio any day the Board of Directors in consultation with the Management Company decides is a Business Day or those days when all of the following apply (1) banks are open for business in London and Luxembourg (2) the Luxembourg Stock Exchange is open for business (3) it is not a public holiday in the country where the portfolio management team of the Portfolio is located (4) the Board of Directors in consultation with the Management Company believes that sufficient underlying markets in which the Portfolio may invest are open to permit sufficient trading and liquidity to enable the Portfolio to be managed efficiently and (5) where the Portfolio invests in a material amount of underlying Permitted Funds, the net asset value of units of a sufficient number of the underlying Permitted Funds may be determined in a manner that the Board of Directors in consultation with the Management Company believes to permit sufficient trading and liquidity to enable the relevant Portfolio to be managed efficiently;
“CDSC”	means contingent deferred sales charge as described in further detail in Section 3 “Description of Share Classes” and Section 14 “Redemption of Shares” (under paragraph 14.3 “Redemption Charges”) in the Prospectus;
“CFTC”	means the U.S. Commodity Futures Trading Commission or any successor institution taking over its powers and functions;
“CoCo” or “CoCos”	means subordinated contingent capital securities, instruments issued by banking institutions to increase their capital buffers in the framework of new banking regulations;
“Code”	means the U.S. Internal Revenue Code of 1986, as amended;

“Commission Recapture Programme”	means an arrangement under which a portion of the trading commissions incurred by a Portfolio is rebated back for the account of that Portfolio, and which is referred to in Section 9 “Depository, Administrator, Paying Agent, Domiciliary Agent and Listing Agent”;
“Controlling Person”	means the natural persons who exercise control over an entity. In the case of a trust, the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term "Controlling Persons" must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.
“CRS”	means the provisions of the OECD Standard for Automatic Exchange of Information in Tax matters and its Common Reporting Standard
“Currency Exposure Share Class”	means a Share Class of a Portfolio as more particularly described in Section 3 “Description of Share Classes” (paragraph 3.26 “Currency Hedged Share Classes and Currency Exposure Share Classes”) in the Prospectus;
“Currency Hedged Share Class”	means a Share Class of a Portfolio as more particularly described in Section 3 “Description of Share Classes” (paragraph 3.26 “Currency Hedged Share Classes and Currency Exposure Share Classes”) in the Prospectus;
“Dealing Day”	means any day that is a Purchase Date and/or a Redemption Date;
“Depository”	means State Street or such other appointee as may be engaged by the Fund to act as depository of the assets of the Fund from time to time;
“Depository Agreement”	means the agreement between the Fund and State Street and the Management Company, pursuant to which the Depository is appointed as Depository of the Fund, as may be amended by written agreement between the parties from time to time;
“Distribution Agreement”	means the agreement between the Management Company, the Distributor and the Fund pursuant to which the Distributor is appointed by the Management Company as its delegate to provide distribution services to the Fund, as may be amended by written agreement between the parties from time to time;
“Distribution Shares”	means those Shares providing for the payment of net income earned and attributable to the Share at the date on which such income is to be distributed (see Section 18 “Dividend Policy” in the Prospectus) and representing one undivided Share in the capital of the Fund;
“Distributor”	means GSI or such other appointee as may be engaged by the Management Company to act as distributor to the Fund from time to time;

“Domiciliary Agent and Listing Agent”	means State Street or such other appointee as may be engaged by the Fund to act as domiciliary agent and listing agent of the Fund from time to time;
“Duration Hedged Share Class”	means a Share Class of a Portfolio which will seek to predominantly hedge the interest rate risk of the Portfolio as more particularly described in Section 3 “Description of Share Classes” (paragraph 3.27 “Duration Hedged Share Classes”) in the Prospectus (these Share Classes are denoted “Duration-Hedged”);
“EEA”	means the European Economic Area;
“ELMI+ Share Class”	means a Share Class of a Portfolio as more particularly described in Section 3 “Description of Share Classes” (paragraph 3.26 “Currency Hedged Share Classes and Currency Exposure Share Classes”) in the Prospectus (these Share Classes are denoted “ELMI +”);
“Equity Portfolio”	means those Portfolios as are more particularly described in Section 2 “Investment Objectives and Policies” (paragraph 2.1 “Equity Portfolios”) in the Prospectus and in one or more Supplements;
“ERISA”	means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time;
“EU”	means the European Union;
“FATCA”	means the provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as the Foreign Account Tax Compliance Act (FATCA);
“FCA”	means the United Kingdom Financial Conduct Authority and any successor bodies;
“Fitch”	means Fitch Ratings;
“Fixed Income Portfolio”	means those Portfolios as are more particularly described in Section 2 “Investment Objectives and Policies” (paragraph 2.2 “Fixed Income Portfolios”) in the Prospectus and in one or more Supplements;
“Flexible Portfolio”	means those Portfolios as are more particularly described in Section 2 “Investment Objectives and Policies” (paragraph 2.5 “Flexible Portfolios”) in the Prospectus and in one or more Supplements;
“Fund”	means Goldman Sachs Funds, an undertaking for collective investment organised under the laws of the Grand Duchy of Luxembourg and established as an “umbrella structure” comprised of a number of Portfolios;
“Goldman Sachs”	means The Goldman Sachs Group, Inc. and its Affiliates;

“Global Exposure”	means the exposure of a particular Portfolio to financial derivative instruments. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions;
“GSAM LP”	means Goldman Sachs Asset Management, L.P., which is an indirect subsidiary of The Goldman Sachs Group, Inc.;
“GSAMGS”	means Goldman Sachs Asset Management Global Services Limited, which is an indirect subsidiary of The Goldman Sachs Group, Inc.;
“GSAMI”	means Goldman Sachs Asset Management International, which is an indirect subsidiary of The Goldman Sachs Group, Inc.;
“GSI”	means Goldman Sachs International, which is an indirect subsidiary of The Goldman Sachs Group, Inc.;
“Investment Adviser”	means GSAMI (and where relevant includes the Sub-Advisers).
“Investment Advisory Agreement”	means the agreement between the Management Company, the Investment Adviser and the Fund, pursuant to which the Investment Adviser is appointed by the Management Company as its delegate to act as investment adviser in relation to the assets of the Fund and its subsidiaries, as may be amended by written agreement between the parties from time to time;
“Investment Grade”	means, in respect of securities, securities rated at the time of investment at least BBB- by S&P or Fitch or Baa3 by Moody’s, except for commercial paper which must be rated at least A-2 by S&P, F-2 by Fitch or Prime-2 by Moody’s, or in the case of unrated securities, securities which are deemed to be of comparable credit quality by the Investment Adviser;
“KIID”	means the Key Investor Information Document;
“Law of 17 December 2010”	means the Luxembourg Law of 17 December 2010 relating to undertakings for collective investment, as amended;
“Local Currency Exposure Share Class”	means a Share Class of a Portfolio as particularly described in Section 3 “Description of Share Classes” (paragraph 3.26 “Currency Hedged Share Classes and Currency Exposure Share Classes”) in the Prospectus;
“Luxembourg Supervisory Authority”	means the Luxembourg <i>Commission de Surveillance du Secteur Financier</i> or any successor institution taking over its powers and functions;
“Management Company”	means GSAMGS or any other entity as may be engaged by the Fund to act as its designated management company of the Fund from time to time;

“Management Company Agreement”	means the agreement between the Fund and the Management Company, pursuant to which the Management Company is appointed as the Management Company of the Fund;
“Management Fee”	means the investment management fee paid by the Fund to the Investment Adviser under the Investment Advisory Agreement and as described in further detail in this Prospectus;
“Manager”	means a third-party investment manager selected and appointed by the Investment Adviser (or its Affiliate) from time to time to manage the assets of a Portfolio;
“Member States”	means the member states of the EU. The states that are contracting parties to the agreement creating the EEA other than the member states of the EU are considered equivalent to the member states of the EU;
“MLP”	means master limited partnership, a limited partnership that is publicly traded on a securities exchange and generally operates in, but is not limited to, the natural resource, financial services and real estate industries;
“Money Market Instruments”	means instruments normally dealt with on the money markets which are liquid and have a value which can be accurately determined at any time;
“Moody’s”	means Moody’s Investor Service;
“NASDAQ”	means the National Association of Securities Dealers Automated Quotation System;
“Non-Investment Grade”	means, in respect of securities, securities rated below securities which are of Investment Grade;
“Non-U.S. Person”	has the meaning set out in Appendix E – “Definitions of U.S. Person and Non-U.S. Person” hereto;
“OECD”	means the Organisation for Economic Co-operation and Development;
“Original Account Agreement”	means the original account agreement to be completed and signed by a prospective investor in such form as is prescribed by the Fund from time to time;
“Paying Agent”	means State Street or such other appointee as may be engaged by the Fund to act as a paying agent of the Fund from time to time;
“Permitted Alternative Fund”	means investment funds that a Portfolio may invest in pursuant to Section 2)(a) of the Investment Restrictions in Appendix A – “UCITS Investment Restrictions” hereto, including, but not limited to, hedge funds and funds of hedge funds;
“Permitted Fund”	means, in respect of an investment by a Portfolio, an investment in a UCITS, a Permitted Alternative Fund, a Permitted Fund managed by the Investment

Adviser or other UCI or such other eligible or permitted fund as may be allowed under the Law of 17 December 2010;

“Permitted Investments”	means those Transferable Securities, Money Market Instruments, units in Permitted Funds, deposits, financial derivative instruments and other investments into which a Portfolio may invest pursuant to the Law of 17 December 2010 and the Portfolio’s investment objective and policy;
“Portfolio”	means each distinct portfolio of the Fund as more particularly described in the Prospectus;
“PRC”	means the People’s Republic of China with the exception of the Hong Kong S.A.R., Macau S.A.R. and Taiwan R.O.C.;
“primarily”	means, where referring to a Portfolio’s investment objective or investment policy, at least two thirds of the net assets (excluding cash and cash-equivalents) of that Portfolio unless expressly stated to the contrary in respect of a Portfolio;
“Prospectus”	means this prospectus, together with any Supplements or other addenda thereto;
“Purchase Date”	means with respect to a Share Class, any Business Day on which Shares may be purchased by an investor (as may be further specified in a Supplement);
“RBC”	means RBC Investor Services Bank S.A.;
“Redemption Date”	means with respect to a Share Class, any Business Day on which Shares may be redeemed by a Shareholder (as may be further specified in a Supplement);
“Registrar and Transfer Agent”	means RBC or such other appointee as is engaged to act as registrar and transfer agent of the Fund from time to time;
“Regulated Market”	means a regulated market as defined by Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;
“RMB Currency Exposure Share Class”	means a Share Class of a Portfolio as more particularly described in Section 3 “Description of Share Classes” (paragraph 3.26 “Currency Hedged Share Classes and Currency Exposure Share Classes”) in the Prospectus;
“RTA Agreement”	means the registrar and transfer agency agreement between the Fund, the Registrar and Transfer Agent and the Management Company, pursuant to which the Registrar and Transfer Agent is appointed by the Management Company as its delegate to act as the registrar and transfer agent of the Fund, as may be amended by written agreement between the parties from time to time;
“Sales Charge”	means a charge in respect of a subscription for Shares which may be deducted from subscription proceeds by the Distributor or Sub-distributors;

“SEC”	means the U.S. Securities and Exchange Commission;
“Select Portfolio”	means those Portfolios as are more particularly described in Section 2 “Investment Objectives and Policies” (under paragraph 2.4 “Select Portfolios”) in the Prospectus and in one or more Supplements;
“Shareholder”	means a holder of a Share;
“Share Class”	means any class of Shares of any Portfolio issued by the Fund each as described in Section 3 “Description of Share Classes” in the Prospectus or the Articles;
“Shares”	means shares of any Share Class of any Portfolio issued by the Fund as described in Section 3 “Description of Share Classes” in the Prospectus or the Articles;
“Specialist Portfolio”	means those Portfolios as are more particularly described in Section 2 “Investment Objectives and Policies” (under paragraph 2.3 “Specialist Portfolios”) in the Prospectus and in one or more Supplements;
“Standard & Poor’s” or “S&P”	means Standard & Poor's Corporation;
“State Street”	means State Street Bank Luxembourg S.C.A.;
“Sub-Adviser”	means GSAM LP or any other entity appointed as sub-adviser in relation to the Fund or a Portfolio;
“Sub-distributor”	means those entities appointed by the Distributor or the Management Company to distribute Shares of the Fund;
“Subscription Form”	means the subscription form to be completed and signed by an investor in such form as is prescribed by the Fund from time to time;
“Supplement”	means each supplement to the Prospectus, the purpose of which is to describe in more detail one or more Portfolios of the Fund;
“Transferable Securities”	<p>means</p> <ol style="list-style-type: none">1. shares and other securities equivalent to shares (“equities”);2. bonds and other debt instruments (“bonds”);3. any other negotiable securities, which carry the right to acquire any such Transferable Securities by subscription or exchange; <p>excluding those techniques and instruments referred to in Section 8 of the UCITS Investment Restrictions in Appendix A – “UCITS Investment Restrictions” hereto;</p>
“UCI”	means an undertaking for collective investment;

"UCITS"	means an Undertaking for Collective Investment in Transferable Securities under the UCITS Directive;
"UCITS Directive"	means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended;
"UCITS Regulations"	means the UCITS Directive and its implementing measures applicable to the Fund and/or the Management Company as the case may be, as amended from time to time;
"U.S." or the "United States"	means the United States of America;
"U.S. Person"	has the meaning set out in Appendix E – "Definitions of U.S. Person and Non-U.S. Person" hereto;
"Valuation Agreement"	means the agreement between the Management Company and the Valuer, pursuant to which the latter is appointed by the Management Company as its delegate to provide certain valuation services in relation to the assets of the Fund and its subsidiaries;
"Valuer"	means Goldman, Sachs & Co. or such other entity as may for the time being be appointed by the Management Company as its delegate to provide valuation services in relation to the assets of the Fund and its subsidiaries; and
"VaR"	means Value at Risk.

Currencies

"AUD"	means the legal currency of the Commonwealth of Australia;
"BRL"	means the legal currency of the Federative Republic of Brazil;
"CAD"	means the legal currency of Canada;
"CHF"	means the legal currency of Switzerland;
"CNH"	refers to RMB traded outside the PRC;
"CNY"	refers to RMB traded in the PRC;
"DKK"	means the legal currency of the Kingdom of Denmark;
"EUR"	means the legal currency of those Member States participating in the Euro or such successor currency determined by the Board of Directors;
"GBP"	means the legal currency of the United Kingdom;
"HKD"	means the legal currency of Hong Kong;
"IDR"	means the legal currency of Indonesia;
"ILS"	means the legal currency of State of Israel;
"INR"	means the legal currency of the Republic of India;

“JPY”	means the legal currency of Japan;
“KRW”	means the legal currency of the Republic of Korea;
“NOK”	means the legal currency of Norway;
“NZD”	means the legal currency of New Zealand;
“PLN”	means the legal currency of Poland;
“RMB”	means the legal currency of the PRC;
“SEK”	means the legal currency of the Kingdom of Sweden;
“SGD”	means the legal currency of the Republic of Singapore; and
“USD”	means the legal currency of the U.S.

1. The Fund

Goldman Sachs Funds is a public limited company ("*société anonyme*") qualifying as an investment company organised with variable share capital within the meaning of the Law of 17 December 2010. It has appointed GSAMGS to be its designated management company. The Fund's registered office is at 49, avenue J-F Kennedy, L-1855 Luxembourg. The Fund was incorporated under the name of "GS Equity Funds" on 5 November 1992 by a deed of Maître Frank Baden, notary residing in Luxembourg, and published in the Mémorial C. Recueil des Sociétés et Associations (the "Mémorial"), reference Nos. 597, on 15 December 1992.

The Articles of Incorporation were first published in the Mémorial C. Recueil des Sociétés et Associations (the "Mémorial") on 5 November 1992 and were last amended by notarial deed on 22 May 2014. The last version of these Articles has been filed with the Luxembourg Trade and Companies Register on 12 June 2014.

The Fund is recorded at the Luxembourg Trade and Companies Register under registration reference B 41.751. The Fund is registered pursuant to Part I of the Law of 17 December 2010. The Fund is authorised by the Luxembourg Supervisory Authority.

The Fund qualifies as a UCITS under the UCITS Directive, for marketing to the public in certain Member States and certain countries in the EEA, further details of which are available from the Distributor whose address is set out in the Directory on page 8 of the Prospectus.

The currency of the Fund is USD.

2. Investment Objectives and Policies

The Fund presently comprises a number of Portfolios as more specifically described in one or more Supplements.

There can be no assurance or guarantee that a Portfolio's investments will be successful or its investment objectives will be achieved. Please refer to Section 4 "Risk Considerations" in the Prospectus and in the relevant Supplement describing a Portfolio for a discussion of those factors that should be considered when investing in that Portfolio.

Each Portfolio's investment objective and policies may be changed without a vote of its Shareholders. If there is a change in a Portfolio's investment objective or policies, Shareholders should consider whether the Portfolio remains an appropriate investment in light of their then current financial position and needs. The Fund will amend the Prospectus to reflect any change in a Portfolio's investment objective and policies as set out herein. Shareholders will be notified in writing of any material changes to a Portfolio's investment objective and policy.

The Portfolios may hold ancillary liquid assets and, in exceptional and temporary circumstances, may hold liquid assets in excess of such restriction, provided that the Board of Directors considers this to be in the best interests of the Shareholders.

Portfolios may use a subsidiary holding company of the Fund through which portfolio investments may be made. For more information on the subsidiary relating to a Portfolio, see Section 4 "Risk Considerations" (paragraph 4.12.11 "Subsidiary holding companies") in the Prospectus.

2.1. Equity Portfolios

The investment objective of each Equity Portfolio is long-term capital appreciation by investing in any Permitted Investments. The investment objective of the Goldman Sachs Global Equity Income Portfolio, the Goldman Sachs North America Energy & Energy Infrastructure Equity Portfolio, the Goldman Sachs Global Infrastructure Equity Portfolio and the Goldman Sachs Global Real Estate Equity Portfolio is total return consisting of income and with capital appreciation. Each Equity Portfolio listed in the Supplements, will, under normal market conditions, invest at least two thirds of its net assets in equity and/or equity related Transferable Securities, which includes common stock, preferred stock, warrants and other rights to acquire stock, ADRs, EDRs and GDRs (as defined in Section 4.7.6 "Depositary Receipts") and not more than one third of its net assets in convertible securities, bonds (with or without warrants), Money Market Instruments and non-equity related Permitted Funds. Under normal market conditions, each Equity Portfolio will invest its net assets primarily in the securities of issuers domiciled in the country/region, active in the sector and/or with the market capitalisation referred to in the Portfolio's name and investment objective. **Accordingly, investors should be aware that an Equity Portfolio may not invest all of its assets in issuers domiciled in the country/region, active in the sector and/or with the market capitalisation referred to in its name or investment objective nor in each of the countries comprising a region or listed in its investment objective.** Securities of issuers domiciled in a country/region or active in a sector include those issuers deriving the predominant proportion of their revenues or profits from such country/region and/or sector.

Subject to the terms of the Prospectus (and, in particular, Appendix A – "UCITS Investment Restrictions" and Appendix C – "Special Investment Techniques") and any Supplement, these Portfolios may engage in transactions in financial derivative instruments, including, amongst others, contracts for difference and total return swaps, as part of their general investment policy and/or for hedging purposes. Please see Appendix C – "Special Investment Techniques" together with Section 4 "Risk Considerations" and in the relevant Supplement describing the relevant Equity Portfolios.

As part of an Equity Portfolio's overall investment policy, and as part of the range of Permitted Investments which may be utilised to generate exposure to equity markets, an Equity Portfolio may invest in units or shares of equity related Permitted Funds, including Permitted Funds managed by Goldman Sachs; however, none of the Equity Portfolios will invest more than 10% of its net assets in Permitted Funds.

Each Equity Portfolio may hold ancillary liquid assets and, in exceptional and temporary circumstances, may hold liquid assets in excess of such restriction, provided that the Investment Adviser considers this to be in the best interests of the Shareholders.

2.2. Fixed Income Portfolios

The investment objective of each Fixed Income Portfolio is total return consisting of income and capital appreciation through investment in Permitted Investments. Each Fixed Income Portfolio listed in the Supplements, will, under normal market conditions, invest at least two thirds of its net assets in bonds and not more than one third of its net assets in other securities and instruments and non-bond related Permitted Funds and not more than one quarter of its net assets in convertible securities and, may, within the limits set out in Appendix A “UCITS Investment Restrictions” of the Prospectus invest in loan participations and/or loan assignments provided such instruments are consistent with Money Market Instruments normally dealt in the money market, are liquid and have a value that may be accurately determined at any time in compliance with applicable laws and regulations.

The following Fixed Income Portfolios invest up to one tenth of their net assets in equity or equity-related securities. Please note that this limit does not apply to investment in preferred stock:

- Goldman Sachs Asia High Yield Bond Portfolio
- Goldman Sachs Developed Markets High Yield Constrained Portfolio
- Goldman Sachs Emerging Markets Corporate Bond Portfolio
- Goldman Sachs Emerging Markets Debt Blend Portfolio
- Goldman Sachs Emerging Markets Debt Local Portfolio
- Goldman Sachs Emerging Markets Debt Portfolio
- Goldman Sachs Europe High Yield Bond Portfolio
- Goldman Sachs Global High Yield Portfolio
- Goldman Sachs Opportunistic Corporate Bond Portfolio.

The following Fixed Income Portfolios will not invest in equity and equity related instruments (with the exception of (i) shares in other Permitted Funds which themselves do not invest in equity securities, (ii) instruments which are received as part of a restructuring or similar event and (iii) preferred stock):

- Goldman Sachs Euro Corporate Bond Portfolio
- Goldman Sachs Euro Fixed Income Portfolio
- Goldman Sachs Euro Short Duration Bond Plus Portfolio
- Goldman Sachs Global Credit Portfolio (Hedged)
- Goldman Sachs Global Fixed Income Portfolio
- Goldman Sachs Global Fixed Income Portfolio (Hedged)
- Goldman Sachs Global Sovereign Bond Portfolio
- Goldman Sachs Sterling Broad Fixed Income Portfolio
- Goldman Sachs Sterling Corporate Income Bond Portfolio
- Goldman Sachs Sterling Credit Portfolio
- Goldman Sachs Sterling Ultra Short Duration Bond Portfolio
- Goldman Sachs US Dollar Short Duration Bond Portfolio
- Goldman Sachs US Dollar Ultra Short Duration Bond Portfolio
- Goldman Sachs US Fixed Income Portfolio
- Goldman Sachs US Mortgage Backed Securities Portfolio.

Under normal market conditions, each Fixed Income Portfolio will invest its assets primarily in securities of issuers domiciled in the country/region, active in the sector and/or with the market capitalisation referred to in the Portfolio's name and investment objective. **Accordingly, investors should be aware that a Fixed Income Portfolio may not invest all of its assets in issuers domiciled in the country/region, active in the sector and/or with the market capitalisation referred to in its name or investment objective nor in each of the countries comprising a region or listed in its name or investment objective.** Securities of issuers domiciled in a country/region or active in a sector include those companies deriving the predominant proportion of their revenues or profits from such country/region and/or sector. Subject always to the principles described above, Shareholders should be aware that there may be exposure, including both net long and net short exposures, to the country or countries, regions, sectors or currencies that are not referred to in the Portfolio's name or investment objective as a consequence of the use of financial derivative instruments as further described below.

Fixed Income Portfolios in particular may use certain techniques, through the use of financial derivative instruments related to the management of currency, credit and interest rate risks associated with the assets held in

the relevant Fixed Income Portfolio and may engage in transactions in financial derivative instruments, which may result in both net long and net short exposures, and other Permitted Investments as part of their general investment policy, to generate returns and/or for hedging purposes. In accordance with Appendix A – “UCITS Investment Restrictions”, no short sales of securities will be undertaken; short positions may be achieved using securitised and non-securitised financial derivative instruments. Please see Appendix C – “Special Investment Techniques” together with Section 4 “Risk Considerations” and in the relevant Supplement describing the relevant Fixed Income Portfolios.

Permitted Investments for the Fixed Income Portfolio may, subject to the aforementioned restrictions, include all types of debt securities subject to such limitations as may apply under Luxembourg law and the relevant Portfolio’s investment policy, including, but not limited to, fixed and floating rate, senior and subordinated corporate debt obligations (such as bonds, debentures, notes and commercial paper), mortgage and asset-backed securities, collateralised debt obligations, collateralised loan obligations, Money Market Instruments, Brady bonds and other debt issued by governments, their agencies and instrumentalities, or by central banks, convertible debt obligations (including CoCo bonds (see below)), loan participations and reverse repurchase agreements. A Fixed Income Portfolio may invest in excess of 20% of its net assets in mortgage and asset-backed securities either directly or indirectly via a financial index, including but not limited to CMBX. The Portfolios may invest in/obtain exposure to mortgage and asset-backed securities that are rated Investment Grade or non-Investment Grade according to each Portfolio investment objective. The issuers of such mortgage and asset-backed securities may include but are not limited to government agencies and/or government sponsored enterprises and special purpose vehicles sponsored by banks.

Certain Portfolios may invest in CoCos. Under the terms of a CoCo, certain triggering events, including events under the control of the management of the CoCo issuer, could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity. These triggering events may include (i) a deduction in the issuing bank’s Core Tier 1/Common Equity Tier 1 (CT1/CET1) ratio (or other capital ratios) below a pre-set limit, (ii) a regulatory authority, at any time, making a subjective determination that an institution is “nonviable”, i.e., a determination that the issuing bank requires public sector support in order to prevent the issuer from becoming insolvent, bankrupt, unable to pay a material part of its debts as they fall due or otherwise carry on its business and requiring or causing the conversion of the CoCos into equity in circumstances that are beyond the control of the issuer or (iii) a national authority deciding to inject capital. The Portfolio as a CoCo bondholder may suffer losses (i) before both equity investors and other debt holders which may rank *pari passu* or junior to CoCo investors and (ii) in circumstances where the bank remains a going concern. CoCo terms structures may be complex and may vary from issuer to issuer and bond to bond. Please read Section 4 “Risk Considerations” in the Prospectus for additional disclosure and a further description of risk factors.

If a security is unrated, a Portfolio may invest in such a security if such security is determined by the Investment Adviser to be of comparable credit quality to the rated securities in which the Portfolio is permitted to invest.

As part of a Fixed Income Portfolio’s overall investment policy, and as part of the range of Permitted Investments which may be utilised to generate exposure to fixed income markets, a Fixed Income Portfolio may invest in units or shares of bond related Permitted Funds, including Permitted Funds managed by Goldman Sachs; however, none of the Fixed Income Portfolios will invest more than 10% of its net assets in Permitted Funds.

Each Fixed Income Portfolio may hold ancillary liquid assets and, in exceptional and temporary circumstances, may hold liquid assets in excess of such restriction, provided that the Investment Adviser considers this to be in the best interests of the Shareholders.

2.3. Specialist Portfolios

The investment objectives for the Specialist Portfolios are customised for each Specialist Portfolio as further detailed in the relevant Supplement.

While certain Specialist Portfolios conform to the investment principles set out at 2.1 and 2.2 above, where such Portfolios can be classified as Equity Portfolios or Fixed Income Portfolios, respectively, certain Specialist Portfolios cannot be categorised as Equity Portfolios or Fixed Income Portfolios and may therefore be subject to other investment principles. These investment principles, in relation to, for example, the proportion of the net assets invested in specific Permitted Investments and/or the proportion of such net assets invested in the country,

region, sector and/or currency referred to in the Specialist Portfolio's name, are, where relevant, detailed in the relevant Supplement in respect of each Specialist Portfolio.

Each Specialist Portfolio will have a distinct investment policy making extensive use of financial derivative instruments as further detailed in the relevant Supplement.

Subject to the terms of the Prospectus (and, in particular, Appendix A – “UCITS Investment Restrictions” and Appendix C – “Special Investment Techniques”) and any Supplement, these Portfolios may engage in transactions in financial derivative instruments as part of the general investment policy and/or for hedging purposes. Please see Appendix C – “Special Investment Techniques” together with Section 4 “Risk Considerations” and in the relevant Supplement describing the relevant Specialist Portfolios.

2.4. Select Portfolios

The investment objective of each Select Portfolio is to seek to achieve total return consisting of income and capital appreciation through investment in Permitted Investments.

As further detailed in the relevant Supplement, the Select Portfolios are classified as Fixed Income Portfolios and conform to the investment principles set out at paragraph 2.2 above.

2.5. Flexible Portfolios

The investment objective of each Flexible Portfolio is total returns consisting of capital appreciation and income generation from a portfolio of Permitted Investments. Each Flexible Portfolio listed in the relevant Supplement will, under normal market conditions, invest at least two thirds of its net assets in equity and/or equity related Transferable Securities, fixed income securities, Permitted Funds and financial derivative instruments.

The Goldman Sachs Global Income Builder Portfolio may also, within the limits set out in Appendix A – “UCITS Investment Restrictions” of the Prospectus, invest in loan participations and/or loan assignments provided such instruments are consistent with Money Market Instruments normally dealt in the money market, are liquid and have a value that may be accurately determined at any time in compliance with applicable laws and regulations.

Equity and/or equity related Transferable Securities, includes common stock, preferred stock, warrants and other rights to acquire stock, ADRs, EDRs and GDRs.

Fixed income securities, includes fixed and floating rate, senior and subordinated corporate debt obligations (such as bonds, debentures, notes and commercial paper), mortgage and asset-backed securities, collateralised debt obligations, collateralised loan obligations, Money Market Instruments, Brady bonds and other debt issued by governments, their agencies and instrumentalities, or by central banks, convertible debt obligations (including CoCo bonds (see below)), preferred stock, and reverse repurchase agreements.

Certain Portfolios may invest in CoCos. Under the terms of a CoCo, certain triggering events, including events under the control of the management of the CoCo issuer, could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity. These triggering events may include (i) a deduction in the issuing bank's Core Tier 1/Common Equity Tier 1 (CT1/CET1) ratio (or other capital ratios) below a pre-set limit, (ii) a regulatory authority, at any time, making a subjective determination that an institution is “nonviable”, i.e., a determination that the issuing bank requires public sector support in order to prevent the issuer from becoming insolvent, bankrupt, unable to pay a material part of its debts as they fall due or otherwise carry on its business and requiring or causing the conversion of the CoCos into equity in circumstances that are beyond the control of the issuer or (iii) a national authority deciding to inject capital. The Portfolio as a CoCo bondholder may suffer losses (i) before both equity investors and other debt holders which may rank *pari passu* or junior to CoCo investors and (ii) in circumstances where the bank remains a going concern. CoCo structures may be complex and terms may vary from issuer to issuer and bond to bond. Please read Section 4 “Risk Considerations” in the Prospectus for additional disclosure and a further description of risk factors.

If a security is unrated, a Portfolio may invest in such a security if such security is determined by the Investment Adviser to be of comparable credit quality to the rated securities in which the Portfolio is permitted to invest.

Under normal market conditions, each Flexible Portfolio will invest its assets primarily in the securities of issuers domiciled in the country/region, active in the sector and/or with the market capitalisation referred to in the Portfolio's name and investment objective. Accordingly, investors should be aware that a Flexible Portfolio may not invest all of its assets in issuers domiciled in the country/region, active in the sector and/or with the market capitalisation referred to in its name or investment objective nor in each of the countries comprising a region or listed in its investment objective. Securities of issuers domiciled in a country/region or active in a sector include those issuers deriving the predominant proportion of their revenues or profits from such country/region and/or sector.

Subject to the terms of the Prospectus (and, in particular, Appendices A - "UCITS Investment Restrictions" and C - "Special Investment Techniques") and any Supplement, these Portfolios may engage in financial derivative transactions including, but not limited to, swaps (including equity swaps, interest rate swaps, credit default swaps and total return swaps), futures and options contracts (on equity securities and markets, interest rates, credit and currencies), foreign currency forward contracts, reverse repurchase agreements and credit linked instruments. These Portfolios will utilise financial derivative transactions as part of their general investment policy and/or for hedging purposes.

As part of a Flexible Portfolio's overall investment policy, and as part of the range of Permitted Investments which may be utilised to generate exposure to equity and fixed income as well as other markets, a Flexible Portfolio may invest in units or shares of Permitted Funds, including Permitted Funds managed by Goldman Sachs; however, with the exception of the Goldman Sachs Wealthbuilder Multi-Asset Conservative Portfolio, Goldman Sachs Wealthbuilder Multi-Asset Balanced Portfolio and Goldman Sachs Wealthbuilder Multi-Asset Growth Portfolio, none of the Flexible Portfolios will invest more than 10% of its net assets in Permitted Funds.

2.6. Alternative Portfolios

The Investment Adviser will seek to achieve the investment objective of each Alternative Portfolio by making investments principally in the underlying assets comprised in the Factors, markets, sectors, Sub-Strategies or assets (as such capitalized terms are defined in the relevant Supplement), as described in each Alternative Portfolio's investment objective or overview of investment process set out in the relevant Supplement, (i) directly, investing in Transferable Securities and/or other Permitted Investments, and/or (ii) indirectly, by using various techniques and instruments, such as financial derivative instruments, which may include one or several reverse repurchase agreement(s) and/or swap agreements(s), as described under Appendix C - "Special Investment Techniques" of this Prospectus. Such exposures, through the use of financial derivative instruments, may relate to, amongst other things, equities, fixed income, currency, credit and commodities, may result in significant leverage and may be both net long and net short exposures as part of their general investment policy, to generate returns and/or for hedging purposes. At any time, the Investment Adviser may determine in its sole discretion which of the abovementioned forms of investment, or any combination thereof, is the most appropriate to achieve the investment objective of each Portfolio. Please see Appendix C - "Special Investment Techniques" together with Section 4 "Risk Considerations" and in the relevant Supplement describing the relevant Alternative Portfolios.

Alternative Portfolios will not enter into fully funded swap agreements. Within the limits set forth in this Prospectus and on an ancillary basis, Alternative Portfolios may hold cash and cash equivalents. Alternative Portfolios will not invest more than 10% of their net assets in any UCITS or UCIs at any time.

2.7. Common Management of Assets

For the purpose of effective management, the Board of Directors may choose that the assets of certain Portfolios will be managed in common. The assets which are managed in common shall be referred to as a "pool", notwithstanding the fact that such pools are used solely for portfolio management purposes. The pools do not constitute separate entities and are not directly accessible to investors. Each of the Portfolios participating in the pool shall be allocated its specific assets in the pool, and the assets so attributable to each participating Portfolio will initially be determined by reference to its initial allocation of assets to such a pool and will change in the event of additional allocations or withdrawals. The entitlements of each participating Portfolio to the pooled assets apply to each and every line of investments of such pool. Additional investments made on behalf of the participating Portfolios shall be allotted to such Portfolios in accordance with their respective entitlements, whereas assets sold shall be levied similarly on the assets attributable to each participating Portfolio. Investors should be aware that costs and expenses resulting from subscriptions and redemptions (e.g. transaction costs in relation to investments

and disinvestments) in respect of one Portfolio participating in a pool may be borne by all participating Portfolios in proportion to their interests in the pool, and so such subscriptions and redemptions may adversely affect other participating Portfolios.

3. Description of Share Classes

The Share Classes described below may be made available as Accumulation Shares and/or as Distribution Shares and denominated in different currencies. The Fund may create certain Share Classes from time to time which may have different terms and characteristics as described below. Please refer to “Dividend Policy” hereunder and the appropriate Supplements for further details. The Board of Directors may, at its discretion, decide to change the characteristics of any class in accordance with the procedures determined by the Board of Directors from time to time.

3.1. Base Shares

The Fund makes available a base Share Class generally denominated in the Base Currency of the relevant Portfolio (“Base Shares”). The Sales Charge in respect of the Base Shares will not exceed 5.5% of the purchase price of Shares.

3.2. DV Shares

The Fund may make available “DV” Shares in certain of the Portfolios. “DV” Shares operate the same Management Fee, distribution fee and operating expenses as Base Shares of the relevant Portfolio. “DV” Shares may be subject to a Sales Charge, which will not exceed 4% of the purchase price of Shares. Investors should note that “DV” Shares may be restricted to certain distributors.

3.3. Other Currency Shares

The Fund may make available Share Classes which operate the same Sales Charge, Management Fee, distribution fee and operating expenses as Base Shares but which are denominated in or hedged to a currency other than the Base Currency of the relevant Portfolio. These Shares are referred to as: “Other Currency Shares”.

It should also be noted that each Portfolio which has GBP as the Base Currency would switch from GBP to EUR if the United Kingdom entered the European Economic and Monetary Union and adopted the Euro as its currency.

3.4. “A” Shares

The Fund may make available “A” Shares in certain of the Portfolios. The Distributor will receive a monthly distribution fee payable from the assets of the “A” Share Class in the relevant Portfolio at a rate of up to 0.50% per annum on the average daily net assets attributable to the “A” Share Class which it may retain or pass on to Sub-distributors in its discretion. The Sales Charge in respect of the “A” Shares will not exceed 4% of the purchase price of Shares.

3.5. “B” Shares

The Fund may make available “B” Shares in certain of the Portfolios. “B” Shares are not subject to an “upfront” Sales Charge (i.e. a Sales Charge that reduces an investor's subscription amount to the Fund) but are subject to a CDSC levied upon the redemption of “B” Shares made within four (4) years from the date of purchase (which for “B” Shares acquired on 29 February in any year will be deemed to have been purchased on the previous day) as follows:

Years Since Purchase	CDSC
1 Year or Less	4%
More than 1 Year up to 2 Years	3%
More than 2 Years up to 3 Years	2%
More than 3 Years up to 4 Years	1%
More than 4 Years	0%

The CDSC will be based on the lower of either the initial purchase price or total net asset value of the “B” Shares being redeemed and will be deducted from the redemption proceeds. Any CDSC in respect of “B” Shares acquired

as a result of the reinvestment of dividends will be waived. Further, when a Shareholder of “B” Shares redeems a portion of its Shares, it will be deemed to be redeeming Shares acquired as the result of the reinvestment of dividends first (if any), followed by those Shares with the lowest rate of CDSC. Although “B” Shares are currently only available in USD, the Fund may in future consider introducing “B” Shares in other currencies.

The Distributor will additionally receive a monthly distribution fee and a shareholder services fee payable out of the assets of the “B” Share Class in the relevant Portfolio. The distribution fee and the shareholder services fee shall be charged at a rate of up to 0.50% and 1% respectively per annum by reference to the average daily net asset value of the relevant “B” Share Class. The proceeds from the CDSC, the distribution fee and the shareholder services fee are payable to the Distributor and may be used in whole or in part to defray the Distributor’s expenses relating to the provision of services to the Management Company in connection with the offering of “B” Shares, including funding the costs of the payment of compensation (such as initial commissions in lieu of any “upfront” Sales Charge) to Sub-distributors.

Each of the Distributor and Sub-distributors may waive all or part of any applicable CDSC owed to them at its own discretion (with the approval of the Distributor in respect of Sub-distributors).

3.6. “C” Shares

The Fund may make available “C” Shares in certain of the Portfolios. “C” Shares are not subject to an “upfront” Sales Charge (i.e. a Sales Charge that reduces an investor’s subscription amount to the Fund) but are subject to a 1% CDSC levied upon the redemption of “C” Shares made within one (1) year from the date of purchase (which for “C” Shares acquired on 29 February in any year will be deemed to have been purchased on the previous day).

The CDSC will be based on the lower of either the initial purchase price or total net asset value of the “C” Shares being redeemed and will be deducted from the redemption proceeds. Any CDSC in respect of “C” Shares acquired as a result of the reinvestment of dividends will be waived. Further, when a Shareholder of “C” Shares redeems a portion of its Shares, it will be deemed to be redeeming Shares acquired as the result of the reinvestment of dividends first, followed by those Shares with the lowest rate of CDSC. The Distributor will additionally receive a monthly distribution fee payable out of the assets of the “C” Share Class in the relevant Portfolio. The distribution fee shall be charged at a rate of up to 1% respectively per annum by reference to the average daily net asset value of the relevant “C” Share Class. The proceeds from the CDSC and the distribution fee are payable to the Distributor and may be used in whole or in part to defray the Distributor’s expenses relating to the provision of services to the Management Company in connection with the offering of “C” Shares, including funding the costs of the payment of compensation (such as initial commissions in lieu of any “upfront” Sales Charge) to Sub-distributors.

Each of the Distributor and Sub-distributors may waive all or part of any applicable CDSC owed to them at its own discretion (with the approval of the Distributor in respect of Sub-distributors).

3.7. “D” Shares

The Fund may make available “D” Shares in certain of the Portfolios

The Distributor will receive a monthly distribution fee payable from the assets of the “D” Share Class in the relevant Portfolio at a rate of up to 0.25% per annum on the average daily net assets attributable to the “D” Share Class which it may retain or pass on to Sub-distributors in its discretion. The Sales Charge in respect of the “D” Shares will not exceed 4% of the purchase price of Shares.

3.8. “E” Shares

The Fund may make available “E” Shares in certain of the Portfolios in respect of which the Distributor will receive a monthly distribution fee payable from the assets of the “E” Share Class in the relevant Portfolio at a rate of up to 1.00% per annum on the average daily net assets attributable to the “E” Share Class which it may retain or pass on to Sub-distributors in its discretion. The Sales Charge in respect of the “E” Shares will not exceed 4% of the purchase price of Shares. It should be noted that where the Base Currency of the Portfolio is not EUR, the “E” Shares are not necessarily hedged and that as a result, fluctuations in currency exchange rates may affect the

performance of the “E” Shares independent of the performance of the relevant Portfolio’s investments. Please note “E” Shares may be offered in various currencies as noted in the Supplements.

3.9. “I” Shares

The Fund may make available “I” Shares in certain of the Portfolios. Investors should note that the sale and transfer of the “I” Shares is restricted to persons that can provide sufficient evidence that they qualify as institutional investors and who satisfy the minimum investment threshold for the relevant Portfolio. In considering the qualification of a subscriber or a transferee as an eligible institutional investor, the Board of Directors or the Management Company shall give due consideration to the guidelines or recommendations of the Luxembourg Supervisory Authority. There is no Sales Charge in respect of the “I” Shares.

3.10. “IS” Shares

The Fund may make available “IS” Shares in certain of the Portfolios. Investors should note that the sale and transfer of the “IS” Shares is restricted to persons that can provide sufficient evidence that they qualify as institutional investors and who satisfy the minimum investment threshold for the relevant Portfolio. In considering the qualification of a subscriber or a transferee as an eligible institutional investor, the Board of Directors or the Management Company shall give due consideration to the guidelines or recommendations of the Luxembourg Supervisory Authority. There is no Sales Charge in respect of the “IS” Shares.

3.11. “ID” Shares

The Fund may make available “ID” Shares in certain of the Portfolios. Investors should note that the sale and transfer of the “ID” Shares of the Fund is restricted to persons that can provide sufficient evidence that they qualify as institutional investors and who satisfy the minimum investment threshold for the relevant Portfolio. In considering the qualification of a subscriber or a transferee as an eligible institutional investor, the Board of Directors or the Management Company shall give due consideration to the guidelines or recommendations of the Luxembourg Supervisory Authority. There is no Sales Charge in respect of “ID” Shares.

For ID Shares that are Distribution Shares, the Fund intends to distribute all or part of the net investment income attributable to “ID” Shares more frequently than annually.

3.12. “II” Shares

The Fund may make available “II” Shares in certain of the Portfolios. Investors should note that the sale and transfer of the “II” Shares of the Fund is restricted to UCIs and investment products at the discretion of the Board of Directors. There is no Sales Charge in respect of “II” Shares.

3.13. “IO” Shares

The Fund may make available “IO” Shares in certain of the Portfolios. Investors should note that the sale and transfer of the “IO” Shares of the Fund is restricted to persons that can provide sufficient evidence that they qualify as institutional investors and who satisfy the minimum investment threshold for the relevant Portfolio. In addition, “IO” Shares shall be restricted to those institutional investors with an investment account with GSAMI through which certain investment services are provided or that otherwise pay fees or charges (other than those contemplated in the Prospectus) to GSAMI in respect of investment services. In considering the qualification of a subscriber or a transferee as an eligible institutional investor, the Board of Directors or the Management Company shall give due consideration to the guidelines or recommendations of the Luxembourg Supervisory Authority. There is no Sales Charge in respect of the “IO” Shares, except where otherwise provided for in the relevant Supplement.

3.14. “IOD” Shares

The Fund may make available “IOD” Shares in certain of the Portfolios. Investors should note that the sale and transfer of the “IOD” Shares of the Fund is restricted to persons that can provide sufficient evidence that they qualify as institutional investors and who satisfy the minimum investment threshold for the relevant Portfolio. In addition, “IOD” Shares shall be restricted to those institutional investors with an investment account with GSAMI through which certain investment services are provided or that otherwise pay fees or charges (other than those contemplated in the Prospectus) to GSAMI in respect of investment services. In considering the qualification of a subscriber or a transferee as an eligible institutional investor, the Board of Directors or the Management Company

shall give due consideration to the guidelines or recommendations of the Luxembourg Supervisory Authority. There is no Sales Charge in respect of the "IOD" Shares, except where otherwise provided for in the relevant Supplement.

3.15. "IX" Shares

The Fund may make available "IX" Shares in certain of the Portfolios. Investors should note that the sale and transfer of the "IX" Shares of the Fund is restricted to other UCIs. There is no Sales Charge in respect of "IX" Shares.

3.16. "IXO" Shares

The Fund may make available "IXO" Shares in certain of the Portfolios. Investors should note that the sale and transfer of the "IXO" Shares of the Fund is restricted to other UCIs managed by Goldman Sachs. There is no Sales Charge in respect of "IXO" Shares.

3.17. "J" Shares

The Fund may make available "J" Shares in certain of the Portfolios. Investors should note that the sale and transfer of "J" Shares may be restricted to certain affiliated distributor entities of the Distributor.

The Distributor will receive a monthly distribution fee payable from the assets of the "J" Shares in the relevant Portfolio at a rate of up to 0.75% per annum on the average daily net assets attributable to the "J" Shares which it may retain or pass on to Sub-distributors in its discretion. The Sales Charge in respect of the "J" Shares will not exceed 3.5% of the purchase price of Shares.

3.18. "P" Shares

The Fund may make available "P" Shares in certain of the Portfolios. Investors should note that the sale and transfer of "P" Shares may be restricted to eligible investors who meet certain criteria established by the Distributor. The "P" Shares will generally not levy a distribution fee and the Sales Charge in respect of the "P" Shares will not exceed 5.5% of the purchase price of Shares.

3.19. "R" Shares

The Fund may make available "R" Shares in certain of the Portfolios. The Sales Charge in respect of the "R" Shares will not exceed 5.5% of the purchase price of Shares.

"R" Shares may be offered in certain limited circumstances for distribution in certain countries and through distributors, platforms and/or broker/dealers who have separate fee arrangements with their clients. Compared to Base Shares, the "R" Shares are subject to a lower Management Fee, however, as Shareholders will typically be required to pay a fee for the advice or other investment service they receive in connection with an investment in "R" Shares it may be that the aggregate amount paid by such Shareholders (i.e. the Management Fee together with the separate fee that they may be required to pay) will be approximately equal to or greater than the Management Fee rate applicable to Shareholders of Base Shares (although there may be circumstances where it is lower).

3.20. "RS" Shares

The Fund may make available "RS" Shares in certain of the Portfolios. The Sales Charge in respect of the "RS" Shares will not exceed 5.5% of the purchase price of Shares.

"RS" Shares may be offered in certain limited circumstances for distribution in certain countries and through distributors, platforms and/or broker/dealers who have separate fee arrangements with their clients.

3.21. "S" Shares

The Fund may make available "S" Shares in certain of the Portfolios. The Sales Charge in respect of the "S" Shares will not exceed 5.5% of the purchase price of Shares.

3.22. "U" Shares

The Fund may make available "U" Shares in certain of the Portfolios which are denominated in USD and which are subject to a minimum investment threshold of USD20,000,000. The Sales Charge in respect of the "U" Shares will not exceed 5.5% of the purchase price of Shares.

3.23. "UC" Shares

The Fund may make available "UC" Shares in certain of the Portfolios. The "UC" Shares will have a maturity term as determined by the Board of Directors from time to time. At the end of a maturity term, the "UC" Shares will be compulsorily redeemed. The Board of Directors has full discretion to shorten and extend previously set maturity terms.

Investors should note that the sale and transfer of the "UC" Shares of the Fund is restricted to certain distributors, as determined by the Board of Directors or the Management Company. For "UC" Shares that are Distributing Shares, the Fund seek will to pay out a dividend regardless of the performance of, and the receipt of income in respect of, the assets attributable to the "UC" Shares. The Sales Charge in respect of the "UC" Share Class will not exceed 4% of the purchase price of Shares.

3.24. "AB1" Shares

The Fund may make available "AB1" Shares in certain of the Portfolios in respect of which the Distributor will receive a monthly distribution fee payable from the assets of the "AB1" Share Class at a rate of up to 0.25% per annum on the average daily net assets, which it may retain or pass on to Sub-distributors in its discretion. The Sales Charge in respect of the "AB1" Shares will not exceed 1% of the purchase price of Shares. Please note "AB1" Shares may be offered in various currencies as noted in the Supplements and may be restricted to certain distributors.

3.25. "AB2" Shares

The Fund may make available "AB2" Shares in certain of the Portfolios in respect of which the Distributor will receive a monthly distribution fee payable from the assets of the "AB2" Share Class at a rate of up to 0.25% per annum on the average daily net assets, which it may retain or pass on to Sub-distributors in its discretion. The Sales Charge in respect of the "AB2" Shares will not exceed 2% of the purchase price of Shares. Please note "AB2" Shares may be offered in various currencies as noted in the Supplements and may be restricted to certain distributors.

3.26. Currency Hedged Share Classes and Currency Exposure Share Classes

The Fund may make available "Currency Hedged Shares" and/or "Currency Exposure Shares" in certain of the Portfolios. Investors should be aware that a variety of techniques (please see Appendix C – "Special Investment Techniques") may be utilised in order to implement the required currency hedge or currency exposure and that such techniques involve additional risks. Any costs incurred as a result of the implementation of such currency hedge or currency exposure will be borne by the relevant Share Class.

Investors should be aware that investment in Currency Hedged Shares or Currency Exposure Shares which do not hedge underlying portfolio currency exposures back to the investor's base currency will result in the investor taking speculative currency positions, which may be volatile and may have a material impact on an investor's returns.

There can be no assurance or guarantee that the Investment Adviser will be able to hedge or achieve currency exposures at any time or at all, or be successful in hedging the currency exposure or achieving currency exposures, in whole or in part. Please see Section 4 "Risk Considerations" in the Prospectus.

Investors should also note that the implementation of Currency Hedged Shares and/or Currency Exposure Shares by the Investment Adviser is distinct from the various strategies that the Investment Adviser may implement at a portfolio level to manage risk in each Portfolio. The Sales Charge levied in respect of the Currency Hedged Share Classes and Currency Exposure Share Classes shall not exceed that specified for the relevant non-currency hedged or non-currency exposure Share Classes.

For certain emerging markets, where local currencies are not freely convertible, Non-Deliverable Forward contracts (NDFs) may be used to implement Currency Hedged Share Classes or Currency Exposure Share Classes. NDFs are currency financial derivative instruments which differ from normal foreign currency forward contracts in that there is no physical settlement of two currencies at maturity. Instead, a net cash settlement (usually in USD) will be made by one party to the other, based on the movement of two currencies. Please see Section 4 "Risk Considerations" in the Prospectus. Currency Hedged Share Classes which utilise NDFs will be denoted "(NDF)". Currency Exposure Share Classes which may solely utilise NDFs will not contain any specific notation indicating the use of NDFs in the Share Class name.

Currency Hedged Share Classes

There may be three distinct types of Currency Hedged Share Classes available:

- (a) Share Classes which seek to hedge the Base Currency or other currency exposures in the Portfolio to the currency denomination of the Share Class. Such Share Classes will, using a EUR denominated class as an example, be denoted: "(EUR-Hedged)".
- (b) Share Classes which seek to only hedge the portfolio return in a given currency (and not the underlying currency exposures) back to the currency denomination of the Share Class. Note that some investors might not regard this as a currency hedged class at all as the currency transactions are not linked to the underlying currency exposures of the portfolio.

For example, in the case of a EUR denominated Share Class where the return to be hedged is the return in USD the Investment Adviser will, following a EUR subscription into the Share Class, convert EUR to USD whilst entering into a USD/EUR currency forward transaction with the aim of creating a hedged exposure from USD back to EUR. **This means an investor in this Share Class will be exposed to the movement of the underlying portfolio currencies relative to USD rather than being exposed to the underlying portfolio currencies relative to EUR.** By way of example, such a Share Class of the Goldman Sachs BRICs Portfolio is denoted: "(EUR) (Long BRICs Ccy vs. USD)".

Such a Share Class would only be suitable for an investor who believes that the EUR will appreciate against USD. If instead the USD appreciates against EUR the Share Class will return less to the investor than if the investor had just invested in an unhedged class denominated in EUR.

- (c) Share Classes which seek to hedge only a certain proportion of the Base Currency exposure of the Portfolio to the currency denomination of the Share Class. Such Share Classes will, using a EUR denominated class as an example, be denoted: "(EUR-Partially Hedged)". Investors should be aware that these Share Classes will retain a level of currency exposure, which could be significant, and are not fully hedged to the currency denomination of the Share Class.

Currency Exposure Share Classes

Currency exposure classes seek to provide a long exposure to a single currency or basket of currencies relative to USD. Currency exposure classes may exist in the following formats:

- (i) **Local Currency Exposure Share Classes** which seek to provide a long exposure to "Local Currencies" relative to USD. "Local Currencies" refers to the currencies of each country which is represented within an external debt portfolio or an appropriate external debt benchmark (i.e. a portfolio or benchmark of USD denominated securities). By way of example, a Share Class which seeks to provide long local currency exposure relative USD and which is denominated in EUR is denoted: "(EUR) (Local Ccy Exposure)".
- (ii) **Asian Currency Exposure Share Classes** which seek to provide a long exposure to a basket of Asian currencies relative to USD. For example, a EUR denominated Share Class which seeks to provide long Asian currency exposure relative USD is denoted: "(EUR) (Asian Ccy Exposure)".

- (iii) **ELMI + Share Classes** which seek to provide a long exposure to the JP Morgan Emerging Local Markets Plus Index (“ELMI+”) relative to USD. The ELMI+ tracks total returns for local currency denominated money market instruments in the emerging markets. Currently, 24 countries are included in the ELMI+ representing Asia, Emerging Europe, Latin America, the Middle East and Africa. Each country's index target weight is based on the USD value of its external trade. An ELMI+ Share Class, denominated in EUR, which seeks to provide a long ELMI+ exposure relative to USD is denoted: “(EUR) (ELMI+ Exposure)”.
- (iv) **ADXY Share Classes** which seek to provide a long exposure to the Bloomberg-JPMorgan Asia Currency Index (“ADXY”) relative to USD. The ADXY is a spot index of Emerging Asia's most actively traded pairs valued against the USD. The composition of the index is primarily based on trade weights, with an added filter for liquidity. An ADXY Share Class, denominated in EUR, which seeks to provide a long ADXY exposure relative to USD is denoted: “(EUR) (ADXY Exposure)”.
- (v) **RMB Currency Exposure Share Classes** which seek to provide a long RMB exposure relative to USD. For example, a EUR denominated Share Class which seeks to provide long RMB exposure relative USD is denoted: “(EUR) (RMB Exposure)”. At the Investment Adviser's discretion the RMB exposure may be achieved by using CNY non-deliverable currency forward contracts (Please see Section 4 “Risk Considerations” in the Prospectus) and/or CNH currency forward contracts (the deliverable offshore RMB currency forward contract) and/or other appropriate financial derivative instruments which provide RMB exposure.

Each of the above Currency Exposure Share Class variants may also exist as Currency Hedged Share Classes which seek to fully hedge the currency exposures of the assets in the underlying portfolio to the currency denomination of the Share Class. For example, a EUR hedged, RMB Currency Exposure Share Class of Goldman Sachs Asia High Yield Bond Portfolio will be denoted: “(EUR-Hedged) (RMB Exposure)”. In this example, the underlying currency exposure of the portfolio (USD) will be fully hedged back to EUR and there will be an additional short USD / long RMB exposure.

3.27. Duration Hedged Share Classes

The Fund may make available “Duration Hedged Shares” in certain of the Portfolios which will seek to predominantly hedge the interest rate risk of the Portfolio, such Share Class being denoted: “(Duration-Hedged)”. However, investors should be aware that a variety of techniques may be used to hedge such Shares and that such hedging involves additional risks and that such hedging is not designed to address all of the duration risk in the Portfolio. The Investment Adviser will utilise various techniques (please see Appendix C – “Special Investment Techniques”) to seek to hedge the exposure of the Portfolio to interest rate movements. Any costs incurred in such hedging will be borne by such Duration Hedged Share Classes.

Investors should be aware that even if a Portfolio attempts such hedging techniques, it is not possible to hedge fully or perfectly against such market fluctuations affecting the value of securities and there is no assurance or guarantee that such interest rate hedging will be effective (please see Section 4 “Risk Considerations” in the Prospectus). It is very important for investors in Duration Hedged Share Classes to also note that the hedging operations of such Share Classes by the Investment Adviser: (1) are distinct from the various active strategies that the Investment Adviser may implement at a portfolio level to gain and weight exposures to different types of risk in each Portfolio, including duration risk and (2) will not seek to hedge that active overweight or underweight to duration risk. As a result, even if the hedging operations are totally successful this may mean that, due to the active views of the Investment Adviser, the exposure of the Duration Hedged Share Classes is greater or less than the duration risk of the Portfolio, meaning that there may still be active positions resulting in positive or negative duration exposure and risk in these Duration Hedged Share Classes. Therefore investors should be aware that Duration Hedged Share Classes may still retain significant sensitivity to changes in interest rates which could impact the value of their holdings. Moreover, investors should be aware that such Duration Hedged Share Classes may exhibit higher levels of risk as well as significantly lower levels of yield than the non-duration hedged Share Classes of the same Portfolio. The Sales Charge levied in respect of the Duration Hedged Share Classes shall not exceed that specified for the relevant non-duration hedged Share Classes.

Negative Duration Share Classes

The Fund may make available “Negative Duration Shares” in certain Portfolios which seek to provide a net negative interest rate risk exposure to the Portfolio, such Share Class being denoted: “(N-Duration)”. For example, if the interest rate risk of the Portfolio, measured by duration, is 5 years the Investment Adviser may utilise various techniques in an attempt to achieve, a Share Class duration profile of minus 5 years. Such exposure would seek to generate a positive return to the extent that relevant interest rates rise whilst conversely would detract from returns should relevant interest rates fall.

Investors should be aware that it is expected that, relative to non-Negative Duration Share Classes, investment in Negative Duration Share Classes would result in significant losses should relevant interest rates fall.

Moreover, investors should be aware that Negative Duration Share Classes may exhibit higher levels of risk as well as significantly lower levels of yield than the non-Negative Duration Share Classes of the same Portfolio.

Investors should be aware that the various techniques used by the Investment Adviser (please see Appendix C – “Special Investment Techniques”) to achieve a net negative duration exposure may involve additional risks. Any costs incurred in achieving such an exposure will also be borne by such Negative Duration Share Classes.

The Sales Charge levied in respect of the Negative Duration Share Classes shall not exceed that specified for the relevant non-Negative Duration Share Classes.

3.28. Flat Fee Share Classes

The Fund may make available “Flat Fee Shares” in certain Portfolios that have a performance fee, such Share Class being Denoted: “Base (Flat)” for a Base Class with a flat fee.

The Flat Fee Share Classes operate the same Sales Charge, distribution fee and operating expenses of the corresponding Share Class (e.g. Base and Base (Flat)), but will have a different Management Fee and will not levy a performance fee.

4. Risk Considerations

4.1 Introduction

4.1.1 General

In general, each Portfolio is intended for long-term investors who can accept the risks associated with investing in a particular Portfolio. There can be no assurance that the investment objective of a Portfolio will be achieved. No guarantee or representation is made that the investment program of a Portfolio will be successful, and investment results of the Portfolio may vary substantially over time. The possibility of total or partial loss of capital exists, and prospective investors should not subscribe for Shares unless they can readily bear the consequences of such loss.

An investment in Shares of a Portfolio does not constitute a complete investment programme. Investors may wish to complement an investment in a Portfolio with other types of investments. Investors should be aware that the value of the Shares may fall as well as rise. Investors may not get back the amount initially invested, and income, if any, may fluctuate. The value of investments of a Portfolio may be affected by a variety of factors, including economic and political developments, interest rates and foreign exchange rates, as well as issuer-specific events.

Whilst some risks will be more relevant to certain Portfolios, investors should ensure that they understand all the risks discussed in this Prospectus and the relevant Supplement and Appendix, insofar as they may relate to that Portfolio.

The difference at any one time between the sale and redemption price of Shares in a Portfolio means that the investment should be viewed as medium to long term.

The following risk considerations detail particular risks associated with an investment in the Fund, which investors are encouraged to discuss with their professional advisers. It does not purport to be a comprehensive summary of all of the risks associated with an investment in the Fund.

4.2 Investment risks

4.2.1 Investment and trading risks

An investment in a Portfolio involves a high degree of risk, including the risk that the entire amount invested may be lost. A Portfolio may invest in and actively trade commodity indices through financial derivative instruments, financial derivative instruments, securities, currencies and other financial instruments using strategies and investment techniques with significant risk characteristics, including, without limitation, risks arising from the volatility of commodity, equity, fixed income, currency and other financial markets, risks arising from the potential illiquidity of financial derivative instruments, the risk of loss from counterparty defaults and the risks of borrowing, including for purposes of making investments and to meet redemption requests, and risks associated with making investments in different country markets. These risks may be amplified by the use of leverage.

A Portfolio's investment program may utilise, directly or indirectly, such investment techniques as option transactions, leverage, financial derivative instruments transactions, forward and futures contracts, margin transactions, short sales, repurchase agreements and reverse repurchase agreements, and other transactions involving hedging or other strategies, which practices involve substantial volatility and can substantially increase the adverse impact to which the Portfolio may be subject. All investments made by a Portfolio risk the loss of capital. No assurance can be given that a Portfolio will be able to locate suitable investment opportunities in which to deploy all its capital. A reduction in the volatility and pricing inefficiency of the markets in which a Portfolio seeks to invest, as well as other market factors, may reduce the number and scope of available opportunities for the Portfolio's investment strategies.

4.2.2 Expedited transactions

Investment analyses and decisions by the Investment Adviser may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Investment Adviser at the time of making an investment decision may be limited. Therefore, no assurance can be given that the Investment Adviser will have knowledge of all circumstances that may adversely affect an investment. In addition, the Investment Adviser may rely upon independent consultants in connection with its evaluation of proposed investments, and no assurance can be given as to the accuracy or completeness of the

information provided by such independent consultants or to a Portfolio's right of recourse against them in the event errors or omissions do occur.

4.2.3 Settlement Risk

Different markets have different clearance and settlement procedures. Delays in settlement could result in temporary periods when a portion of the assets of a Portfolio is not invested and no return is earned thereon or the Portfolio could miss attractive investment opportunities. Inability to dispose of securities due to settlement problems could result either in losses to the Portfolio due to subsequent declines in value of the security or, if the Portfolio has entered into a contract to sell the security, could result in possible liability to the purchaser. Certain markets may require payment for securities to be made before delivery, subjecting the Portfolio concerned with the accompanying credit risk.

A Portfolio may also invest in markets (See "--Emerging markets") or investments e.g. bank loans (See "--*Bank loan risks*") which have different settlement cycles from the Portfolio or have settlement cycles that are effectively shorter because of a requirement to pre-pay settlement proceeds or post margin. As a result, a Portfolio may incur borrowing costs in transacting in such markets and investments.

4.2.4 Market risk

A Portfolio may be adversely affected by deteriorations in the financial markets and economic conditions throughout the world, some of which may magnify the risks described herein and have other adverse effects. Governments from time to time intervene, directly and by regulation, in certain markets. Such intervention often is intended directly to influence prices and may, together with other factors, cause some or all of such markets to move rapidly in the same direction.

Deterioration of market conditions or uncertainty regarding economic markets generally can result in declines in the market values of actual or potential investments, or increased illiquidity of investments. Such declines or illiquidity could lead to losses and diminished investment opportunities for the Portfolio, could prevent the Portfolio from successfully meeting its investment objectives or could require the Portfolio to dispose of investments at a loss while such unfavourable market conditions prevail.

To the extent that any such disruptions occur, the consequences described above (including declines in market values and illiquidity of investments) may affect any or all of the markets with which the Portfolio invest simultaneously, which could have a material adverse effect on the Portfolio and its investments. In addition, any such further market disruptions may also result in further changes to regulatory requirements or other government intervention. Such regulations may be implemented on an "emergency" basis, which may suddenly prevent the Portfolios from implementing certain investment strategies or from managing the risk of its outstanding positions.

4.2.5 Issuer risks

The issuers of securities in which a Portfolio invests will sometimes involve a high degree of business and financial risk. These issuers may be in early stages of development, may not have proven operating histories, may be operating at a loss or have significant variations in operating results, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or may otherwise have a weak financial condition.

In addition, although these issuers may incur leverage, proceeds of this debt may be paid as a dividend to stockholders and not invested in operating or financial assets, or otherwise retained by the company. As a result, these issuers' flexibility to respond to changing business and economic conditions and to business opportunities may be limited. A leveraged issuer's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used and an issuer with a leveraged capital structure will be subject to increased exposure to adverse economic factors. In the event that an issuer is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of a Portfolio's investment could be significantly reduced or even eliminated.

Such issuers may also face intense competition, including competition from issuers with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a larger number of qualified managerial and technical personnel.

4.2.6 Concentration of investments and strategies

Portfolios may at certain times hold large positions in a relatively limited number of investments, sectors or regions and will therefore be subject to the risks associated with such concentration. A Portfolio could be subject to significant losses if it holds a relatively large position in a single strategy, currency, issuer, industry, market or a particular type of investment that declines in value, and the losses could increase even further if the investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances. Such risks may impact all Portfolios which invest in particular sectors even in cases where the investment objective is more generic.

4.2.7 Geo-political risks

Investments in securities of issuers of different countries involve particular risks. Such risks may include political and economic developments, the imposition of exchange controls, confiscation and other governmental restrictions. Investment in securities of issuers from different countries offers potential benefits not available from investments solely in securities of issuers from a single country, but also involves certain significant risks that are not typically associated with investing in the securities of issuers located in a single country.

Issuers are generally subject to different accounting, auditing and financial reporting standards, practices and requirements in different countries throughout the world. The volume of trading, the volatility of prices and the liquidity of securities may vary in the markets of different countries. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies is different throughout the world.

4.2.8 Emerging markets

Securities traded in certain markets may be subject to additional risks due to, among other factors, the inexperience of financial intermediaries, weaker safekeeping frameworks, a lack of modern technology, the possibility of temporary or permanent termination of trading, and social, political and economic instability generally. Such instability may result from, among other things, authoritarian governments, or military involvement in political and economic decision-making, including changes or attempted changes in governments through extra-constitutional means; popular unrest associated with demands for improved political, economic or social conditions; internal insurgencies; hostile relations with neighbouring countries; and ethnic, religious and racial disaffections or conflict. Certain of such countries may have in the past failed to recognise private property rights and have at times nationalised or expropriated the assets of private companies. As a result, the risks from investing in those countries, including the risks of nationalisation or expropriation of assets, may be heightened.

Unanticipated political or social developments may affect the values of a Portfolio's investments in a country and the availability to the Portfolio of additional investments in that country.

Additional factors that may affect the value of a Portfolio's investments are: interest rates, inflation, import and export growth, commodity prices, the ability to service foreign debt, the size of the external debt relative to the gross domestic product, and the level of support from external sources such as the International Monetary Fund or the World Bank. As a result, the risks relating to investments in securities described above, including the possibility of nationalisation or expropriation, may be heightened.

The small size and inexperience of the securities markets in certain countries and the limited volume of trading in securities may make a Portfolio's investments illiquid and more volatile than investments in more established markets, and a Portfolio may be required to establish special custodial or other arrangements before making certain investments. There may be little financial or accounting information available with respect to local issuers, and it may be difficult as a result to assess the value or prospects of an investment. In addition, certain countries may restrict or prohibit investment opportunities in issuers or industries deemed important to national interests, which may affect the market price, liquidity and rights of securities that may be purchased by a Portfolio.

Settlement mechanisms in some securities markets may be less efficient and reliable than in other markets, which could impede a Portfolio's ability to effect portfolio transactions and may result in investments being settled through a more limited range of counterparties with an accompanying enhanced credit risk. Moreover, the payment of redemptions proceeds in Portfolios that invest in emerging markets may be delayed. Certain countries may also operate margining or pre-payment systems whereby margin or the entire settlement proceeds for a transaction

need to be posted prior to the settlement date which can give rise to credit and operational risks as well as potentially borrowing costs for the Portfolio.

Some countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates and corresponding currency devaluations and fluctuations in the rate of exchange between currencies and costs associated with currency conversion have had and may continue to have negative effects on the economies and securities markets of certain countries.

Sovereign debt of issuers in some countries can be deemed to be the equivalent, in terms of quality, to securities rated below Investment Grade. A Portfolio may have difficulty disposing of certain sovereign debt obligations because there may be a limited trading market for such securities.

A number of countries restrict, to varying degrees, foreign investment in stocks. Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration and/or approval in some countries. New or additional repatriation restrictions might be imposed subsequent to a Portfolio's investment. If such restrictions were imposed subsequent to a Portfolio's investment in the securities in a particular country, the Portfolio's response might include, among other things, applying to the appropriate authorities for waiver of the restrictions or engaging in transactions in other markets designed to offset the risks of decline in that country. Such restrictions will be considered in relation to such Portfolio's liquidity needs and all other acceptable positive and negative factors. Further, some attractive equity securities may not be available to a Portfolio because foreign shareholders hold the maximum amount permissible under current laws.

Government involvement in the private sector varies in degree between countries in which a Portfolio may invest. Such involvement may, in some cases, include government ownership of companies in certain sectors, wage and price controls or imposition of trade barriers and other protectionist measures. With respect to any particular country, there is no assurance that some future economic or political crisis will not lead to price controls, forced mergers of companies, expropriation, or creation of government monopolies, to the possible detriment of a Portfolio's investments.

In addition, in certain markets, local regulations may limit investment into local securities to certain qualifying foreign institutions and investors through licensing requirements and may also limit investment through quotas granted by local authorities. Potential investors should note that there is no guarantee that a Portfolio will benefit from quotas granted to such qualifying institutions and investors nor that, if it does, that it will always be available to the Portfolio. Withdrawal or failure to obtain a renewal of any such quota may have material adverse consequences to the Portfolio. A further consequence of investing via such quota may be that there is a limit on the amount that the Portfolio, and/or foreign investors as a whole, can own of the equity capital of a particular company. The actions of other foreign investors independent of the Portfolio can therefore impact the position of the Portfolio. Use of quotas often requires the transmission of funds through government designated service providers and accounts. Mandatory use of such providers may not provide the Portfolio with terms as advantageous as those which would be available if the selections were made on an open market basis.

4.2.9 Investments in Russia

Investments in Russia are currently subject to certain heightened risks with regard to the ownership and custody of securities. Ownership of Russian securities is evidenced by entries in the books of a company or its registrar (which is neither an agent of, nor responsible to, the Depositary). No certificates representing ownership of Russian companies will be held by the Depositary or any of its local correspondents or in an effective central depository system. As a result of this system, as well as the uncertainties around the efficacy and enforcement of state regulation, a Portfolio could lose its registration and ownership of Russian securities through fraud, negligence or otherwise. In addition, Russian securities have an increased custodial risk associated with them as such securities are, in accordance with market practice, held in custody with Russian institutions which may not have adequate insurance coverage to cover losses due to theft, destruction or default while such assets are in custody.

Investments by any Portfolio in Transferable Securities and Money Market Instruments other than those described in sections 1) a) through 1) d) in Appendix A – "UCITS Investment Restrictions" may not exceed 10% of the net assets of that Portfolio. For purposes of this limitation, Russian Transferable Securities and Money Market Instruments are generally subject to this 10% limitation, except for Transferable Securities and Money Market Instruments which are listed or traded on the Moscow Exchange.

4.2.10 Investments in China via Stock Connect

A Portfolio may invest in the China A Shares market of the People's Republic of China ("China" or the "PRC") through the Stock Connect scheme ("Stock Connect") either by investing in securities available on Stock Connect (the "Stock Connect Securities") or by investing in financial instruments and other market access products linked to such Stock Connect Securities.

Stock Connect is a mutual market access programme through which Hong Kong and overseas investors ("Stock Connect Investors") can deal in selected securities listed on a PRC stock exchange, currently on the Shanghai Stock Exchange ("SSE"), and qualified PRC domestic investors can deal in selected securities listed on The Stock Exchange of Hong Kong Limited ("SEHK") through a platform put in place between the PRC stock exchange and the SEHK.

As at the date of the prospectus, the Stock Connect programme has been developed between Hong Kong and the SSE by, among others, SEHK, the Hong Kong Securities Clearing Company Limited ("HKSCC") and China Securities Depository and Clearing Corporation ("ChinaClear"). Stock Connect provides a "northbound link", through which Stock Connect Investors may purchase and indirectly hold eligible China A Shares listed on the SSE ("SSE Shares") ("Northbound Trading") as well as a "southbound link", through which PRC investors may purchase and indirectly hold eligible shares listed on the SEHK.

To the extent the Stock Connect programme would at some point in the future be extended to China A Shares listed on the Shenzhen Stock Exchange, and provided that the Board of Directors of the Fund and the Depositary are both satisfied that the conditions and risks for such investments do not differ from those in relation to investments on the SSE, the Investment Adviser may elect to invest in China A Shares dealt on the Shenzhen Stock Exchange using Stock Connect. In this case, references to SSE, SSE shares and Northbound Trading below shall be reviewed as to include in the relevant disclosures possible investments in eligible China A Shares listed on the Shenzhen Stock Exchange through Stock Connect.

Shareholders should note that Stock Connect is a new trading programme. The relevant regulations are untested and subject to change and there is no assurance that Stock Connect will be permitted to continue in existence. Stock Connect is subject to quota limitations which may restrict a Portfolio's ability to deal via Stock Connect on a timely basis. This may impact that Portfolio's ability to implement its investment strategy effectively. The scope of securities in Stock Connect is subject to adjustment by relevant Stock Connect Authorities (as defined below) from time to time (see the paragraph headed "*The recalling of eligible stocks and trading restrictions*" below). This may adversely affect the Portfolio's ability to achieve its investment objective, for example, where a security that the Investment Adviser wishes to purchase on behalf of a Portfolio is recalled from the scope of Stock Connect. In addition, Stock Connect and its technology and risk management capability has only a short operating history. There is no assurance that the systems and controls of the Stock Connect programme will function as intended or whether they will be adequate.

Pre-trade check and enhanced pre-trade check

PRC law provides that SSE may reject a sell order if an investor does not have sufficient available China A Shares in its account. In respect of a sell order of China A Shares that is not a Stock Connect sell order for the sale of China A Shares held in a Special Segregated Account ("SPSA Order"), SEHK will apply a similar check on all sell orders of Stock Connect Securities on the Northbound Trading link at the level of SEHK's registered exchange participants ("Exchange Participants") to ensure there is no overselling by any individual exchange participant ("Pre-Trade Checking"). Enhanced pre-trade checking undertaken by SEHK (or any relevant subsidiary) applies in respect of an SPSA Order ("Enhanced Pre-Trade Checking"). In addition, Stock Connect Investors will be required to comply with any requirements relating to Pre-Trade Checking or Enhanced Pre-Trade Checking, as applicable, imposed by the applicable regulator, agency or authority with jurisdiction, authority or responsibility in respect of Stock Connect ("Stock Connect Authorities").

The Pre-Trade Checking requirement may require a pre-trade delivery of the Stock Connect Securities from a Stock Connect Investor's domestic custodian or sub-custodian to the Exchange Participant which will hold and safekeep such securities so as to ensure that they can be traded on a particular trading day. There is a risk that creditors of the Exchange Participant may seek to assert that such securities are owned by the Exchange Participant and not the Stock Connect Investor, if it is not made clear that the Exchange Participant acts as a custodian in respect of such securities for the benefit of the Stock Connect Investor.

Whilst the Enhanced Pre-Trade Checking model is a positive step towards addressing the pre-trade delivery issue, it is expected that more work and industry and/or regulatory discussions are required in order to make it widely acceptable.

As the Fund trades SSE Shares through a broker affiliated to the Fund's sub-custodian, who is an Exchange Participant and a clearing agent of its affiliated broker, no pre-trade delivery of securities is required and the above risk is mitigated.

Nominee holding structure, voting right and corporate actions

SSE Shares will be held following settlement by brokers or custodians as clearing participants in accounts in the Hong Kong Central Clearing and Settlement System ("CCASS") maintained by HKSCC as central securities depository in Hong Kong and as nominee holder. HKSCC is the "nominee holder" of the SSE Shares acquired by a Stock Connect Investor. While the distinct concepts of nominee holder and beneficial owner are generally recognized under the PRC Stock Connect rules as well as other laws and regulations in mainland China, the application of such rules is untested, and there is no assurance that PRC courts will recognise such rules, e.g. in liquidation proceedings of PRC companies or other legal proceedings. In the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that SSE Shares will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under PRC law. Stock Connect Investors who hold the SSE Shares (as beneficial owners) shall generally exercise their rights in relation to the SSE Shares through HKSCC as the nominee holder. Under the CCASS rules, HKSCC is prepared to provide assistance to the Stock Connect Investors in bringing the legal action in the PRC where necessary, subject to certain conditions. Accordingly, the Fund may only exercise voting rights with respect to SSE Shares by giving voting instructions to HKSCC (through CCASS participants), who will then consolidate such instructions and submit them in the form of a combined single voting instruction to the relevant SSE-listed company. Therefore, the Fund may not be able to exercise voting rights in respect of the underlying company in the same manner as in other markets.

In addition, any corporate action in respect of Stock Connect Securities will be announced by the relevant issuer through the SSE website and certain officially appointed newspapers. Stock Connect Investors may refer to the SSE website and the relevant newspapers for the latest listed company announcements or, alternatively, the website of the Hong Kong Exchanges and Clearing Limited for corporate actions in respect of Stock Connect Securities issued on the previous trading day. However, SSE-listed issuers publish corporate documents in Chinese only and English translations will not be available.

Given the short timescale within which proxy voting or other corporate actions are required to be taken in relation to the Stock Connect Securities, there is no assurance that CCASS participants who participate in Stock Connect will or will continue to provide or arrange for the provision of any voting or other related services. Accordingly, there is no assurance that the Fund will be able to exercise any voting rights or participate in any corporate actions in relation to Stock Connect Securities in time or at all.

Restriction on day trading

Save with a few exceptions, day (turnaround) trading is generally not permitted on the China A Share market. If a Portfolio buys Stock Connect Securities on a dealing day (T), the Portfolio may not be able to sell the Stock Connect Securities until on or after T+1 day.

Not protected by Investor Compensation Fund

Investors should note that if a Portfolio engages in any Northbound Trading, the Portfolio will not be covered by Hong Kong's Investor Compensation Fund or the China Securities Investor Protection Fund and thus investors will not benefit from compensation under such schemes.

Quotas used up

When the aggregate quota balance for Northbound Trading is less than the daily quota, the corresponding buy orders will be suspended on the next trading day (sell orders will still be accepted) until the aggregate quota balance returns to the daily quota level. Once the daily quota is used up, acceptance of the corresponding buy orders will also be immediately suspended and no further buy orders will be accepted for the remainder of the day. Buy orders which have been accepted will not be affected by the using up of the daily quota, while sell orders will be continued to be accepted. Depending on the aggregate quota balance situation, buying services will be resumed on the following trading day.

Difference in trading day and trading hours and other operational restrictions

Due to differences in public holidays between Hong Kong and mainland China or other reasons such as bad weather conditions, there may be a difference in trading days and trading hours between SSE and SEHK. Stock Connect will only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. There may be occasions when it is a normal trading day for the mainland China market but it is not possible to carry out any China A Shares trading in Hong Kong. Additionally, SEHK (or any relevant subsidiary) may, under certain circumstances as specified in the SEHK rules, temporarily suspend or restrict all or part of the order-routing and related supporting services with regard to all or any Northbound Trading and for such duration and frequency as SEHK may consider appropriate at any time and without advance notice.

As such, there is a risk of price fluctuations in China A Shares during the time when Northbound Trading is suspended or restricted as described above.

The recalling of eligible stocks and trading restrictions

A stock may be recalled from the scope of eligible stocks for trading via Stock Connect for various reasons, and in such event the stock can only be sold but is restricted from being bought. This may adversely affect the ability of a Portfolio to achieve its investment objective.

Under Stock Connect, the Investment Adviser will only be allowed to sell China A Shares but restricted from further buying if: (i) the China A Share subsequently ceases to be a constituent stock of the relevant indices; (ii) the China A Share is subsequently under "risk alert"; and/or (iii) the corresponding H share of the China A Share subsequently ceases to be traded on SEHK. Price fluctuation limits are also applicable to China A Shares.

Trading costs and Tax

In addition to paying trading fees and stamp duties in connection with China A Shares trading, a Portfolio carrying out Northbound Trading may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock transfers as determined by the relevant authorities.

Pursuant to the circular dated 31 October 2014 on the Taxation Policy of the Pilot Programme for the Mutual Stock Market Access between Shanghai and Hong Kong Stock Markets under Caishui [2014] No. 81 ("Circular No. 81"), in respect of trading of China A Shares through the Stock Connect:

- corporate income tax and business tax shall be exempt on a temporary basis on the gains earned by Hong Kong market investors (including corporate and individual investors) from the transfer of China A Shares listed on the SSE; and
- Hong Kong market investors are required to pay tax on dividend and bonus of China A Shares at a standard rate of 10%, which will be withheld and paid to the relevant PRC tax authority by the respective listed companies (before the HKSCC is able to provide details such as investor identities and holding periods to ChinaClear, the policy of differentiated rates of taxation based on holding periods will temporarily not be implemented).

Under Circular No. 81, Hong Kong market investors trading through Stock Connect are required to pay stamp duty arising from the sale and purchase of China A Shares and the transfer of China A Shares by way of succession and gift in accordance with the prevailing PRC taxation regulations.

Local market rules, foreign shareholding restrictions and disclosure obligations

Under Stock Connect, China A Shares listed companies and trading of China A Shares are subject to market rules and disclosure requirements of the China A Shares market. Any changes in laws, regulations and policies of the China A Shares market or rules in relation to Stock Connect may affect share prices. Foreign shareholding restrictions and disclosure obligations are also applicable to China A Shares.

The Fund and the Investment Adviser will be subject to restrictions on trading (including restriction on retention of proceeds) in China A Shares as a result of their interest in the China A Shares and are responsible for compliance with all notifications, reports and relevant requirements in connection with such interests.

Under current PRC law, once an investor holds up to 5% of the shares of a PRC-listed company, the investor is required to disclose his interest within three days in accordance with the applicable regulations and during the

reporting period he cannot trade the shares of that company. The investor is also required to disclose any change in his shareholding and comply with related trading restrictions in accordance with PRC law.

According to existing mainland China practices, the Fund as beneficial owner of China A Shares traded via Stock Connect cannot appoint proxies to attend shareholders' meetings on its behalf (see the paragraph headed "*Nominee holding structure, Voting Right and Corporate Actions*" above).

Clearing, settlement and custody risks

HKSCC and ChinaClear have established the clearing links between the two exchanges and each will become a participant of the other to facilitate clearing and settlement of cross-border trades. For cross-border trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Hong Kong and overseas investors which have acquired Stock Connect Securities through Northbound Trading should maintain such securities with their brokers' or custodians' stock accounts with CCASS (operated by HKSCC).

Currency risks

Stock Connect Securities under Northbound Trading will be traded and settled in RMB. If a Portfolio issues Share Classes denominated in a currency other than RMB, the Portfolio will be exposed to currency risk if the Portfolio invests in a RMB product due to the need for the conversion of the currency into RMB. The Portfolio will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Portfolio purchases it and when the Portfolio redeems / sells it, the Portfolio will still incur a loss when it converts the redemption / sale proceeds into local currency if RMB has depreciated.

Risk of ChinaClear default

ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. Pursuant to the General Rules of CCASS, if ChinaClear (as the host central counterparty) defaults, HKSCC will, in good faith, seek recovery of the outstanding Stock Connect Securities and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable.

HKSCC will in turn distribute the Stock Connect Securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Stock Connect Authorities. Stock Connect Investors in turn will only be distributed the Stock Connect Securities and/or monies to the extent recovered directly or indirectly from HKSCC. Although the likelihood of a default by ChinaClear is considered to be remote, Shareholders should be aware of this arrangement and of this potential exposure.

Risk of HKSCC default

A failure or delay by HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect Securities and/or monies in connection with them and the Fund may suffer losses as a result.

Ownership of Stock Connect Securities

Stock Connect Securities are uncertificated and are held by HKSCC for its account holders. Physical deposit and withdrawal of Stock Connect Securities are not available under the Northbound Trading for the Fund.

The Fund's title or interests in, and entitlements to, Stock Connect Securities (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction (see the paragraph headed "*Local market rules, foreign shareholding restrictions and disclosure obligations*" above). It remains untested whether the Chinese courts would recognise the ownership interest of Stock Connect Investors to allow them standing to take legal action against Chinese companies.

No manual trade or block trade

Currently there is no manual trade facility or block trade facility for Stock Connect Securities transactions under Northbound Trading. A Portfolio's investment options may become limited as a result.

Order priority

Trade orders are entered into China Stock Connect System ("CSC") based on time order. Trade orders cannot be amended, but may be cancelled and re-entered into the CSC as new orders at the back of the queue. Due to quota restrictions or other market intervention events, there can be no assurance that trades executed through a broker will be completed.

Execution issues

Stock Connect trades may, pursuant to the Stock Connect rules, be executed through one or multiple brokers that may be appointed by the Fund for Northbound Trading. Given the Pre-Trade Checking requirements and hence the pre-trade delivery of Stock Connect Securities to an Exchange Participant, the Investment Adviser may determine that it is in the interest of a Portfolio that it only executes Stock Connect trades through a broker who is affiliated to the Fund's sub-custodian that is an Exchange Participant. In that situation, whilst the Investment Adviser will be cognisant of its best execution obligations it will not have the ability to trade through multiple brokers and any switch to a new broker will not be possible without a commensurate change to the Fund's sub-custody arrangements.

No off-exchange trading and transfers

Market participants must match, execute or arrange the execution of any sale and buy orders or any transfer instructions from investors in respect of any Stock Connect Securities in accordance with the Stock Connect rules. This rule against off-exchange trading and transfers for trading of Stock Connect Securities under Northbound Trading may delay or disrupt reconciliation of orders by market participants. However, to facilitate market players in conducting Northbound Trading and the normal course of business operation, off-exchange or "non-trade" transfer of Stock Connect Securities for the purposes of post-trade allocation to different funds/sub-funds by fund managers have been specifically allowed.

The above may not cover all risks related to Stock Connect and any above-mentioned laws, rules and regulations are subject to change and there is no assurance as to whether or how such changes or developments may restrict or affect the Fund's investments via Stock Connect.

4.2.11 Publicly traded securities

In the event that a Portfolio acquires fixed income securities and / or equity securities that are publicly traded, the Portfolio will be subject to the risks inherent in investing in public securities. In addition, in such circumstances the Portfolio may be unable to obtain financial covenants or other contractual rights that it might otherwise be able to obtain in making privately-negotiated debt investments. Moreover, a Portfolio may not have the same access to information in connection with investments in public securities, either when investigating a potential investment or after making an investment, as compared to a privately-negotiated investment. Furthermore, a Portfolio may be limited in its ability to make investments, and to sell existing investments, in public securities if Goldman Sachs has material, non-public information regarding the issuers of those securities. The inability to sell securities in these circumstances could materially adversely affect the investment results of a Portfolio.

4.2.12 Short sales

In accordance with Appendix A – "UCITS Investment Restrictions", no short sales of securities will be undertaken; short positions may only be achieved using securitised and non-securitised financial derivative instruments. Short selling allows the investor to profit from declines in securities. A synthetical short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit. Securities may be synthetically sold short by a Portfolio in a long / short strategy to hedge a long position, or to enable the Portfolio to express a view as to the relative value between the long and short positions.

There is no assurance that the objectives of this strategy will be achieved, or specifically that the long positions will not decrease in value and the synthetic short positions will not increase in value, causing the Portfolio losses on both components of the transaction.

Securities regulators may ban, via temporary measures, any legal or natural person from entering into transactions which might constitute or increase a net short position on financial derivative instruments ("Short-Selling Ban"). The purpose of such action is to closely monitor the functioning of those markets. Short-Selling Bans may directly or indirectly impact the performance of a Portfolio, as implementation of its investment objective by alternative

methods may reveal to be economically less efficient. These restrictions and reporting requirements may prevent a Portfolio from successfully implementing its investment strategies, including, without limitation, as part of any long / short strategy or in connection with hedging its investments, and to achieving its investment objective. In addition, reporting requirements relating to short selling may provide transparency to a Portfolio's competitors as to its short positions, thereby having a detrimental impact on the Portfolio's returns.

4.2.13 Market risks of spread transactions

Where a Portfolio enters into spread transactions, it is subject to the risk that the prices of the securities underlying the positions comprising such spreads will not fluctuate in the same direction or to the same extent during the period in which the spread position is maintained. Under such circumstances, the Portfolio could sustain losses on one security or both positions of the spread transaction.

4.2.14 Small capitalisation companies

Investing in the securities of smaller, lesser-known companies may involve greater risk and the possibility of greater price volatility than investing in larger, more mature better known companies or in a more diverse portfolio of equity securities. The securities of small capitalisation and recently organised companies pose greater investment risks because such companies may have limited product lines, distribution channels and financial and managerial resources. Further, there is often less publicly available information concerning such companies than for larger, more established businesses. The securities of small capitalisation companies are often traded over-the-counter or on regional exchanges and may not be traded in the volumes typical on a national securities exchange. Consequently, a Portfolio may be required to dispose of such securities. Investments in small capitalisation companies may also be more difficult to value than other types of securities because of the foregoing considerations as well as lower trading volumes. Additionally, transaction costs for these types of investments are often higher than those of larger capitalisation companies.

4.2.15 Companies with limited operating history

Investments in companies with limited operating histories are more speculative and entail greater risk than do investments in companies with an established operating record.

4.2.16 No reliance on past performance

The past investment performance of the Investment Adviser and the Portfolios should not be construed as an indication of the future results of the Investment Adviser or the Portfolios. A Portfolio may have a limited operating history upon which prospective investors cannot reliably evaluate performance. The results of other investment funds formed and accounts managed by the Investment Adviser, its Affiliates and Goldman Sachs, currently or in the past, which have or have had investment programs that are different from or similar to the investment program of a Portfolio, or which may have a longer operating history are also not indicative of the results that the Portfolio may achieve. The Portfolio makes investments in a different portfolio of securities. Accordingly, the Portfolios' results may differ from and are independent of the results previously obtained by the Investment Adviser and those investment funds and accounts. Further, a Portfolio and its method of operation may differ in several respects from other Goldman Sachs investment vehicles or accounts; e.g., there are different investment and return objectives and investment allocation strategies and, in certain cases, investment techniques. Potential investors who desire performance or related information with respect to other investment funds formed or managed by Goldman Sachs should contact their usual Goldman Sachs representative or the Management Company.

4.2.17 Off-exchange transactions

While some off-exchange markets are highly liquid, transactions in off-exchange, or non-transferable, financial derivative instruments may involve greater risk than investing in on-exchange financial derivative instruments because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what a fair price is.

4.2.18 Margin transactions

Instead of paying the whole purchase price immediately, certain transactions which are margined require a Portfolio to make a series of payments against the purchase price instead (known as contingent liability transactions).

If the Portfolio trades in futures, contracts for difference or sells options, the Portfolio may sustain a total loss of the margin it deposits with the broker to establish or maintain a position. If the market moves against the Portfolio, the Portfolio may be called upon to pay substantial additional margin at short notice to maintain the position. If the Portfolio fails to do so within the time required, its position may be liquidated at a loss and the Portfolio will be liable for any resulting deficit.

Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered into. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may expose the Portfolio to substantially greater risks.

4.2.19 Trading liquidity

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

4.2.20 Clearing house protections

On many exchanges, the performance of a transaction by a broker (or the third party with whom he is dealing on a Portfolio's behalf) is "guaranteed" by the exchange or its clearing house. However, this guarantee is unlikely in most circumstances to cover the Portfolio in its relationship with the broker, and may not protect the Portfolio if the broker or another party defaults on its obligations to the Portfolio. Please refer to "*Particular risks of financial derivative instruments*" for more information on clearing requirements for over-the-counter financial derivative instruments.

4.2.21 Investments which are not readily realisable

A Portfolio has the right to invest up to 10% of its net assets in Transferable Securities and Money Market Instruments which do not comply with the Investment Restrictions set out in paragraph 1 of Appendix A– "UCITS Investment Restrictions". Subject to its requirement to comply with Article 84 of the UCITS Directive, as implemented in Luxembourg by Article 28(1)(b) of the Law of 17 December 2010, which obliges a UCITS fund to redeem its shares, in accordance with the terms of the Prospectus, at the request of a Shareholder, certain of the Fund's investments may be in assets which may be less liquid, or which may be liquid when purchased but may subsequently suffer from illiquidity as market circumstances change, which can happen without warning and very suddenly.

Such illiquid securities and financial instruments may not be readily disposable and, in some cases, may be subject to contractual, statutory or regulatory prohibitions on disposition for a specified period of time. The market value of a Portfolio's investments may fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of financial markets, developments or trends in any particular industry and the financial condition of the issuers of the securities in which the Portfolio invests. There may be no readily available market for such investments and from time to time there may be difficulty in obtaining reliable information about the value and extent of risks associated with such investments. During periods of limited liquidity and higher price volatility, a Portfolio's ability to acquire or dispose of investments at a price and time that the Investment Adviser deems advantageous may be impaired. As a result, in periods of rising market prices, a Portfolio may be unable to participate in price increases fully to the extent that it is unable to acquire or dispose desired positions quickly; conversely, the Portfolio's inability to dispose fully and promptly of positions in declining markets will cause its net asset value to decline as the value of unsold positions is marked to lower prices.

The above circumstances could prevent a Portfolio from liquidating positions promptly and could subject the Portfolio to substantial losses. As, when it receives redemption requests, a Portfolio is not obliged to realise its

assets pro rata across its portfolio, redemption requests by Shareholders in a Portfolio that require the Portfolio to liquidate underlying positions may lead to:

- the Portfolio realising a greater portion of more liquid securities resulting in the Portfolio then holding a greater concentration of such relatively less liquid interests than was previously the case and the Portfolio's investment mix may thereby become more biased towards relatively less liquid securities which could increase the risk for remaining Shareholders; and/or
- the Portfolio realising less liquid assets at an unfavourable time and/or unfavourable conditions which may adversely impact the value that is realised for those assets and/or the Portfolio's ability to settle redemption requests on its normal settlement cycle.

The net asset value of a Portfolio as of a particular date may be materially less than or greater than the net asset value the Portfolio that would be determined if the Portfolio's assets were to be liquidated as of such date. For example, if a Portfolio were required to sell a certain asset or all or a substantial portion of its assets on a particular date, the actual price that the Portfolio would realize upon the disposition of such asset or assets could be materially less than the value of such asset or assets as reflected in the net asset value of the Portfolio. Volatile market conditions could also cause reduced liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in the net asset value of a Portfolio.

A Portfolio may invest in assets that lack a readily ascertainable market value, or assets held by a Portfolio may not have readily ascertainable market value in the future. A Portfolio's net asset value will be affected by the valuations of any such assets (including, without limitation, in connection with calculation of any investment management and performance fees). In determining the probable realization value or fair value of assets that lack a readily ascertainable market value, the Fund (or an affiliated or independent agent thereof) may use one or more of a variety of valuation methodologies (depending on factors including the asset type). The assets may be valued using dealer supplied quotations or pricing models developed by third parties, the Management Company, the Investment Adviser, the Valuer and/or Affiliates of the Management Company and the Investment Adviser. Such methodologies may be based upon assumptions and estimates that are subject to error.

Given the uncertainty inherent in the valuation of assets that lack a readily ascertainable market value, the value of such assets as reflected in a Portfolio's net asset value may differ materially from the prices at which the Portfolio would be able to liquidate such assets. The value of assets that lack a readily ascertainable market value may be subject to later adjustment based on valuation information available to the Fund (or its agents) at that time including, for example, as a result of year-end audits.

If the Management Company, or any other party, is involved in the valuation of the Fund's assets, including assets that lack a readily ascertainable market value, the Management Company or such other party may face a conflict of interest in valuing such assets, as their value may affect the compensation owed to the Management Company or such other party. Please refer to Section 17 "Determination of Net Asset Value" in the Prospectus for more information on how positions will be valued and net asset value calculated.

4.2.22 Infrastructure Group of Industries Risks

Infrastructure companies are susceptible to various factors that may negatively impact their businesses or operations, including costs associated with compliance and changes in environmental, governmental and other regulations, rising interest costs in connection with capital construction and improvement programs, government budgetary constraints that impact publicly funded projects, the effects of general economic conditions throughout the world, surplus capacity and depletion concerns, increased competition from other providers of services, uncertainties regarding the availability of fuel at reasonable prices, the effects of energy conservation policies, unfavorable tax laws or accounting policies, high leverage and natural or man-made disasters. Infrastructure companies may also be affected by innovations in technology which could render the way in which they deliver a product or service obsolete.

4.3 Legal issues relating to investments

4.3.1 Government investment restrictions

Government regulations and restrictions in some countries may limit the amount and type of securities that may be purchased by a Portfolio or the sale of such securities once purchased. The ability of a Portfolio to invest in securities of companies or governments of certain countries may be limited or, in some cases, prohibited. As a result, larger portions of a Portfolio's assets may be invested in those countries where such limitations do not exist. Such restrictions may also affect the market price, liquidity and rights of securities that may be purchased by a Portfolio, and may increase Portfolio expenses. In addition, policies established by the governments of certain countries may adversely affect each Portfolio's investments and the ability of a Portfolio to achieve its investment objective.

In addition, the repatriation of both investment income and capital is often subject to restrictions such as the need for certain governmental consents, and even where there is no outright restriction, the mechanics of repatriation or, in certain countries, the inadequacy of the U.S. dollar or of any other major currency available to non-governmental entities, may affect certain aspects of the operation of a Portfolio. In countries that have an inadequate supply of U.S. dollar currency or of the relevant major currency, issuers that have an obligation to pay a Portfolio in U.S. dollars or in another major currency may experience difficulty and delay in exchanging local currency to U.S. dollar or that other currency and thus hinder the Portfolio's repatriation of investment income and capital. Moreover, such difficulty may be exacerbated in instances where governmental entities in such countries are given priority in obtaining such scarce currency. Furthermore, a Portfolio's ability to invest in the securities markets of several countries is restricted or controlled to varying degrees by laws restricting foreign investment and these restrictions may, in certain circumstances, prohibit a Portfolio from making direct investments. In addition, certain jurisdictions have recently imposed restrictions and reporting requirements on short selling. See "*— Short sales*". Further, regulators and exchanges are authorised to regulate trading or other activity with respect to certain markets and may impose other restrictions which could have significant adverse effects on a Portfolio's portfolio and the ability of the Portfolio to pursue its investment strategies and achieve its investment objective.

4.3.2 No investment guarantee

Investment in a Portfolio is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit or securities account or any guarantee at all.

4.3.3 Regulatory interpretation of UCITS restrictions

Each Portfolio is subject to the investment restrictions set out in Appendix A – "UCITS Investment Restrictions". Ordinarily, such investment restrictions apply at the level of each Portfolio rather than at the level of the Fund as a whole. However, certain restrictions have been interpreted by the relevant regulatory authorities (such as ESMA or the CSSF) to apply at the level of the Fund. This means that the holdings of the various Portfolios would be combined for the purposes of determining compliance with the relevant restriction. This may render the application of a given restriction more prohibitive for a given Portfolio than it would have been had the restriction applied at the level of the Portfolio rather than the Fund as a whole. As a result, the relevant Portfolio may have to dispose of, or refrain from purchasing, assets that it otherwise would have held, which may hinder the Portfolio's ability to achieve its investment objective.

Furthermore, the application and interpretation of EU legislation (or their implementation in a Member State) may differ from one Member State to another. As a result, the implementation of the investment strategy of a particular Portfolio may differ from the way such strategy would be implemented if such Portfolio was located in another Member State.

4.4 Investment in debt securities

4.4.1 Fixed income securities

A Portfolio may invest in fixed income securities. Investment in these securities may offer opportunities for income and capital appreciation, and may also be used for temporary defensive purposes and to maintain liquidity. Fixed income securities are obligations of the issuer to make payments of principal and / or interest on future dates, and

include, among other securities: bonds, notes, and debentures issued by corporations; debt securities issued or guaranteed by governments or their agencies or instrumentalities; municipal securities; and mortgage-backed and asset backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations. Fixed-income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to factors such as interest rate sensitivity, market perception of the creditworthiness of the issuer, and general market liquidity (i.e., market risk).

A Portfolio's investments in debt securities may be subject to early redemption features, refinancing options, prepayment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Portfolio earlier than expected. This may happen when there is a decline in interest rates, or when the issuer's performance allows the refinancing of debt with lower cost debt. Early repayments of investments may have a material adverse effect on the Portfolio's investment objective and the profits on invested capital.

A Portfolio may invest in Rule 144A securities, which are privately offered securities that can be resold only to certain qualified institutional buyers (as such terms are defined in the 1933 Act). As such securities are traded among a limited number of investors, certain Rule 144A securities may be illiquid and involve the risk that a Portfolio may not be able to dispose of these securities quickly or in adverse market conditions.

4.4.2 Tranched instruments

A Portfolio may, in the sole discretion of the Investment Adviser, directly or indirectly invest in Investment Grade or other debt instruments of companies or other entities not affiliated with countries or governments. Certain of such securities may be fixed pools or may be "market value" or managed pools of collateral which are typically separated into tranches representing different degrees of credit quality, with lower rated tranches being subordinate to senior tranches. The returns on the junior tranches of such pools are especially sensitive to the rate of defaults in the collateral pool. In addition, the exercise of redemption rights, if any, by more senior tranches of such pools and certain other events could result in an elimination, deferral or reduction in the funds available to make interest or principal payments to the junior tranches of such pools.

As with other investments made by a Portfolio, there may not be a liquid market for these debt instruments, which may limit the Portfolio's ability to sell these debt instruments or to obtain the desired price. Futures and options on futures on debt and other fixed income securities are subject to all the foregoing risks, in addition to the risks particularly associated with futures and financial derivative instruments generally.

4.4.3 Investment in fixed income securities and risks of interest and exchange rate fluctuations

The net asset value of the Shares of a Portfolio invested in fixed income securities will change in response to fluctuations in interest rates and currency exchange rates which can be caused by a wide variety of market factors, including central bank monetary policy, inflation levels and changes in general economic conditions. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed income securities generally can be expected to rise and vice versa. The performance of investments in fixed income securities denominated in a specific currency will also depend on the interest rate environment in the country issuing the currency. As the net asset value of each Portfolio will be calculated in its Base Currency, the performance of the Portfolio's investments not denominated in the Base Currency will also depend on the strength of such currency against the Base Currency and the interest rate environment in the country issuing the currency. Absent other events that could otherwise affect the value of non-Base Currency investments (such as a change in the political climate or an issuer's credit quality), appreciation in the value of the non-Base Currency generally can be expected to increase the value of a Portfolio's corresponding non-Base Currency investments in terms of the Base Currency. A rise in interest rates or decline in the value of currencies other than the Base Currency relative to the Base Currency generally can be expected to depress the value of a Portfolio's non-Base Currency investments.

4.4.4 Insolvency considerations with respect to issuers of indebtedness

Indebtedness consisting of obligations of different issuers may be subject to various laws enacted in the countries of their issuance for the protection of creditors. These insolvency considerations and the levels of protection

provided will differ depending on the country in which each issuer is located or domiciled and may differ depending on whether the issuer is a non-sovereign or a sovereign entity.

Generally, an issuer would be considered insolvent at a particular time if the sum of its debts was then greater than all of its property at a fair valuation, or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was “insolvent” after giving effect to the incurrence of the indebtedness in which a Portfolio invested or that, regardless of the method of valuation, a court would not determine that the issuer was “insolvent” upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer of indebtedness in which the Portfolio invests, payments made on such indebtedness could be subject to avoidance as a “preference” if made within a certain period of time (which may be as long as one year in connection with investments in companies affiliated with Goldman Sachs) before insolvency. This means that if such payment is viewed as a “preference” it may be subject to repayment. In general, if payments on indebtedness are held to be void, whether as fraudulent conveyances or preferences, such payments can be recaptured from the Portfolio.

It is not anticipated that any Portfolio will engage in conduct that would form the basis for a successful cause of action based upon fraudulent conveyance, preference or equitable subordination. There can be no assurance, however, as to whether any lending institution or other party from which a Portfolio may acquire such indebtedness engaged in any such conduct (or any other conduct that would subject such indebtedness and the Portfolio to insolvency laws) and, if it did, as to whether such creditor claims could be asserted in a court against the Portfolio.

4.4.5 Credit ratings

The Investment Adviser may, but is not required to, use credit ratings to evaluate securities. Credit ratings issued by credit rating agencies are designed to evaluate the safety of principal and interest payments of rated securities. They do not, however, evaluate the market value risk of lower-quality securities and, therefore, may not fully reflect the true risks of an investment. In addition, credit rating agencies may or may not make timely changes in a rating to reflect changes in the economy or in the condition of the issuer that affect the market value of the security. Consequently, credit ratings are used only as a preliminary indicator of investment quality. Investments in lower-quality and comparable unrated obligations will be more dependent on the Investment Adviser's credit analysis than would be the case with investments in Investment Grade debt obligations. Generally, a credit rating agency will not, as a matter of policy, assign a rating to a corporate issuer of debt which is higher than the rating assigned to the country in which the corporation is domiciled. Thus, ratings for emerging market corporate issuers are generally capped by the sovereign ratings.

4.4.6 Risks of investing in Non-Investment Grade fixed-income securities

Non-Investment Grade fixed-income securities are considered predominantly speculative by traditional investment standards. In some cases, these obligations may be highly speculative and have poor prospects for reaching Investment Grade standing. Non-Investment Grade fixed-income securities and unrated securities of comparable credit quality are subject to the increased risk of an issuer's inability to meet principal and interest obligations. These securities, also referred to as high yield securities, may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the junk bond markets generally and less secondary market liquidity.

Non-Investment Grade fixed-income securities are often issued in connection with a corporate reorganisation or restructuring or as part of a merger, acquisition, takeover or similar event. They are also issued by less established companies seeking to expand. Such issuers are often highly leveraged and generally less able than more established or less leveraged entities to make scheduled payments of principal and interest in the event of adverse developments or business conditions.

The market value of Non-Investment Grade fixed-income securities tends to reflect individual corporate developments to a greater extent than that of higher rated securities which react primarily to fluctuations in the general level of interest rates. As a result, where a Portfolio invests in such securities its ability to achieve its investment objective may depend to a greater extent on the Investment Adviser's judgement concerning the creditworthiness of issuers than in the case of investment in higher-rated securities. Issuers of Non-Investment Grade fixed-income securities may not be able to make use of more traditional methods of financing and their ability to service debt obligations may be more adversely affected than issuers of higher-rated securities by economic downturns, specific corporate developments or the issuer's inability to meet specific projected business

forecasts. Negative publicity about the junk bond market and investor perceptions regarding lower rated securities, whether or not based on fundamental analysis, may depress the prices for such securities.

A holder's risk of loss from default is significantly greater for Non-Investment Grade fixed-income securities than is the case for holders of other debt securities because such Non-Investment Grade securities are generally unsecured and are often subordinated to the rights of other creditors of the issuers of such securities. Investment by a Portfolio in defaulted securities poses additional risk of loss should non-payment of principal and interest continue in respect of such securities. Even if such securities are held to maturity, recovery by a Portfolio of its initial investment and any anticipated income or appreciation is uncertain.

The secondary market for Non-Investment Grade fixed-income securities is concentrated in relatively few market makers and is dominated by institutional investors, including mutual funds, insurance companies and other financial institutions. Accordingly, the secondary market for such securities is not as liquid as, and is more volatile than, the secondary market for higher-rated securities. In addition, market trading volume for high yield fixed-income securities is generally lower and the secondary market for such securities could contract under adverse market or economic conditions, independent of any specific adverse changes in the condition of a particular issuer. These factors may have an adverse effect on the market price and a Portfolio's ability to dispose of particular portfolio investments. A less liquid secondary market also may make it more difficult for a Portfolio to obtain precise valuations of the high yield securities in its portfolio.

Credit ratings do not evaluate the market value risk of Non-Investment Grade securities and, therefore, may not fully reflect the true risks of an investment. See "*Credit Ratings*". The Investment Adviser employs its own credit research and analysis, which includes a study of existing debt, capital structure, ability to service debt and to pay dividends, the issuer's sensitivity to economic conditions, its operating history and the current trend of earnings. The Investment Adviser continually monitors the investments in a Portfolio and evaluates whether to dispose of or to retain Non-Investment Grade and comparable un-rated securities whose credit ratings or credit quality may have changed.

As a result of a Portfolio's investment in Non-Investment Grade investments and as a consequence of credit problems with such investment and the possibility that such Portfolio may participate in restructuring activities, it is possible that this Portfolio may become involved in litigation. Litigation entails expense and the possibility of counterclaim against the Portfolio and ultimately judgments may be rendered against this Portfolio for which the Portfolio may not carry insurance.

4.4.7 Purchases of securities and other obligations of financially distressed companies

A Portfolio may directly or indirectly purchase securities and other obligations of companies that are experiencing significant financial or business distress ("Distressed Companies"), including companies involved in bankruptcy, insolvency or other reorganisation and liquidation proceedings. Although such purchases may result in significant returns, they involve a substantial degree of risk and may not show any return for a considerable period of time or any return at all. Evaluating investments in Distressed Companies is highly complex and there is no assurance that a Portfolio will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganisation or similar action. In any reorganisation or liquidation proceeding relating to a Distressed Company in which a Portfolio invests, such Portfolio may lose its entire investment or may be required to accept cash or securities with a value less than its original investment. In addition, distressed investments may require active participation by the Investment Adviser and its representatives. This may expose a Portfolio to litigation risks or restrict the Portfolio's ability to dispose of its investments. Under such circumstances, the returns generated from the Portfolio's investments may not compensate Shareholders adequately for the risks assumed.

Given their financial situation, Distressed Companies also face increased risk that they may be involved in bankruptcy or insolvency proceedings. There are a number of significant risks when investing in Distressed Companies that are or may be involved in bankruptcy or insolvency proceedings, including adverse and permanent effects on an issuer, such as the loss of its market position and key personnel, otherwise becoming incapable of restoring itself as a viable entity and, if converted to a liquidation, a possible liquidation value of the company that is less than the value that was believed to exist at the time of the investment. Many events in a bankruptcy or insolvency are the product of contested matters and adversary proceedings that are beyond the control of the creditors. Bankruptcy or insolvency proceedings are often lengthy and difficult to predict and could adversely impact a creditor's return on investment. The bankruptcy and insolvency courts have extensive power and, under some circumstances, may alter contractual obligations of a bankrupt company. See "*Insolvency Considerations with Respect to Issuers of Indebtedness*". Stockholders, creditors and other interested parties are all entitled to

participate in bankruptcy or insolvency proceedings and will attempt to influence the outcome for their own benefit. Administrative costs relating to a bankruptcy or insolvency proceedings will be paid out of the debtor's estate prior to any returns to creditors. Also, certain claims, such as for taxes, may have priority by law over the claims of certain creditors.

4.4.8 Convertible securities

A Portfolio may invest in convertible securities, which may include corporate notes or preferred stock but are ordinary long-term debt obligations of the issuer convertible at a stated exchange rate into common stock of the issuer. As with all debt securities, the market value of convertible securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the price of the convertible security tends to reflect the value of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis, and thus may not depreciate to the same extent as the underlying common stock. Convertible securities generally rank senior to common stocks in an issuer's capital structure and are consequently of higher quality and entail less risk than the issuer's common stock. However, the extent to which such risk is reduced depends in large measure upon the degree to which the convertible security sells above its value as a fixed income security. In evaluating a convertible security, the Investment Adviser will give primary emphasis to the attractiveness of the underlying common stock. If a convertible security held by a Portfolio is called for redemption, the Portfolio will be required to permit the issuer to redeem the security, convert it into the underlying stock or sell it to a third party. Any of these actions could have an adverse effect on a Portfolio's ability to achieve its investment objective.

4.4.9 Zero coupon and deferred interest bonds

A Portfolio may invest in zero coupon bonds and deferred interest bonds, which are debt obligations issued at a significant discount from face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. While zero coupon bonds do not require the periodic payment of interest, deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments benefit the issuer by mitigating its initial need for cash to meet debt service and some also provide a higher rate of return to attract investors who are willing to defer receipt of such cash. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations which provide for regular payments of interest, and the Portfolio may accrue income on such obligations even though it receives no cash.

4.4.10 Mezzanine debt

A Portfolio may invest in mezzanine debt. Mezzanine debt is typically junior to the obligations of a company to senior creditors, trade creditors and employees. The ability of a Portfolio to influence a company's affairs, within the regulatory limits, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors.

4.4.11 Asset-backed securities

A Portfolio may invest in securities that represent an interest in a pool of assets such as mortgages ("mortgage-backed securities") and, subject to applicable law, credit card receivables or other types of loans ("asset-backed securities").

Asset-backed securities are created by the grouping of certain governmental, government-related and private loans, receivables and other lender assets into pools. Interests in these pools are sold as individual securities. Payments from the asset pools may be divided into several different tranches of debt securities, with some tranches entitled to receive regular instalments of principal and interest, other tranches entitled to receive regular instalments of interest, with principal payable at maturity or upon specified call dates, and other tranches only entitled to receive payments of principal and accrued interest at maturity or upon specified call dates. Different tranches of securities will bear different interest rates which may be fixed or floating.

Payments of principal and interest on the underlying loans are passed through to the holders of such securities

over the life of the securities. Most asset-backed securities (including mortgage-backed securities) are subject to early prepayment of principal, which can be expected to accelerate during periods of declining interest rates. Such prepayments can usually be reinvested only at the lower yields then prevailing in the market. Therefore, during periods of declining interest rates, these securities are less likely than other fixed income obligations to appreciate in value and less effective at locking in a particular yield. On the other hand, asset-backed securities (including mortgage-backed securities) are subject to substantially the same risk of depreciation during periods of rising interest rates as other fixed income securities.

The credit characteristics of asset-backed securities also differ in a number of respects from those of traditional debt securities. The credit quality of most asset-backed securities depends primarily upon the credit quality of the assets underlying such securities, how well the entity issuing the securities is insulated from the credit risk of the originator or any other affiliated entities, and the amount and quality of any credit enhancement to such securities.

Asset-backed securities present certain credit risks that are not presented by mortgage-backed securities because asset-backed securities generally do not have the benefit of a security interest over the collateral that is comparable to mortgage assets. There is the possibility that, in some cases, recoveries on repossessed collateral may not be available to support payments on these securities.

4.4.12 Mortgage-backed securities

Mortgage-backed securities are a type of asset-backed security.

In addition to risks covered in “*Asset-backed securities*”, a Portfolio’s investment strategies may involve trading in mortgage-backed securities on a forward pass through or “to be allocated” (“TBA”) basis. In a TBA trade, the seller and buyer agree to the type of security, coupon, face value, price and settlement date (typically at least a month forward) at the time of the trade but do not specify the actual pools of securities to be traded until just before settlement date. In the period between trade and settlement date, the Portfolio will be exposed to counterparty credit risk and will maintain an amount of cash or near cash assets equal to the amount of TBA purchase commitments. Conversely, in the event of a sale of TBA securities, equivalent deliverable securities or an offsetting TBA purchase commitment (deliverable on or before the sale commitment date) will be held as cover for the transaction.

4.4.13 CBOs and CLOs

A Portfolio may invest in collateralised bond obligations (“CBOs”) and collateralised loan obligations (“CLOs”) and other similar securities which carry similar risks to asset-backed securities (See “-- *Asset-Backed Securities*”). These may be fixed pools or may be “market value” or managed pools of collateral, including commercial loans, high yield and Investment Grade debt, structured securities and financial derivative instruments relating to debt. The pools are typically separated into tranches representing different degrees of credit quality, with lower rated tranches being subordinate to senior tranches. The senior tranches of CBOs and CLOs, which represent the highest credit quality in the pool, have the greatest collateralisation and pay the lowest spreads over treasuries. Lower rated CBO and CLO tranches represent lower degrees of credit quality and pay higher spreads over treasuries to compensate for the attendant risks. The bottom tranches specifically receive the residual interest payments (i.e., money that is left over after the higher tiers have been paid) rather than a fixed interest rate. The returns on the junior tranches of CBOs and CLOs are especially sensitive to the rate of defaults in the collateral pool. In addition, the exercise of redemption rights, if any, by more senior CBO and CLO tranches and certain other events could result in an elimination, deferral or reduction in the funds available to make interest or principal payments to the junior tranches. A Portfolio may invest in any credit rating tranche of CBOs and CLOs.

In addition, there can be no assurance that a liquid market will exist in any CBO or CLO when the Portfolio seeks to sell its interest therein. Also, it is possible that a Portfolio’s investment in a CBO or CLO will be subject to certain contractual limitations on transfer. Further, a CBO or CLO may be difficult to value given current market conditions.

4.4.14 Bank loan risks

A Portfolio may invest in fixed and floating rate loans from one or more financial institutions by way of (i) assignment / transfer of; or (ii) participation in the whole or part of the loan amount outstanding. The loan participations or assignments in which a Portfolio invests may not be rated by any internationally recognised rating service.

In both instances, assignments or participations of such loans must be capable of being freely traded and transferred between investors in the loans. Loan obligations are subject to the credit risk of non-payment of principal or interest. In addition, coupon payments of floating rate obligations may not be directly correlated to movements interest rates if they have LIBOR floors. Substantial increases in interest rates may cause an increase in loan obligation defaults. Although a loan obligation may be fully collateralised at the time of acquisition, the collateral may decline in value, be relatively illiquid, or lose all or substantially all of its value subsequent to investment. Many loan obligations are subject to legal or contractual restrictions on resale and may be relatively illiquid and difficult to value. Such loans may be secured or unsecured. Loans that are fully secured offer a Portfolio more protection than an unsecured loan in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from a secured loan would satisfy the corporate borrower's obligation. In addition, investments in loans through a direct assignment include the risk that if a loan is terminated, a Portfolio could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral.

Loan obligations are subject to unique risks, including the possible invalidation of an investment as a fraudulent conveyance under relevant creditors' rights laws. Further, where exposure to loans is gained by purchase of participations there is the additional credit and bankruptcy risk of the direct participant and its failure for whatever reason to account to a Portfolio for monies received in respect of loans directly held by it. In analysing each loan or participation, the Investment Adviser will compare the relative significance of the risks against the expected benefits of the investment. See "paragraph 4.2.3 - Settlement risk".

Loan Participation Risk

A Portfolio may not always have direct recourse against a borrower if the borrower fails to pay scheduled principal and interest. Where a Portfolio lacks direct recourse, the Portfolio will look to an agent for the lenders to enforce appropriate credit remedies against the borrower. A Portfolio may be subject to greater delays, expenses and risks than would have been involved if the Portfolio had purchased a direct obligation of the borrower. Under the terms of certain loan participations, a Portfolio may be regarded as a creditor of the agent lender rather than of the underlying borrower, and therefore may be subject to the risk that the agent lender may become insolvent.

Agent Bank Risk

Loan participations typically represent direct participation in a loan to a corporate borrower, and generally are offered by banks or other financial institutions or lending syndicates. A loan is often administered by an agent bank acting as agent for all holders. Unless, under the terms of the loan or other indebtedness, a Portfolio has direct recourse against the corporate borrower, the Portfolio may have to rely on the agent bank or other financial intermediary to apply appropriate credit remedies against a corporate borrower. However, there are a limited number of available agents so a purchaser's exposure may be concentrated to small number of agents. If an agent becomes insolvent, the agent's appointment may be terminated and a successor agent would be appointed but the purchaser may incur certain costs and delays in realizing payment on a bank loan or suffer a loss of principal and/or interest. See "paragraph 4.4.16 - Lack of control over issuers".

Senior Loan Risk

Senior loans hold the most senior position in the capital structure of a business entity, and are typically secured with specific collateral and have a claim on the assets and/or stock of the borrower that is senior to that held by subordinated debt holders and stockholders of the borrower. Senior loans are usually rated below Investment Grade, and are subject to similar risks, such as credit risk, as Non-Investment Grade securities. However, senior loans are typically senior and secured in contrast to other Non-Investment Grade securities, which are often subordinated and unsecured. There is less readily available, reliable information about most senior loans than is the case for many other types of securities, and the Investment Adviser relies primarily on its own evaluation of a borrower's credit quality rather than on any available independent sources. The ability of a Portfolio to realise full value in the event of the need to sell a senior loan may be impaired by the lack of an active trading market for certain senior loans or adverse market conditions limiting liquidity. To the extent that a secondary market does exist for certain senior loans, the market may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. Although senior loans in which a Portfolio may invest generally will be secured by specific collateral, there can be no assurance that liquidation of such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal or that such collateral could be readily liquidated. In the event of bankruptcy of a borrower, a Portfolio could experience delays or limitations with respect to its ability to realise the benefits of the collateral securing a senior loan. Moreover, any specific collateral used to secure a senior loan may decline in value or become illiquid, which would adversely affect the senior loan's value.

Uncollateralised senior loans involve a greater risk of loss. Some senior loans are subject to the risk that a court, pursuant to fraudulent conveyance or other similar laws, could subordinate the senior loans to presently existing or future indebtedness of the borrower or take other action detrimental to lenders, including the relevant Portfolio, such as invalidation of senior loans.

Junior Loan Risk

Junior loans are generally subject to similar risks as senior loans. Because junior loans (including second lien loans) are subordinated or unsecured and thus lower in priority of payment to senior loans, they are subject to the additional risk that the cash flow of the borrower and property securing the loan or debt, if any, may be insufficient to meet scheduled payments after giving effect to the senior secured obligations of the borrower. This risk is generally higher for subordinated unsecured loans or debt, which are not backed by a security interest in any specific collateral. Junior loans generally have greater price volatility than senior loans and may be less liquid. There is also a possibility that originators will not be able to sell participations in junior loans, which would create greater credit risk exposure for the holders of such loans. Certain junior loans, e.g. second lien loans, share the same risks as other Non-Investment Grade securities.

Lending Risks

In purchasing participations, a Portfolio will usually have a contractual relationship only with the selling institution, and not the borrower. The relevant Portfolio(s) generally will have no right directly to enforce compliance by the borrower with the terms of the loan agreement, no rights of set-off against the borrower, and no right to object to certain changes to the loan agreement agreed to by the selling institution. The relevant Portfolio(s) may not directly benefit from the collateral supporting the related loan and may be subject to any rights of set-off the borrower has against the selling institution.

In addition, in the event of the insolvency of the selling institution, under the laws of the relevant jurisdictions, a Portfolio may be treated as a general creditor of such selling institution and may not have any exclusive or senior claim with respect to the selling institution's interest in, or the collateral with respect to, the loan. Consequently, a Portfolio may be subject to the credit risk of the selling institution as well as that of the borrower. The Investment Adviser may not perform independent credit analyses of selling institutions.

Further, if a Portfolio invests in loans in which it has a direct contractual relationship with the borrower, there are additional risks involved. For example, if a loan is foreclosed, the relevant Portfolio could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral. As a result, such Portfolio may be exposed to losses resulting from default and foreclosure. Any costs or delays involved in the effectuation of a foreclosure of the loan or a liquidation of the underlying assets will further reduce the proceeds and thus increase the loss. There is no assurance that such Portfolio will correctly evaluate the value of the assets collateralising the loan. In the event of a reorganisation or liquidation proceeding relating to the borrower, the relevant Portfolio may lose all or part of the amounts advanced to the borrower. There is no guarantee that the protection of a Portfolio's interests is adequate, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, there is no assurance that claims may not be asserted that might interfere with enforcement of such Portfolio's rights.

Save as provided otherwise in the relevant Supplement, there are no restrictions on the credit quality of loans a Portfolio may invest in. Loans may be deemed to have substantial vulnerability to default in payment of interest and/or principal. Certain of the loans which a Portfolio may fund have large uncertainties or major risk exposures to adverse conditions, and may be considered to be predominantly speculative. Generally, such loans offer a higher return potential than better quality loans, but involve greater volatility of price and greater risk of loss of income and principal. The market values of certain of these loans also tend to be more sensitive to changes in economic conditions than better quality loans. Loans to companies operating in workout modes or under statutory bankruptcy protection are, in certain circumstances, subject to certain potential liabilities which may exceed the amount of the loan. For example, under certain circumstances, lenders who have inappropriately exercised control of the management and policies of a debtor may have their claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions.

Loans – Security

Loan obligations are subject to unique risks, including the possible invalidation of an investment as a fraudulent conveyance under relevant creditors' rights laws. Further, where exposure to loans is gained by purchase of participations there is the additional credit and bankruptcy risk of the direct participant and its failure for whatever

reason to account to a Portfolio for monies received in respect of loans directly held by it. In analysing each loan or participation, the Investment Adviser will compare the relative significance of the risks against the expected benefits of the investment.

Reliance on Loan Obligor

The Portfolio and the Investment Adviser will not have control over the activities of any company which has entered into a loan invested in by a Portfolio. Managers of companies in whose loans a Portfolio has invested may manage those companies in a manner not anticipated by the Portfolio or the Investment Adviser.

United States Federal Income Tax Risk

Investing in the U.S. loan market may result in additional risk that a Portfolio would be treated as engaged in a trade or business in the United States and subject to U.S. federal income tax on a net income basis. In particular, the application of certain legal authorities relating to the circumstances when the U.S. trade or business activities of an originating lender can be attributed to a subsequent purchaser, for purposes of determining whether the subsequent purchaser is engaged in a U.S. trade or business, are uncertain and involve inherently factual determinations. The Fund expects to be operated in a manner that it will not be engaged in a trade or business in the United States. However, there can be no assurance that the U.S. Internal Revenue Service will not assert a contrary position. Moreover, no assurance can be provided that the Fund will not be treated as engaged in a U.S. trade or business in respect of any interest in property it may directly or indirectly acquire as a result of a foreclosure or similar circumstance. If it were determined that the Fund was engaged in the conduct of a trade or business in the United States, the Fund would be subject to U.S. federal income tax on a net basis on its taxable income that is effectively connected with such U.S. trade or business (and to the 30% branch profits tax as well on all or some portion of this income) and could be subject to state and local taxes, as well as charges for interest and/or penalties. This would materially impact the returns achieved by the Shareholders. Each prospective Shareholder should consult its own tax adviser with respect to the foregoing risks.

PURSUANT TO U.S. TREASURY DEPARTMENT CIRCULAR 230, THE FUND IS INFORMING PROSPECTIVE INVESTORS THAT (A) ANY SUMMARY OF THE U.S. FEDERAL INCOME TAX LAWS SET FORTH HEREIN IS NOT INTENDED AND WAS NOT WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES UNDER OF U.S. FEDERAL TAX LAWS THAT MAY BE IMPOSED ON THE TAXPAYER, (B) ANY SUMMARY OF THE U.S. FEDERAL INCOME TAX LAWS SET FORTH HEREIN WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE FUND AND THE DISTRIBUTION OF THE SHARES, AND (C) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

4.4.15 Contingent capital securities (CoCos)

In the framework of new banking regulations, banking institutions are required to increase their capital buffers and with this in mind have issued certain types of financial instrument known as subordinated contingent capital securities (often referred to as "CoCo" or "CoCos"). The main feature of a CoCo is its ability to absorb losses as required by Swiss, UK and European bank regulators as part of a banks regulatory capital structure and new European bail-in regime (Special Resolution Regime), but other corporate entities may also choose to issue them.

Under the terms of a CoCo, the instruments become loss absorbing upon certain triggering events, including events under the control of the management of the CoCo issuer which could cause the permanent write-down to zero of principal investment and / or accrued interest, or a conversion to equity. These triggering events may include (i) a deduction in the issuing bank's Core Tier 1 / Common Equity Tier 1 (CT1 / CET1) ratio (or other capital ratios) below a pre-set limit, (ii) a regulatory authority, at any time, making a subjective determination that an institution is "non-viable", i.e., a determination that the issuing bank requires public sector support in order to prevent the issuer from becoming insolvent, bankrupt, unable to pay a material part of its debts as they fall due or otherwise carry on its business and requiring or causing the conversion of the CoCos into equity in circumstances that are beyond the control of the issuer or (iii) a national authority deciding to inject capital. Furthermore, the trigger event calculations may also be affected by changes in applicable accounting rules, the accounting policies of the issuer or its group and the application of these policies. Any such changes, including changes over which the issuer or its group has a discretion, may have a material adverse impact on its reported financial position and accordingly may give rise to the occurrence of a trigger event in circumstances where such a trigger event may not otherwise have occurred, notwithstanding the adverse impact this will have on the position of holders of the CoCos.

Upon such occurrence, there is a risk of a partial or total loss in nominal value or conversion into the common stock of the issuer which may cause a Portfolio as a CoCo bondholder to suffer losses (i) before both equity investors and other debt holders which may rank *pari passu* or junior to CoCo investors and (ii) in circumstances where the bank remains a going concern.

The value of such instrument may be impacted by the mechanism through which the instruments are converted into equity or written-down which may vary across different securities which may have varying structures and terms. CoCo structures may be complex and terms may vary from issuer to issuer and bond to bond

In equity convertible CoCos, the conversion share price is important as this determines the economic loss that a Portfolio, as a holder of such instruments will suffer upon conversion and may not be pre-determined. For principal write-down CoCos, write-down can be immediate and in many cases there may be a full loss with no expectation of any return of principal. Only some CoCos may be written-back up to par and even then would do so over a potentially long period of time; however even if this is possible, the issuer may be able to call such investment prior to such write-up to par resulting in a loss to the bondholder.

CoCos are valued relative to other debt securities in the issuer's capital structure, as well as equity, with an additional premium for the risk of conversion or write-down. The relative riskiness of different CoCos will depend on the distance between the current capital ratio and the effective trigger level, which once reached would result in the CoCo being automatically written-down or converted into equity. There are a number of factors which could increase the likelihood of a trigger event occurring, some of which may be outside an issuer's control. CoCos may trade differently to other subordinated debt of an issuer which does not include a write-down or equity conversion feature which may result in a decline in value or liquidity in certain scenarios. At present, the CoCo market is volatile which may impact the value of the asset.

It is possible in certain circumstances, e.g., issuer discretion not to pay and / or insufficient distributable profits to pay interest in full or in part, for interest payments on certain CoCos to be cancelled in full or in part by the issuer, without prior notice to bondholders. Therefore, there can be no assurances that investors will receive payments of interest in respect of CoCos. Unpaid interest may not be cumulative or payable at any time thereafter, and bondholders shall accordingly have no right, whether in a liquidation, dissolution or winding-up or otherwise, to claim the payment of any foregone interest which may impact the value of the Portfolio.

Notwithstanding that interest not being paid or being paid only in part in respect of CoCos or the principal value of such instruments may be written down to zero, there may be no restriction on the issuer paying dividends on its ordinary shares or making pecuniary or other distributions to the holders of its ordinary shares or making payments on securities ranking *pari passu* with the CoCos resulting in other securities by the same issuer potentially performing better than CoCos.

Coupon cancellation may be at the option of the issuer or its regulator but may also be mandatory under the European Capital Requirements Directive (CRD IV) and related applicable laws and regulation. This mandatory deferral may be at the same time that equity dividends and bonuses may also be restricted, but some CoCo structures allow the bank at least in theory to keep on paying dividends whilst not paying CoCo holders. Mandatory deferral is dependent on the amount of required capital buffers a bank is asked to hold by regulators.

CoCos generally rank senior to common stock in an issuer's capital structure and are consequently higher quality and entail less risk than the issuer's common stock; however, the risk involved in such securities is correlated to the solvency and / or the access of the issuer to liquidity of the issuing financial institution.

Shareholders should be aware that the structure of CoCos is yet to be tested and there is some uncertainty as to how they may perform in a stressed environment. Depending on how the market views certain triggering events, as outlined above, there is the potential for price contagion and volatility across the entire asset class. Furthermore, this risk may be increased depending on the level of underlying instrument arbitrage and in an illiquid market, price formation may be increasingly difficult.

4.4.16 Lack of control over issuers

A Portfolio will not be in a position to control any issuer by investing in its debt securities. As a result, a Portfolio is subject to the risk that an issuer in which the Portfolio invests may make business decisions with which the Portfolio disagrees and the management of such issuer, as representatives of the holders of their common equity, may take risks or otherwise act in ways that do not serve the interests of the Portfolio as a debt investor. Moreover, to the extent a Portfolio holds investments that are not senior debt investments, the ability of the Portfolio to use its

position as an interest holder to influence an issuer's affairs, will be substantially less than that of senior creditors and senior secured creditors.

Further, there are other circumstances under which a Portfolio may not have complete or even partial control over decisions affecting an investment or the collateral securing such investment. For example, a Portfolio may acquire an investment that is issued under a loan facility to which more than one lender is a party. These loan facilities are administered on behalf of all the lenders by a lender or other agent acting as the lead administrator. A Portfolio will generally not be the lead administrator. The terms and conditions of these loan facilities may be amended, modified or waived only by the agreement of the lenders. Generally, any such agreement must include a majority or a super majority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous vote of the lenders. In cases where a Portfolio has a minority interest in a loan facility, the terms and conditions of the Portfolio's investment arising from such loan facility could be modified, amended or waived in a manner contrary to the preferences of the Portfolio if the amendment, modification or waiver of such term or condition does not require the unanimous vote of the lenders and a sufficient number of the other lenders concur with such modification, amendment or waiver.

Similarly, a Portfolio may make investments where a servicer or other agent of the lenders (including the Portfolio) has significant authority to make decisions that affect such investment or the collateral securing such investment. Consequently, such servicer or agent may make decisions or take other actions that are contrary to the preferences of the Portfolio.

A Portfolio may also acquire an investment and enter into an intercreditor agreement or similar arrangement with other creditors of the relevant issuer and / or its affiliates. The terms of any such intercreditor agreement or similar arrangement may grant one or more of the other lenders the right to make certain decisions on behalf of or at the exclusion of the other lenders, including the Portfolio. Consequently, the terms and conditions of an investment could be modified, amended or waived in a manner contrary to the preferences of the Portfolio if the amendment, modification or waiver of such term or condition does not require the consent of the Portfolio. Furthermore, the terms of any such intercreditor agreement or similar arrangement may substantially restrict the ability of a Portfolio to pursue its remedies in respect of an investment, and the Portfolio may realise fewer proceeds from such investment as a result.

4.4.17 Competition for investment opportunities

A Portfolio may invest in credit and fixed income securities, leveraged acquisitions, reorganizations, mezzanine securities and other instruments. These markets are highly competitive. Competition for investment opportunities includes non-traditional participants, such as hedge funds, public funds, public mezzanine funds, including business development companies or BDCs, and other private investors, as well as more traditional lending institutions and mezzanine-focused competitors. The Portfolios may also be competing for investment opportunities with Goldman Sachs, and investment vehicles managed by Goldman Sachs. See Appendix F – "Potential Conflicts of Interest". Some of these competitors may have access to greater amounts of capital and to capital that may be committed for longer periods of time or may have different return thresholds than a Portfolio, and thus these competitors may have advantages not shared by a Portfolio. In addition, the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. A Portfolio may incur significant expenses in connection with identifying investment opportunities and investigating other potential investments which are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses and the fees of other third party advisers.

4.5 Investment in equity securities

4.5.1 Equity securities

A Portfolio may take long and short positions in common stocks of issuers traded on a national securities exchanges and over-the-counter markets in any country. The value of equity securities varies in response to many factors. Factors specific to an issuer, such as certain decisions by management, lower demand for its products or services, or even loss of a key executive, could result in a decrease in the value of the issuer's securities. Factors specific to the industry in which the issuer participates, such as increased competition or costs of production or consumer or investor perception, can have a similar effect. The value of an issuer's stock can also be adversely affected by changes in financial markets generally, such as an increase in interest rates or a decrease in consumer confidence, that are unrelated to the issuer itself or its industry. Stock which a Portfolio has sold short may be favourably impacted (to the detriment of the Portfolio) by the same factors (e.g., decreased competition or costs or

a decrease in interest rates). In addition, certain options and other equity-related instruments may be subject to additional risks, including liquidity risk, counterparty credit risk, legal risk and operations risk, and may involve significant economic leverage and, in some cases, be subject to significant risks of loss. These factors and others can cause significant fluctuations in the prices of the securities in which the Portfolio invests and can result in significant losses.

4.5.2 Preferred stock, convertible securities and warrants

A Portfolio may also invest, directly or indirectly in equity-related securities and instruments such as preferred stock, convertible securities and warrants. The value of preferred stocks, convertible securities and warrants will vary with the movements in the equity market and the performance of the underlying common stock, in particular. Their value is also affected by adverse issuer or market information. Thus, for example, as the value of the underlying common stock of an issuer fluctuates, the value of the preferred stock of such issuer would also be expected to fluctuate. With respect to warrants, their value may decrease or may be zero and thus not be exercised if the market price of the underlying securities remains lower than the specified price at which holders of warrants are entitled to buy such securities, resulting in a loss to the Portfolio of the purchase price of the warrant (or the embedded warrant price in the case of securities issued with warrants attached). See “—*Convertible securities*”.

4.5.3 Real estate companies

Subject to the terms of the Prospectus, a Portfolio may invest in Transferable Securities of companies principally engaged in the real estate industry. There are special risk considerations associated with investing in the securities of such companies. These risks include: the cyclical nature of real estate values, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zoning laws, casualty or condemnations losses, environmental risks, regulatory limitations on rents, changes in neighbourhood values, related party risks, changes in the appeal of properties to tenants, increases in interest rates and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of a Portfolio's investments in the securities of real estate companies.

4.6 Investment in derivatives

4.6.1 Financial derivative instruments

An investment in financial derivative instruments may involve additional risks for investors. These additional risks may arise as a result of any or all of the following: (i) leverage factors associated with transactions in the Portfolio; and/or (ii) the creditworthiness of the counterparties to such financial derivative instruments transactions; and/or (iii) the potential illiquidity of the markets for financial derivative instruments. To the extent that financial derivative instruments are utilised for speculative purposes, the overall risk of loss to the Portfolio may be increased. To the extent that financial derivative instruments are utilised for hedging purposes, the risk of loss to the Portfolio may be increased where the value of the financial derivative instrument and the value of the security or position which it is hedging are insufficiently correlated.

However, where a financial derivative instruments transaction is entered into by the Portfolio in respect of a specific Share Class, any losses sustained in respect of such transaction will be internally attributed by the Administrator to the relevant Share Class. In addition, certain hedged Share Classes may, in certain circumstances, exhibit higher levels of risk than the unhedged Share Classes of the same Portfolio.

Certain financial derivative instruments may require collateral to be transferred to another party and where additional collateral is called by such other party the Investment Adviser may be required to realise assets comprised in a Portfolio which it would not have sought to realise had there not been a requirement to transfer or pledge additional collateral. Where the Fund receives collateral, such collateral may be held directly by the Fund but is not counted within the investment restrictions under the UCITS Directive and, accordingly, may increase exposure to certain counterparties to these financial derivative instruments.

4.6.2 Counterparty risk

The Portfolios will be subject to the risk of the inability of any counterparty to perform its obligations with respect to transactions with the Portfolios, whether due to its own insolvency or that of others, bankruptcy, market illiquidity or disruption or other causes and whether resulting from systemic or other reasons.

Some of the markets in which a Portfolio may effect transactions are “over-the-counter” (or “interdealer”) markets. The participants in such markets are typically not subject to the same credit evaluation and regulatory oversight as are members of “exchange-based” markets. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with such “over-the-counter” transactions. This exposes the relevant Portfolio to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the relevant Portfolio to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the relevant Portfolio has concentrated its transactions with a small group of counterparties.

Over-the-counter financial derivative instruments (including total return swaps and other financial derivative instruments with similar characteristics) used by Portfolios to gain exposure to underlying assets will be entered into with counterparties selected among first class financial institutions specialised in the relevant type of transaction, subject to prudential supervision.

4.6.3 Particular risks of financial derivative instruments

Unlike exchange traded instruments, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of over-the-counter financial derivative instruments, are generally established through negotiation with the other party to the instrument. While this type of arrangement allows a Portfolio greater flexibility to tailor the instrument to its needs, over-the-counter financial derivative instruments may involve greater legal risk than exchange traded instruments, as there may be a risk of loss if over-the-counter financial derivative instruments are deemed not to be legally enforceable or are not documented correctly and the Portfolio will have significant counterparty credit risk in the event that any of its counterparties become insolvent. In addition, forward, spot and option contracts and swaps do not provide a Portfolio with the right to extinguish its obligations (i.e. close out the position) through an equal and opposite transaction. For this reason, in entering into forward, spot, option contracts, or swaps, a Portfolio may be required, and must be able, to perform its obligations under the contract.

Transactions in certain financial derivative instruments may be subject to clearing requirements under applicable law and to regulatory oversight, while other financial derivative instruments are subject to risks of trading in the over-the-counter markets. Certain proposed and final rules affecting financial derivative instruments transactions may require material changes to the business and operations of, or have other adverse effects on the Portfolios.

In the EU these obligations arise from the implementation of the European Market Infrastructure Regulation (EMIR) and in the U.S. these obligations primarily arise from the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (as it may be amended, and together with the regulations to be promulgated thereunder, the “Dodd-Frank Act”), however other jurisdictions have also implemented or are proposing legislation that may impact the Fund. The obligation to clear financial derivative instruments transactions is likely to vary depending on a number of different factors, in particular the underlying asset class and the jurisdiction of counterparties, Shareholders, the Management Company and the Investment Adviser. Any obligation will be dependent on when and how central clearing rules are implemented which will vary across different regions.

In addition to the clearing requirements, these rules also include other obligations such as reporting of transactions and other requirements for cleared and non-cleared financial derivative instruments. Ultimately, these requirements may include, without limitation (i) the exchange and segregation of collateral by the parties, including by the Portfolio, which may increase trading costs and impact investment returns; and (ii) increased margining requirements. The impact of those requirements will have a greater impact on those Portfolios that make use of financial derivative instruments.

While some of the obligations under EMIR, Dodd-Frank Act and related CFTC and SEC rules as well as regulations in other jurisdictions have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this Prospectus. It is as yet unclear how the

over-the-counter financial derivative instruments market will adapt to the new regulatory regime. The collateral and reporting requirements under EMIR, compliance with Dodd Frank Act and the rules and regulations promulgated thereunder as well as other legislation in other jurisdictions may increase costs to the Fund and its Portfolios and impact performance. In addition, there is significant uncertainty regarding these rules. Consequently, the full impact that such legislation will ultimately have on the Portfolios and the markets in which they trade and invest is not fully known. Such uncertainty may itself be detrimental to the efficient functioning of the markets and the success of certain investment strategies. Any changes to current regulations or any new regulations applicable to Goldman Sachs and the Portfolios could have a materially adverse effect on the Portfolios.

4.6.4 Use of Portfolio assets

Financial derivative instruments transactions will generally require the use of a portion of a Portfolio's assets, as applicable, for margin or settlement payments or other purposes. For example, a Portfolio may from time to time be required to make margin, settlement or other payments in connection with the use of certain financial derivative instruments. Counterparties to any financial derivative instrument may demand payments on short notice. As a result, the Investment Adviser may liquidate Portfolio's assets sooner than it otherwise would have and/or maintain a greater portion of its assets in cash and other liquid securities than it otherwise would have, which portion may be substantial, in order to have available cash to meet current or future margin calls, settlement or other payments, or for other purposes. The Investment Adviser generally expects a Portfolio to earn interest on any such amounts maintained in cash, however, such amounts will not be invested in accordance with the investment objective of a Portfolio, which may materially adversely affect the performance of the Portfolio. Moreover, due to market volatility and changing market circumstances, the Investment Adviser may not be able to accurately predict future margin requirements, which may result in a Portfolio holding excess or insufficient cash and liquid securities for such purposes. Where a Portfolio does not have cash or assets available for such purposes, it may be unable to comply with its contractual obligations, including without limitation, failing to meet margin calls or settlement or other payment obligations. If a Portfolio defaults on any of its contractual obligations, it and its Shareholders may be materially adversely affected. Although a Portfolio may enter into a financial derivative instrument in respect of a specific Share Class, for example for hedging purposes in respect of certain hedged Share Classes, any adverse effect described above in respect of such financial derivative instrument transaction will affect the Portfolio and its Shareholders as a whole, including holders of Share Classes in respect of which the financial derivative instrument was not entered.

4.6.5 Credit default swaps

The Investment Adviser may purchase and sell credit derivatives contracts on behalf of a Portfolio, including credit default swaps, both for hedging and other purposes. The typical credit default swap contract requires the seller to pay to the buyer, in the event that a particular reference entity experiences specified credit events, the difference between the notional amount of the contract and the value of a portfolio of securities issued by the reference entity that the buyer delivers to the seller. In return, the buyer agrees to make periodic payments equal to a fixed percentage of the notional amount of the contract. A Portfolio may also sell credit default swaps on a basket of reference entities as part of a synthetic collateralized debt obligation transaction. As a buyer of credit default swaps, a Portfolio would be subject to certain risks in addition to those described under "*Financial Derivative Instruments*" and "*Swap Agreements*". In circumstances in which a Portfolio does not own the debt securities that are deliverable under a credit default swap, the Portfolio would be exposed to the risk that deliverable securities will not be available in the market, or will be available only at unfavourable prices, as would be the case in a so-called "short squeeze". In certain instances of issuer defaults or restructurings, it has been unclear under the standard industry documentation for credit default swaps whether or not a "credit event" triggering the seller's payment obligation had occurred. In either of these cases, the Portfolio would not be able to realize the full value of the credit default swap upon a default by the reference entity. As a seller of credit default swaps, the Portfolio would incur leveraged exposure to the credit of the reference entity and would be subject to many of the same risks it would incur if it were holding debt securities issued by the reference entity. However, the Portfolio would not have any legal recourse against the reference entity and would not benefit from any collateral securing the reference entity's debt obligations. In addition, the credit default swap buyer would have broad discretion to select which of the reference entity's debt obligations to deliver to the Portfolio following a credit event and would likely choose the obligations with the lowest market value in order to maximize the payment obligations of the Portfolio. In addition, credit default swaps generally trade on the basis of theoretical pricing and valuation models, which may not accurately value such swap positions when established or when subsequently traded or unwound under actual market conditions.

4.6.6 Call options

The Investment Adviser on behalf of a Portfolio may directly or indirectly sell or purchase call options. There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option.

The buyer of a call option assumes the risk of losing his entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset in whole or in part by any gain on the short sale of the underlying security.

Investors should be aware that, where a Portfolio seeks to generate income from the selling of call options, this could result in underperformance in a rising market where any capital appreciation in the underlying securities of the Portfolio, could be offset by losses on sold (exercised) call options. Furthermore, whilst the Investment Adviser will generally seek to balance the generation of income with the potential for limiting any capital appreciation, there remains the potential that, the Investment Adviser could either increase the extent of call option selling or vary the strike price of sold call options in order to increase or maintain a certain level of income, which could further limit the potential for capital appreciation and result in further underperformance in a rising market.

4.6.7 Put options

The Investment Adviser on behalf of a Portfolio may directly or indirectly sell or purchase put options. There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option.

The buyer of a put option assumes the risk of losing his entire investment in the put option. If the buyer of the put option holds the underlying security, the loss on the put option will be offset in whole or in part by any gain on the underlying security.

4.6.8 Swap agreements

The Investment Adviser on behalf of a Portfolio may enter into swap agreements. Swap agreements are privately negotiated over-the-counter financial derivative instruments in which two parties agree to exchange payment streams that may be calculated in relation to a rate, index, instrument, or certain securities and a particular "notional amount." Swaps may be subject to various types of risks, including market risk, liquidity risk, structuring risk, tax risk, and the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty. Swaps can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swaps may increase or decrease a Portfolio's exposure to equity or debt securities, long-term or short-term interest rates (in the United States or elsewhere), foreign currency values, mortgage-backed securities, corporate borrowing rates, or other factors such as security prices, baskets of securities, or inflation rates and may increase or decrease the overall volatility of the Portfolio's portfolio. Swap agreements can take many different forms and are known by a variety of names. A Portfolio is not limited to any particular form of swap agreement if the Investment Adviser determines that other forms are consistent with the Portfolio's investment objective and policies.

The most significant factor in the performance of swaps is the change in individual equity values, specific interest rate, currency or other factors that determine the amounts of payments due to and from the counterparties. If a swap calls for payments by the Portfolio, the Portfolio must have sufficient cash availability to make such payments

when due. In addition, if a counterparty's creditworthiness declines, the value of a swap agreement would be likely to decline, potentially resulting in losses to the Portfolio.

4.6.9 Futures

The Investment Adviser may use futures as part of the investment program(s). Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. It is also possible that an exchange or the CFTC may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, implement retroactive speculative position limits, or order that trading in a particular contract be conducted for liquidation only. The circumstances described above could prevent the Investment Adviser from liquidating unfavourable positions promptly and subject a Portfolio to substantial losses. These circumstances could also impair the Portfolio's ability to withdraw its investments in order to satisfy redemption requests by Shareholders in a timely manner. An investment in these particular Portfolios is therefore suitable only for certain sophisticated investors that will not be materially impacted by postponements of the Portfolio's normal redemption dates.

A Portfolio may not be afforded certain of the protections which apply to futures transactions on certain markets, including the right to use alternative dispute resolution procedures. In particular, funds received from customers to margin futures transactions in certain jurisdictions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. In addition, the price of certain futures or option contracts and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign exchange rate between the time the order is placed and the time the futures contract is liquidated or the option contract is liquidated or exercised.

4.6.10 Forward contracts

The Investment Adviser on behalf of a Portfolio may enter into forward contracts and options thereon which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forward contracts. Banks and other dealers with whom a Portfolio may maintain accounts may require the Portfolio to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. A Portfolio's counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the difference between the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the Investment Adviser would otherwise recommend, to the possible detriment of a Portfolio. In addition, disruptions can occur in any market traded by a Portfolio due to unusually high trading volume, political intervention or other factors. Market illiquidity or disruption could result in major losses to a Portfolio. Such risks could result in substantial losses to a Portfolio.

4.6.11 Derivative asset-backed securities

Derivative asset-backed securities (such as principal-only ("POs"), interest-only ("IOs") or inverse floating-rate securities) are exposed to prepayment risk, particularly mortgage-backed securities which are exposed to mortgage prepayment risk. Therefore, they generally involve a greater amount of risk. Small changes in prepayments can significantly impact the cash flow and the market value of these securities. The risk of faster than anticipated prepayments generally adversely affects IOs, super floaters and premium priced mortgage-backed securities. The risk of slower than anticipated prepayments generally adversely affects POs, floating-rate securities subject to interest rate caps, support tranches and discount priced mortgage-backed securities. In addition, particular derivative securities may be leveraged such that their exposure (i.e., price sensitivity) to interest rate and/or prepayment risk is magnified.

4.6.12 Floating rate derivative debt instruments

Floating rate derivative debt securities present different types of interest rate risks. For example, range floaters are subject to the risk that the coupon will be reduced below market rates if a designated interest rate floats outside of a specified interest rate band or collar. Dual index or yield curve floaters are subject to lower prices in the event of an unfavourable change in the spread between two designated interest rates.

4.6.13 Derivatives with respect to Investment Grade, high-yield and other indebtedness

A Portfolio may engage in trading of financial derivative instruments with respect to Investment Grade, high yield and other debt. In addition to the increased credit risks associated with holding high yield debt securities, with respect to financial derivative instruments involving Investment Grade, high yield and other debt, the Portfolio will usually have a contractual relationship only with the counterparty of the financial derivative instrument, and not with the issuer of the indebtedness. Generally, a Portfolio will have no right to directly enforce compliance by the issuer with the terms of the financial derivative instrument nor any rights of set-off against the issuer, nor have any voting rights with respect to the indebtedness. A Portfolio will not directly benefit from the collateral supporting the underlying indebtedness and will not have the benefit of the remedies that would normally be available to a holder of the indebtedness. In addition, in the event of the insolvency of the counterparty to the financial derivative instrument, the Portfolio will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying indebtedness. Consequently, the Portfolio will be subject to the credit risk of the counterparty as well as that of the issuer of the indebtedness. As a result, concentrations of such financial derivative instruments in any one counterparty may subject the Portfolio to an additional degree of risk with respect to defaults by such counterparty as well as by the issuer of the underlying indebtedness.

4.7 Other investments

4.7.1 Investment in collective investment schemes

Each Portfolio may invest in the securities of other Permitted Funds which may include vehicles sponsored by or connected with Goldman Sachs. Where the Board of Directors believes such investment provides access to a specialised investment area or economic sector which a Portfolio would not necessarily be able to access on its own accord, such Permitted Fund and/or its investment adviser will be entitled to remuneration in accordance with the offering documents of the Permitted Fund in which the Portfolio invests. The Investment Adviser will only make such investments if it determines in its discretion that to do so is consistent with the best interests of a Portfolio's Shareholders. These arrangements will be conducted in accordance with any relevant regulations relating to the need to conduct any connected party transactions on an arm's length basis.

Given a Portfolio's ability to invest in Permitted Funds, Shareholders are subject to risks associated with exposure to such funds. In addition, the value of an investment represented by such Permitted Funds in which a Portfolio invests may be affected by fluctuations in the currency of the country where such a fund invests, by foreign exchange rules, or by the application of the various tax laws of the relevant countries including withholding taxes, government changes or variations of the monetary and economic policy of the relevant countries.

4.7.2 Investments in Permitted Funds operated by third parties

A Portfolio may invest in Permitted Funds operated by third parties. Such third parties are not subject to the oversight or control of Goldman Sachs and the Investment Adviser may not have the opportunity to verify the compliance of such Permitted Funds with the laws and regulations applicable to them.

4.7.3 Investment in Permitted Funds affiliated with Goldman Sachs

A Portfolio may invest in the units or shares of Permitted Funds directly or indirectly managed by the Investment Adviser or another company with which the Investment Adviser is affiliated by virtue of common management, control or a direct or indirect holding of more than 10% of the capital or votes ("Goldman Sachs Permitted Funds"). If a Portfolio invests in such Goldman Sachs Permitted Funds, no sales, conversion or redemption charges will be imposed on any such investment. However, such Goldman Sachs Permitted Funds and their investment advisers will be entitled to charge fees and expenses at the level of such Goldman Sachs Permitted Funds in accordance with the offering documents of the relevant Goldman Sachs Permitted Fund. When a Portfolio invests in Goldman

Sachs Permitted Funds that charge investment management fees with respect to a Portfolio's investment, the investors in the Portfolio will also incur fees and expenses at the level of the Portfolio as set forth in the Prospectus.

To the extent a Portfolio invests in Goldman Sachs Permitted Funds whose assets are, or are treated as, "plan assets" (within the meaning of ERISA and the regulations thereunder) that are subject to Title I of ERISA (such Permitted Funds being referred to as "ERISA Funds"), a Portfolio may be limited in how it can invest its assets in the ERISA Funds, including without limitation, that the Portfolio may be required to fix its allocation to such ERISA Funds (including setting an initial asset allocation target and an objective formula for any periodic rebalancing of such asset allocation) and restrict the ability of the Investment Adviser (or its Affiliates) to modify such allocation target or formula without notifying the investors in the Portfolio in advance of such modification.

4.7.4 General risk considerations relating to certain Permitted Funds

There is no assurance that an investment in any Permitted Fund may be successful and a Portfolio may lose all or part of the total amount invested. The following risk considerations detail general risks relating to a Portfolio's investments in certain Permitted Funds.

Inadvertent concentration: It is possible that a number of Permitted Funds might take substantial positions in the same security at the same time. This inadvertent concentration would interfere with a Portfolio's goal of diversification. The Investment Adviser will attempt to alleviate such inadvertent concentration as part of its regular monitoring and reallocation process. Conversely the Investment Adviser may at any given time, hold opposite positions, such position being taken by different Permitted Funds. Each such position shall result in transaction fees for the Portfolio without necessarily resulting in either a loss or a gain. Moreover, the Investment Adviser may proceed to a reallocation of assets between Permitted Funds and liquidate investments made in one or several of them. Finally, the Investment Adviser may also, at any time, select additional Permitted Funds. Such asset reallocations may impact negatively the performance of one or several of the Permitted Funds.

Future returns: No assurance can be given that the strategies employed by the Permitted Funds in the past to achieve attractive returns will continue to be successful or that their return will be similar to that achieved by such Permitted Funds in the past.

Risks of special techniques used by Permitted Funds: Many of the Permitted Funds in which the Investment Adviser will invest will use special investment techniques that may subject a Portfolio's investments to risks different from those posed by investments in Permitted Funds that are equity or fixed income funds. A Portfolio in any event is not designed to correlate to the broad equity market, and should not be viewed as a substitute for equity or fixed income investments.

Risks of leverage: The investment strategies adopted by Permitted Funds may employ leverage. A Portfolio may not pre-determine any maximum leverage used by Permitted Funds, as certain investment strategies such as pure arbitrage based strategies by default utilise more leverage than other strategies without necessarily incurring higher risk. The Portfolio will, therefore, view leverage at the Permitted Fund's level on an individual basis, based on investment strategy and event risk.

Risks of borrowing: The Permitted Funds may borrow funds for the purpose of a leveraged trading technique. A particular Permitted Fund that is not a UCITS may not be subject to any limitations on the amount of its borrowings, and the amount of borrowings that such Permitted Fund may have outstanding at any time may be large in comparison to its capital.

Borrowing money to purchase securities may provide a Permitted Fund with the opportunity for greater capital appreciation, but, at the same time, will increase the Permitted Fund's, and indirectly the Portfolio's, exposure to capital risk and higher current expenses. Moreover, if the Permitted Fund's assets are not sufficient to pay the principal of, and interest on, the Permitted Fund's debt when due, the Portfolio could sustain a total loss of its investment in the Permitted Fund.

Accumulation of fees: An investment by the Portfolio in Permitted Funds, may result in the Shareholders incurring a duplication of fees and commissions (such as management fees, performance fees, custody and transaction fees, central administration fees and audit fees). To the extent these Permitted Funds, in turn, invest in other funds, Shareholders may incur additional fees to those mentioned above. The Portfolio will also bear its proportionate share of any other fees and expenses paid by that Permitted Fund, in addition to all fees and expenses payable by the Portfolio.

Currency risk: The value of an investment represented by a Permitted Fund in which the Portfolio invests may be affected by fluctuations in the currency of the country where such Permitted Fund invests, by foreign exchange rules, or by the application of the various tax laws of the relevant countries (including withholding taxes), government changes or variations of the monetary and economic policy of the relevant countries.

Volatility/Concentration: Investments by the Portfolio may be made in Permitted Funds that are set up in the form of a limited partnership, corporation or unit trust. Many of these Permitted Funds can be highly leveraged and sometimes take large positions with high volatility. Permitted Funds may concentrate in only one geographic area or asset investment category, thereby taking on the risk of the market and of rapid changes to the relevant geographic area or investment category. These investments may be speculative. As Permitted Funds can be highly leveraged, even a small investment in them by the Portfolio may result in all or the majority of the Portfolio's risk exposure being to these Permitted Funds.

Valuation of Permitted Funds: The method by which the net asset value per Share will be calculated, presumes the Administrator's ability to value the holdings in Permitted Funds. In valuing those holdings, the Administrator will need to rely on financial information provided by the Permitted Funds themselves. Independent valuation sources such as exchange listing may not be available for certain Permitted Funds. In addition, in respect of certain closed-ended Permitted Funds, the price of such unit or share may diverge from its net asset value for prolonged periods of time.

Reliance on service providers: Shareholders will have no right or power to participate in the day to day management or control of a Permitted Fund or its investment adviser or other service providers which the Permitted Fund relies on. While the Investment Adviser will select and monitor the investment adviser of a Permitted Fund to which the Portfolio allocates assets, the Investment Adviser relies to a great extent on information provided by such investment adviser in relation to its operations and that of other service providers to the Permitted Fund.

Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

4.7.5 Exchange traded funds

The performance of an exchange traded fund is dependent upon company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy of the underlying companies that comprise the index underlying the exchange traded fund as well as macroeconomic factors, such as interest and price levels on the capital markets, currency developments and political factors. The net asset value of the shares in the exchange traded fund is calculated by reference to the levels of the underlying investments comprising the exchange traded fund.

The investment manager or investment administrator of an exchange traded fund will have no involvement in the offer and sale of the shares and will have no obligation to any purchaser of such shares. The investment manager or investment administrator of an exchange traded fund may take any actions in respect of such exchange traded fund without regard to the interests of the purchasers of the shares, and any of these actions could adversely affect the market value of a Portfolio.

4.7.6 Depositary Receipts

American depositary receipts ("ADRs") are instruments issued in the U.S. in the form of share certificates in a portfolio of shares held outside the U.S. in the country of domicile of the issuer of the underlying shares. Global depositary receipts ("GDRs") are also instruments in the form of share certificates in a portfolio of shares held in the country of domicile of the issuer of the underlying shares. As a rule they are distinguished from share certificates referred to as ADRs in that they are normally publicly offered and/or issued outside the U.S. European depositary receipts ("EDRs") are receipts evidencing an arrangement with a European bank similar to that for ADRs and are designed for use in the European securities markets

The value of Shares of a Portfolio composed of ADRs and/or GDRs and/or EDRs (together, "Depositary Receipts") may not reflect the return a purchaser would realise if he or she actually owned the relevant shares underlying the Depositary Receipts and received the dividends paid on those shares because the price of the Depositary Receipts on any specified valuation dates may not take into consideration the value of dividends paid on the underlying shares. Accordingly, purchasers of Shares that reference Depositary Receipts within the Portfolio may receive a

lower payment upon sale or transfer of such Shares than such purchaser would have received if he or she had invested in the shares of the Depositary Receipts directly.

EDRs and GDRs are not necessarily denominated in the currency of the underlying security. Depositary Receipts may not necessarily be denominated in the same currency as the underlying securities into which they may be converted and there may therefore be a currency risk on conversion.

The legal owner of shares underlying the Depositary Receipts is the custodian bank which at the same time is the issuing agent of the Depositary Receipts. Depending on the jurisdiction under which the Depositary Receipts have been issued and the jurisdiction to which the custodian agreement is subject, it cannot be ruled out that the corresponding jurisdiction does not recognise the purchaser of the Depositary Receipts as the actual beneficial owner of the underlying shares. Particularly in the event that the custodian becomes insolvent or that enforcement measures are taken against the custodian, it is possible that an order restricting free disposition is issued with respect to the shares underlying the Depositary Receipts or that these shares are realised within the framework of an enforcement measure against the custodian. If this is the case, the purchaser of the Depositary Receipt loses the rights under the underlying shares securitised by the Depositary Receipt.

Depositary Receipts may be issued pursuant to sponsored or unsponsored programs. In sponsored programs, an issuer has made arrangements to have its securities trade in the form of depositary receipts. In unsponsored programs, the issuer may not be directly involved in the creation of the program. Although regulatory requirements with respect to sponsored and unsponsored programs are generally similar, in some cases it may be easier to obtain financial information from an issuer that has participated in the creation of a sponsored program. Accordingly, there may be less information available regarding issuers of securities underlying unsponsored programs and there may not be a correlation between such information and the market value of the depositary receipts.

The issuer of the underlying shares may make distributions in respect of their shares that are not passed on to the purchasers of its Depositary Receipts, which can affect the value of the Depositary Receipts and a Portfolio.

4.7.7 Money market funds and instruments

A Portfolio may generally invest, for defensive purposes or otherwise, some or all of its assets in fixed-income securities, Money Market Instruments, and money market Permitted Funds, or hold cash or cash equivalents in such amounts as the Investment Adviser deems appropriate under the circumstances. Money Market Instruments are short-term fixed-income obligations, which generally have remaining maturities of one year or less, and may include U.S. government securities, commercial paper, certificates of deposit, bankers' acceptances issued by domestic branches of U.S. banks that are members of the Federal Deposit Insurance Corporation, and repurchase agreements. A Portfolio may be prevented from achieving its objective during any period in which its assets are not substantially invested in accordance with its principal investment strategies as a result of being invested in such money market funds or instruments.

4.7.8 Risks associated with efficient portfolio management techniques

The principal risk when engaging in securities lending, repurchase or reverse repurchase transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Portfolio as required by the terms of the transaction. Counterparty risk is mitigated by the transfer or pledge of collateral in favour of the Portfolio. However, securities lending, repurchase or reverse repurchase transactions may not be fully collateralised. Fees and returns due to the Portfolio under securities lending, repurchase or reverse repurchase transactions may not be collateralised. In addition, the value of collateral may decline in between collateral rebalancing dates or may be incorrectly determined or monitored. In such a case, if a counterparty defaults, the Portfolio may need to sell non-cash collateral received at prevailing market prices, thereby resulting in a loss to the Portfolio.

A Portfolio may also incur a loss in reinvesting cash collateral received. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Portfolio to the counterparty as required by the terms of the transaction. The Portfolio would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Portfolio.

In respect of a reverse repurchase agreement which typically involves the sale of a security by a party to a bank or securities dealer and the selling party's simultaneous agreement to repurchase that security for a fixed price (reflecting a rate of interest) on a specific date, such transaction may be considered a form of borrowing for some

purposes. Reverse repurchase agreements are a form of leverage that may also increase the volatility of the investment portfolio of a Portfolio.

Securities lending, repurchase or reverse repurchase transactions also entail operational risks such as the non-settlement or delay in settlement of instructions and legal risks related to the documentation used in respect of such transactions.

A Portfolio may enter into securities lending, repurchase or reverse repurchase transactions with other companies in the same group of companies as the Management Company or the Investment Adviser. Affiliated counterparties, if any, will perform their obligations under any securities lending, repurchase or reverse repurchase transactions concluded with the Portfolio in a commercially reasonable manner. In addition, the Investment Adviser will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the Portfolio and its Shareholders. However, Shareholders should be aware that the Management Company or the Investment Adviser may face conflicts between its role and its own interests or that of affiliated counterparties.

Further information on efficient portfolio management techniques can be found in Appendix C- "Special Investment Techniques".

4.7.9 Structured securities

A Portfolio may invest directly or indirectly in securities whose value is determined by reference to changes in the value of specific currencies, interest rates, commodities, indices or other financial indicators (the "Reference") or the relative change in two or more References (collectively, "Structured Securities"). The interest rate or the principal amount payable upon maturity or redemption may be increased or decreased depending upon changes in the applicable Reference. Structured Securities may be positively or negatively indexed, so that appreciation of the Reference may produce an increase or decrease in the interest rate or value of the security at maturity. In addition, changes in the interest rates or the value of the security at maturity may be a multiple of changes in the value of the Reference.

Structured Securities include interests in entities organised solely for the purpose of restructuring the investment characteristics of certain other investments. These investments are purchased by the entities, which then issue the Structured Securities backed by, or representing interests in, the underlying investments. The cash flow from the underlying investments may be apportioned among the newly issued Structured Securities to create securities with different investment characteristics such as varying maturities, payment priorities or interest rate provisions, and the extent of the payments made with respect to structured investments depends on the amount of the cash flow from the underlying investments.

Consequently, Structured Securities may present a greater degree of market risk than other types of fixed income securities, and may be more volatile, less liquid and more difficult to price accurately than less complex securities.

Structured Securities are subject to the risks associated with the underlying market or security, and may be subject to greater volatility than direct investments in the underlying market or security. Structured Securities may entail the risk of loss of principal and/or interest payments as a result of movements in the underlying market or security. Furthermore, many Structured Securities are sensitive to changes in interest rates and/or to prepayments and their returns may be subject to large changes based on relatively small changes in interest rates, prepayments or both. Structured Securities' returns in many cases may be volatile; leverage may be inherent in the structure of some Structured Securities and in some cases may be substantial. In addition, there can be no assurance that a liquid market will exist in any Structured Security when the Portfolio seeks to sell. A Portfolio may enter into hedging transactions in certain circumstances to protect against interest rate movement, prepayment risk and the risk of increased foreclosures as a result of a decline in values of the underlying assets or other factors, but there can be no assurance that such hedging transactions will fully protect the Portfolio against such risks and may involve risks different from those of the underlying securities. In the event of foreclosure of mortgages and other loans backing Structured Securities, there can be no assurance that the value of the underlying assets securing such loans will be equal to the amount of the loan and foreclosure expenses.

A Portfolio may invest in Structured Securities which are subordinate to more senior classes of such securities. As with other subordinated securities in which a Portfolio may invest, subordinated Structured Securities are entitled to receive repayment of principal only after all required principal payments have been made to more senior classes and have subordinate rights as to receipt of interest distributions. Such subordinated Structured Securities are subject to a substantially greater risk of non-payment than are senior classes of Structured Securities, and may be more volatile, less liquid and more difficult to accurately price than less complex securities.

Each Portfolio may also invest in credit linked securities referenced to underlying securities, instruments, baskets of securities or indices. These securities are subject to both counterparty risk and the risks inherent in the underlying investment. The counterparty risk lies with each party with whom the Investment Adviser contracts on behalf of the Portfolio for the purpose of making investments (the counterparty). The underlying investment risk lies with the sovereign or corporate entity against which payments made under the product are referenced.

Structured Securities may be used to gain exposure to specific markets / sectors as deemed appropriate given the prevalent market conditions. Structured Securities may implement a view of one product / index / market or may express a view of one area versus another. The product may or may not offer an element of principal protection. Structured Securities purchased may be created by Goldman Sachs; however, the issuer may be a third party or may be Goldman Sachs.

4.7.10 When-issued and forward commitment securities

A Portfolio may purchase securities on a “when-issued” basis and may purchase or sell securities on a “forward commitment” basis in order to hedge against anticipated changes in interest rates and prices or for speculative purposes. These transactions involve a commitment by the Portfolio to purchase or sell securities at a future date (ordinarily at least one or two months later). The price of the underlying securities, which is generally expressed in terms of yield, is fixed at the time the commitment is made, but delivery and payment for the securities takes place at a later date. No income accrues on securities that have been purchased pursuant to a forward commitment or on a when-issued basis prior to delivery to the Portfolio. When-issued securities and forward commitments may be sold prior to the settlement date. If a Portfolio disposes of the right to acquire a when-issued security prior to its acquisition or disposes of its right to deliver or receive against a forward commitment, it may incur a gain or loss. There is a risk that securities purchased on a when-issued basis may not be delivered and that the purchaser of securities sold by the Portfolio on a forward basis will not honour its purchase obligation. In such cases, the Portfolio may incur losses.

4.8 Trading, counterparty and custody

4.8.1 Counterparty risks

Each Portfolio is currently exposed to the credit risk of the counterparties with which, or the brokers, dealers and exchanges through which, the Portfolio deals, whether it engages in exchange traded or off-exchange transactions. Each Portfolio may also bear the risk of settlement default. This may include exposure to the risk of the credit default of issuers of commercial paper and similar instruments. In addition, market practices in relation to the settlement of transactions and the custody of assets could provide increased risks.

A financial derivative instruments broker's insolvency or default, or that of any other brokers involved with a Portfolio's transactions, may lead to positions being liquidated or closed out without the Portfolio's consent. In certain circumstances, the Portfolio may not get back the actual assets which it lodged as collateral and the Portfolio may have to accept any available payment in cash.

4.8.2 Depositary and sub-custodian risk

In respect of those assets of the Fund which are required to be held in custody by the Depositary and identified as belonging to the Fund in the Depositary's books, the assets of each Portfolio are segregated from other assets of the Depositary. This mitigates but does not prevent the risk of non-return in the event of bankruptcy of the Depositary. On the other hand, cash deposits placed with the Depositary are no different in legal characteristics than any other bank deposit and are therefore exposed to increased risk in the event of bankruptcy with the Fund being a general creditor of the Depositary.

The Depositary may appoint sub-custodians to hold the assets in countries where the Fund invests and, notwithstanding compliance by the Depositary with its legal obligations, these assets are therefore exposed to the risk of bankruptcy of those sub-custodians. In jurisdictions where legal and regulatory protections covering the holding of assets in such jurisdictions may be weaker there may be a risk to the Fund's assets or because the Depositary may not have an established sub-custodian in such market the Fund may not be able to invest in that market at all.

Where the Fund or the Depositary entrusts all or part of the assets of a Portfolio to a sub-custodian and assets are held by the sub-custodian in an omnibus account, a number of considerations must be taken into account in

addition to the requirement that the property is identified as that of the Portfolio and the Fund including the operating model of the sub-custodian, settlement efficiencies, cost aspects for the Depositary and/or the Fund, complexity of account set-ups, instruction flows, reconciliation aspects and subject to local laws, regulations and market practice.

4.8.3 Failure of prime brokers, brokers, counterparties and exchanges

For operational, cost or other reasons the Fund may choose to select a segregation model which may not be the most protective option available in the case of a default by a broker or counterparty. A Portfolio's prime brokers or other parties may hold the Portfolio's assets, including certain assets held as collateral for margin loans or other financing provided to the Portfolio. Under the terms of such arrangements and under applicable law, a secured party may be permitted to rehypothecate such assets in connection with securities lending or other transactions entered into by the secured party. A Portfolio may be subject to risk of loss of its assets on deposit with a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Portfolio, or the bankruptcy of an exchange clearing house. In addition, although regulations in certain jurisdictions may require a broker to segregate the funds of its customers, if a broker fails to properly segregate customer funds, the Portfolio may be subject to a risk of loss of its funds on deposit with such broker in the event of such broker's bankruptcy or insolvency. A Portfolio may also be subject to risk of loss of its funds on deposit with brokers who are not required by their own regulatory bodies to segregate customer funds. A Portfolio may be required to post margin for its foreign exchange transactions either with the Investment Adviser or other foreign exchange dealers who are not required to segregate funds (although such funds are generally maintained in separate accounts on the foreign exchange dealer's books and records in the name of the Portfolio). Under certain circumstances, such as the inability of another customer of the commodity broker or non-U.S. exchange dealer or the commodity broker or non-U.S. exchange dealer itself to satisfy substantial deficiencies in such other customer's account, a Portfolio may be subject to a risk of loss of its funds on deposit with such broker or dealer, even if such funds are properly segregated.

In the case of a bankruptcy of the counterparties with which, or the brokers, dealers and exchanges through which, a Portfolio deals, or a customer loss as described in the foregoing paragraph, the Portfolio might not be able to recover any of its assets held, or amounts owed, by such person, even property specifically traceable to the Portfolio, and, to the extent such assets or amounts are recoverable, the Portfolio might only be able to recover a portion of such amounts. Further, even if the Portfolio is able to recover a portion of such assets or amounts, such recovery could take a significant period of time. Prior to receiving the recoverable amount of the Portfolio's property, the Portfolio may be unable to trade any positions held by such person, or to transfer any positions and cash held by such person on behalf of the Portfolio. This could result in significant losses to the Portfolio.

A Portfolio may effect transactions on "over-the-counter" or "interdealer" markets. Participants in these markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. These risks may differ materially from those involved in exchange traded transactions, which generally are characterized by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from these protections, which, in turn, may subject the Portfolio to the risk that a counterparty will not settle a transaction in accordance with agreed terms and conditions due to, among other things, a dispute over the terms of the contract or a credit or liquidity problem. Such "counterparty risk" is increased for contracts with longer maturities when events may intervene to prevent settlement. The inability of the Portfolio to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the potential for losses to the Portfolio.

A Portfolio may engage in direct or indirect trading of securities, currencies, financial derivative instruments (including swaps, forward contracts, futures, options and repurchase and reverse repurchase agreements) and other instruments (as permitted by its investment program) on a principal basis. As such, a Portfolio as transferee or counterparty could experience both delays in liquidating the underlying security, future or other investment and losses, including those arising from: (i) the risk of the inability or refusal to perform with respect to such transactions on the part of the principals with which the Portfolio trades, including without limitation, the inability or refusal to timely return collateral posted by the Portfolio; (ii) possible decline in the value of any collateral during the period in which the Portfolio seeks to enforce its rights with respect to such collateral; (iii) the need to remargin or repost collateral in respect of transferred, assigned or replaced positions; (iv) reduced levels of income and lack of access to income during such period; (v) expenses of enforcing its rights; and (vi) legal uncertainty concerning the

enforceability of certain rights under swap agreements and possible lack of priority against collateral posted under the swap agreements. Any such failure or refusal, whether due to insolvency, bankruptcy or other causes, could subject the Portfolio to substantial losses. A Portfolio will not be excused from performance on any such transactions due to the default of third parties in respect of other trades in which its trading strategies were to have substantially offset such contracts.

4.8.4 Tri-party collateral management services

A Portfolio may enter into repurchase agreements. Collateral obtained under such agreements must be transferred to the Depositary or its agent however; this requirement does not apply where the Portfolio uses tri-party collateral management services of international central securities depositaries and credit institutions which are generally recognised as specialists in this type of transaction. In such circumstances, such collateral will be held outside of the custodial network by the tri-party collateral agent. Where collateral is held pursuant to such a tri-party collateral arrangement, the Portfolio will be subject to similar risks in the event of a failure of the international central securities depositaries or other relevant institution as those outlined above.

4.8.5 Necessity for counterparty trading relationships

Participants in the over-the-counter markets typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. A Portfolio is only able to enter into transactions on the basis of credit facilities established on its own behalf (or on behalf of the Fund) and not on those established for the benefit of Goldman Sachs. While it is anticipated that a Portfolio will be able to establish the necessary counterparty business relationships to permit the Portfolio to effect transactions in the over-the-counter commodities markets and other counterparty markets, including the swaps market, there can be no assurance that it will be able to do so or, if it does, that it will be able to maintain such relationships. An inability to continue existing or establish new relationships could limit the Portfolio's activities and would require the Portfolio to conduct a more substantial portion of such activities in the futures markets. Moreover, the counterparties with which a Portfolio expects to establish such relationships will not be obligated to maintain the credit lines extended to the Portfolio, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

4.8.6 Trading on exchanges

A Portfolio may trade, directly or indirectly, futures and securities on exchanges located anywhere. Some exchanges, in contrast to those based in the United States, for example, are "principals' markets" in which performance is solely the individual member's responsibility with whom the trader has entered into a commodity contract and not that of an exchange or its clearinghouse, if any. In the case of trading on such exchanges, a Portfolio will be subject to the risk of the inability of, or refusal by, a counterparty to perform with respect to contracts. Moreover, in certain jurisdictions there is generally less government supervision and regulation of worldwide stock exchanges, clearinghouses and clearing firms than, for example, in the United States, a Portfolio is also subject to the risk of the failure of the exchanges on which its positions trade or of their clearinghouses or clearing firms and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

4.8.7 Electronic trading

A Portfolio may trade on electronic trading and order routing systems, which differ from traditional open outcry trading and manual order routing methods. Transactions using an electronic system are subject to the rules and regulations of the exchanges offering the system or listing the instrument. Characteristics of electronic trading and order routing systems vary widely among the different electronic systems with respect to order matching procedures, opening and closing procedures and prices, trade error policies and trading limitations or requirements. There are also differences regarding qualifications for access and grounds for termination and limitations on the types of orders that may be entered into the system. Each of these matters may present different risks with respect to trading on or using a particular system. Each system may also present risks related to system access, varying response times and security. In the case of internet-based systems, there may be additional risks related to service providers and the receipt and monitoring of electronic mail.

Trading through an electronic trading or order routing system is also subject to risks associated with system or component failure. In the event of system or component failure, it is possible that for a certain time period, it might

not be possible to enter new orders, execute existing orders or modify or cancel orders that were previously entered. System or component failure may also result in loss of orders or order priority. Some investments offered on an electronic trading system may be traded electronically and through open outcry during the same trading hours. Exchanges offering an electronic trading or order routing system and listing the instrument may have adopted rules to limit their liability, the liability of brokers and software and communication system vendors and the amount that may be collected for system failures and delays. The limitation of liability provisions vary among the exchanges.

4.8.8 Frequent trading and turnover

Additional transaction costs have an adverse effect on a Portfolio's performance. Such transaction costs will be incurred where the Investment Adviser makes frequent trades in futures, options on futures, forwards, swaps, currencies, securities and other investments because more frequent trading typically results in higher transaction costs. In addition, a Portfolio may invest on the basis of short-term market considerations resulting in a turnover rate within the Portfolio which may be significant and potentially involve substantial brokerage commissions, fees and other transaction costs.

4.9 Leverage and hedging

4.9.1 Risk of Borrowing

The Fund is authorised to borrow on a temporary basis within the limits set forth under Appendix A – "UCITS Investment Restrictions". The Fund may choose to only borrow from a single entity which may be an affiliate of the Depositary, and the borrowing rate imposed by such entity may change due to market conditions. As a consequence thereof, the borrowing rates imposed by such entity may not be the most competitive.

In lieu of, or in addition to, obtaining a revolving credit line, a Portfolio may determine from time to time to attempt to borrow funds as and when needed, as opposed to relying on committed facilities, with respect to all or a portion of its borrowing needs. Such borrowings would therefore generally not involve the payment of any commitment fees, but may result in a higher interest rate when borrowings are made than would have been the case had a committed facility been in place, and could leave the Portfolio at risk in situations where no such financing is available, or is only available at high rates. In addition, the terms of any such borrowings may provide that such borrowings may be subject to repayment at any time upon demand by the lender, which could occur at a time when complying with such demand could have a material adverse effect on the Portfolio.

The applicable lender may impose certain restrictions or requirements on the operations of the Portfolio including, without limitation, restrictions relating to the permitted investments of the Portfolio and redemptions from the Portfolio, and requirements with respect to the valuation procedures of the Portfolio, the liquidity of the Portfolio and the performance or other reports or notices to be provided to the lender by the Portfolio.

As a result of a default, to avoid a default or to raise cash to meet a repayment requirement, a Portfolio may be required to liquidate assets in its portfolio that it otherwise would not liquidate, or at a time that is not the optimal time to sell such assets. In addition, a Portfolio may be required to deliver its portfolio. Any such event could have a material adverse effect on the Portfolio's portfolio and could result in the Portfolio being unable to achieve its investment objective or employ its investment strategies.

In addition, in connection with any borrowings by a Portfolio secured in whole or in part by interests in the Portfolio, the level of leverage incurred by the Portfolio may limit the amount that lenders to the Portfolio will loan against interests in the Portfolio, and the borrowing terms may include covenants pursuant to which defaults or other consequences with respect to borrowings by the Portfolio could be triggered as a result of the Portfolio exceeding certain leverage thresholds or ratios on an absolute or relative basis. The rights of lenders to a Portfolio to receive payments of interest or repayments of principal will generally be senior to those of the investors in the Portfolio and the terms of any such borrowings may restrict certain activities of the Portfolio, including its ability to make distributions.

4.9.2 Hedging transactions

A Portfolio may or may not employ hedging techniques. These techniques could involve a variety of financial derivative instruments transactions, including futures contracts, exchange-listed and over-the-counter put and call options on securities, financial indices, forward foreign currency contracts, and various interest rate transactions

(collectively, "Hedging Instruments"). Hedging Instruments involve risks different than those of underlying investments. In particular, the variable degree of correlation between price movements of Hedging Instruments and price movements in the position being hedged creates the possibility that losses on the hedge may be greater than gains in the value of a Portfolio's positions. In addition, certain Hedging Instruments and markets may not be liquid in all circumstances. As a result, in volatile markets, a Portfolio may not be able to close out a transaction in certain of these instruments without incurring losses substantially greater than the initial deposit. Although the contemplated use of these instruments is intended to minimise the risk of loss due to a decline in the value of the hedged position, at the same time they tend to limit any potential gain which might result from an increase in the value of such position. The ability of a Portfolio to hedge successfully will depend on the ability of the Investment Adviser to predict pertinent market movements, which cannot be assured.

The Investment Adviser may also utilise hedging techniques in other circumstances, including to seek to minimise the risk of loss due to a decline in the value of the securities and other instruments in which a Portfolio directly or indirectly invests. There can be no assurance that such hedging techniques will be successful, and such hedging techniques will tend to limit any potential gain which might result from an increase in the value of a hedged position.

4.10 Currency risks

4.10.1 General currency risks

As a result of investment in multinational issuers usually involving currencies of various countries, the value of the assets of a Portfolio as measured in a Portfolio's Base Currency will be affected by changes in currency exchange rates, which may affect a Portfolio's performance independent of the performance of its securities investments.

A Portfolio may or may not seek to hedge all or any portion of its foreign currency exposure relative to its Base Currency. However, even if a Portfolio attempts such hedging techniques, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-Base Currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations.

4.10.2 Currency exchange rate fluctuation

Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, a Portfolio's net asset value to fluctuate as well. Currency exchange rates generally are determined by the forces of supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or anticipated changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates also can be affected unpredictably by intervention or failure to intervene by governments or central banks or by currency controls or political developments throughout the world. To the extent that a substantial portion of a Portfolio's total assets, adjusted to reflect a Portfolio's net position after giving effect to currency transactions, is denominated in the currencies of particular countries, the Portfolio will be more susceptible to the risk of adverse economic and political developments within those countries.

4.10.3 Sovereign currency risk

Certain Portfolios may operate in Euro and / or may hold Euro and/or Euro denominated bonds and other obligations directly or as collateral. The Euro requires participation of multiple sovereign states forming the Euro zone and is therefore sensitive to the credit, general economic and political position of each such state including each state's actual and intended ongoing engagement with and/or support for the other sovereign states then forming the EU, in particular those within the Euro zone. Changes in these factors might materially adversely impact the value of securities that a Portfolio has invested in.

In particular, any default by a sovereign state on its Euro debts could have a material impact on any number of counterparties and any Portfolio that are exposed to such counterparties. In the event of one or more countries leaving the Euro zone, Shareholders should be aware of the redenomination risk to a Portfolio's assets and obligations denominated in Euro being redenominated into either new national currencies or a new European currency unit. Redenomination risk may be affected by a number of factors including the governing law of the financial instrument in question, the method by which one or more countries leave the Euro zone, the mechanism and framework imposed by national governments and regulators as well as supranational organisations and interpretation by different courts of law. Any such redenomination might also be coupled with payment and/or

capital controls and may have a material impact on the ability and/or willingness of entities to continue to make payments in euro even where they may be contractually bound to do so, and enforcement of such debts may in practice become problematic even where legal terms appear to be favourable.

4.10.4 Currency transactions

A Portfolio may engage in a variety of currency transactions. Since a spot or forward contract or over-the-counter option is not guaranteed by an exchange or clearing house, a default on the contract would deprive a Portfolio of unrealised profits, transaction costs and the hedging benefits of the contract or force a Portfolio to cover its purchase or sale commitments, if any, at the current market price. To the extent that a Portfolio is fully invested in securities while also maintaining currency positions, it may be exposed to greater combined risk. The use of currency transactions is a highly specialised activity which involves investment techniques and risks different from those associated with ordinary fund securities transactions. If the Investment Adviser is incorrect in its forecasts of market values and currency exchange rates, the investment performance of the Portfolio would be less favourable than it would have been if this investment technique were not used.

A Portfolio may incur costs in connection with conversions between various currencies. Currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to a Portfolio at one rate, while offering a lesser rate of exchange should the Portfolio sell to the dealer.

4.10.5 Currency counterparty risk

Contracts in the foreign exchange market are not regulated by a regulatory agency, and such contracts are not guaranteed by an exchange or its clearing house. Consequently, there are no requirements with respect to record-keeping, financial responsibility or segregation of customer funds or positions. In contrast to exchange traded futures contracts, interbank-traded instruments rely on the dealer or counterparty being contracted with to fulfil its contract. As a result, trading in interbank foreign exchange contracts may be subject to more risks than futures or options trading on regulated exchanges, including, but not limited to, the risk of default due to the failure of a counterparty with which a Portfolio has a forward contract. Although the Investment Adviser intends to trade with responsible counterparties, failure by a counterparty to fulfil its contractual obligations could expose a Portfolio to unanticipated losses.

4.10.6 Investment in currencies other than Base Currency

The Investment Adviser may invest a significant portion of the Fund's assets in currencies other than the Base Currencies of the Portfolios, or in instruments denominated in currencies other than the Base Currencies, the prices of which will be determined with reference to currencies other than the Base Currencies. The Fund, however, values its securities and other assets in the Base Currencies. The value of the Portfolios' assets will fluctuate with Base Currencies exchange rates as well as the price changes of its investments in the various local markets and currencies. Thus, an increase in the value of the Base Currencies compared to the other currencies in which the Fund makes its investments will reduce the effect of increases and magnify the effect of decreases in the prices of the Fund's investment securities in their local markets. Conversely, a decrease in the value of the Base Currencies will have the opposite effect on the Fund's non-Base Currency investment securities.

4.10.7 Non-deliverable forwards

For certain emerging markets, where local currencies are not freely convertible, Non-Deliverable Forward Contracts ("NDFs") may be used to implement Currency Hedged Share Classes or Currency Exposure Share Classes. NDFs are currency financial derivative instruments which differ from normal foreign currency forward contracts in that there is no physical settlement of two currencies at maturity. Instead, a net cash settlement (usually in USD) will be made by one party to the other based on the movement of two currencies. The markets for NDFs may have limited volume and prices may be volatile and be affected by a wide range of factors, which may result in prices that are materially different from the exchange rates for the underlying currencies. In addition, any yield that the Share Class may earn on NDFs may be materially less than the yield that the Share Class could earn by holding the underlying currencies. There can be no assurance that the Fund, in respect of a Share Class of a Portfolio, will be able to enter into NDF contracts due to the potential for limited trading.

4.11 Currency hedging

4.11.1 Share currency designation risk

The Investment Adviser may seek to hedge all or any portion of the foreign currency exposure of Shares designated in a currency other than the Base Currency through foreign exchange hedging. There can be no assurance that foreign exchange hedging will be effective. For example, it is not anticipated that foreign exchange hedging will take into account the changes in foreign currency exposure resulting from appreciation or depreciation of the assets of a Portfolio allocable to Other Currency Shares in the periods between Dealing Days of the relevant Portfolio. In addition, foreign exchange hedging may not fully protect investors from a decline in the value of the Base Currency against the relevant Share Class currency because, among other reasons, the valuations of the underlying assets of the Portfolio used in connection with foreign exchange hedging could be materially different from the actual value of such assets at the time the foreign exchange hedging is implemented, or because a substantial portion of the assets of the Portfolio may lack a readily ascertainable market value. Moreover, while holding Other Currency Shares should protect investors from a decline in the value of the Base Currency against the relevant Share Class currency, investors in Other Currency Shares will not generally benefit when the Base Currency appreciates against the relevant Share Class currency. The value of Shares of any Other Currency Shares will be exposed to fluctuations reflecting the profits and losses on, and the costs of, the foreign exchange hedging.

4.11.2 Impact of foreign exchange hedging on different Share Classes

Any foreign exchange hedging utilised by a Portfolio for Other Currency Shares will be solely for the benefit of the applicable Other Currency Shares, and the profits, losses, and costs related thereto will be for the account of such Other Currency Shares only. Notwithstanding the foregoing, the techniques and instruments used to implement any foreign exchange hedging will constitute assets and liabilities of the Portfolio as a whole.

While the Investment Adviser will seek to limit any foreign exchange hedging if the liabilities arising from any foreign exchange hedging utilised by a Portfolio exceed the assets of the applicable Share Class in respect of which such hedging activities were undertaken, it could adversely impact the net asset value of other Share Classes in the Portfolio. In addition, foreign exchange hedging will generally require the use of a portion of a Portfolio's assets for margin or settlement payments or other purposes. For example, a Portfolio may from time to time be required to make margin, settlement or other payments, including in between Dealing Days of the relevant Portfolio, in connection with the use of certain hedging instruments. Counterparties to any foreign exchange hedging may demand payments on short notice, including intra-day. As a result, a Portfolio may liquidate assets sooner than it otherwise would have and/or maintain a greater portion of its assets in cash and other liquid securities than it otherwise would have, which portion may be substantial, in order to have available cash to meet current or future margin calls, settlement or other payments, or for other purposes. A Portfolio generally expects to earn interest on any such amounts maintained in cash, however, such amounts will not be invested in accordance with the investment program of the Portfolio, which may materially adversely affect the performance of the Portfolio (including Base Currency denominated Shares). Moreover, due to volatility in the currency markets and changing market circumstances, the Investment Adviser may not be able to accurately predict future margin requirements, which may result in a Portfolio holding excess or insufficient cash and liquid securities for such purposes. Where a Portfolio does not have cash or assets available for such purposes, the Portfolio may be unable to comply with its contractual obligations, including without limitation, failing to meet margin calls or settlement or other payment obligations. If a Portfolio defaults on any of its contractual obligations, the Portfolio and its Shareholders (including holders of Base Currency denominated Shares) may be materially adversely affected.

4.11.3 Risk relating to no or partial hedging

There may be circumstances in which the Investment Adviser may determine not to conduct any foreign exchange hedging in whole or in part for a certain period of time, including without limitation, where the Investment Adviser determines that foreign exchange hedging is not practicable or possible or may materially affect the Portfolio or any direct or indirect investors therein, including the holders of Base Currency denominated Shares. As a result, foreign currency exposure may go fully or partially unhedged for that period of time. Shareholders may not receive notice of certain periods for which foreign currency exposure is unhedged.

A Portfolio may or may not utilise foreign exchange hedging during the period when the Portfolio's assets are being liquidated or the Portfolio is being wound up in the Investment Adviser's sole discretion. The Investment Adviser

may, subject to applicable law, delegate the management of all or a portion of the foreign exchange hedging to one or more of its Affiliates.

4.11.4 Currency classes of shares

Certain Share Classes of the Portfolio are denominated in a currency other than the Base Currency of the Portfolio. Investors in such Share Classes should note that the net asset value of the Portfolios will be calculated in the Base Currency and will be stated in the currency of non-Base Currency denominated Share Class at the current exchange rate between the Base Currency and the currency of such Share Classes. Fluctuations in that exchange rate may affect the performance of the Shares of that class independent of the performance of the Portfolio's investments. The costs of currency exchange transactions in connection with the purchase, redemption and exchange of Shares of that class will be borne by the relevant Share Class and will be reflected in the net asset value of that Share Class. Investors should note that inflows and outflows from non-Base Currency denominated Share Classes may have a greater potential to impact the price of such Shares due to the fluctuations in the relevant currency exchange rate.

4.11.5 Other Currency Shares

Subscriptions for Other Currency Shares will normally be converted by the Fund into the Base Currency of the relevant Portfolio at the currency exchange rate prevailing on the Business Day on which the subscription price has been calculated. Similarly, redemption requests made in respect of Other Currency Shares shall normally be calculated by converting such redemption request into the Base Currency of the relevant Portfolio at the currency exchange rate prevailing on the Business Day on which the redemption price has been calculated. The relevant currency exchange rate will be obtained from a source independent from the Management Company and the Investment Adviser. Therefore, an investor subscribing for or redeeming Other Currency Shares may be at a disadvantage (to investors in other Share Classes of that Portfolio) and may receive fewer Shares in the Portfolio to which the subscription or redemption is made as a consequence of unfavourable movements in the exchange rate of the relevant currency.

4.12 Structure and operation of the Fund

4.12.1 Amendments to the Shares bind all holders of Shares

The terms and conditions of the Shares may be amended by the Fund, (i) in certain circumstances, without the consent of Shareholders and (ii) in certain other circumstances, with the required consent of a defined majority of Shareholders and/or (iii) with providing the Shareholders with a prior notice of such changes with a right to redeem their Shares free of charge for a certain period of time. The terms and conditions of the Shares contain provisions for purchasers to call and attend meetings to consider and vote upon matters affecting their interests generally. Resolutions passed at such meetings can bind all Shareholders, including Shareholders who did not attend and vote at the relevant meeting and Shareholders who voted in a manner contrary to the majority.

4.12.2 Cross contamination

Pursuant to Luxembourg law, and unless provided otherwise in the Articles, the Fund should not be liable as a whole to third parties and there should not be the potential for cross contamination of liabilities between Portfolios. Therefore, as a matter of Luxembourg law, each Portfolio is "ring fenced" and considered to constitute a single pool of assets and liabilities, so that the rights of Shareholders and creditors in relation to each Portfolio should be limited to the assets of that Portfolio. However, there can be no categorical assurance that, should an action be brought against the Fund in the courts of another jurisdiction, the segregated nature of a Portfolio will necessarily be upheld. In addition, any pooling structures as described in Section 2 "Investment Objectives and Policies" (under paragraph 2.7 "Common Management of Assets") in the Prospectus and cross-investment as described in Appendix A – "UCITS Investment Restrictions" (under paragraph 9) may increase the risk of cross-contamination between Portfolios.

There is no legal segregation between the assets and liabilities attributable to the various Share Classes of a Portfolio. The assets and liabilities of the respective Share Class will be internally attributed by the Administrator to the respective Share Class. This internal segregation may not be recognised by third party creditors whether or not such claim is brought under Luxembourg law. While certain costs and expenses of certain transactions, for example as described above in relation to foreign exchange hedging, will be allocated to the relevant Share Class

with regard to third parties, and in particular, with respect to creditors (e.g. currency forward counterparties), such a Portfolio will be considered as a single pool of assets. Such Portfolios as a whole could be responsible for all such obligations notwithstanding that such obligations may be attributable to a specific Share Class of the Portfolio, except in such cases where other terms have been agreed upon with specific counterparties.

4.12.3 Errors, error correction policies and Shareholder notification

The Board of Directors, in consultation with the Depositary, will consider any breaches of investment objective, policies or restrictions and any errors in the calculation of the net asset value of the Portfolios or the processing of subscriptions and redemptions in order to determine whether corrective action is necessary or compensation is payable to the Fund or the Shareholders.

The Board of Directors may authorise the correction of errors, which may impact the processing of subscriptions for and redemptions of Shares. Subject to applicable law, the Board of Directors may follow materiality policies with respect to the resolution of errors that may limit or restrict when corrective action would be taken or when compensation to the Fund or Shareholders will be paid. In addition, subject to policies approved by the Board of Directors consistent with applicable law, not all mistakes will result in compensable errors. Accordingly, Shareholders who purchase or redeem Shares during periods in which compensable errors or other mistakes accrue or occur may not be compensated in connection with the resolution of a compensable error or other mistake.

Shareholders may not be notified of the occurrence of any error or mistake or the resolution thereof unless the correction of the error requires an adjustment to the number of Shares they hold or the net asset value at which such Shares were issued, or to the redemption monies paid to such Shareholder.

Additional information about the Investment Manager's error and error correction policies may be set forth in Part 2A of the Investment Manager's Form ADV. A copy of Part 2A of the Investment Manager's Form ADV is available on the SEC's website (www.adviserinfo.sec.gov). The Investment Manager may at any time, in its sole discretion and without notice to Shareholders, amend or supplement its error and error correction policies.

4.12.4 Adjustments to net asset value

If at any time the Fund determines that an incorrect number of Shares was issued to a Shareholder because the net asset value in effect on the Dealing Day was incorrect, the Fund will implement such arrangements as it determines are required for an equitable treatment of such Shareholder, which arrangements may include redeeming a portion of such Shareholder's shareholding for no additional consideration or issuing new Shares to such Shareholder for no consideration, as appropriate, so that the number of Shares held by such Shareholder following such redemption or issuance, as the case may be, is the number of Shares as would have been issued at the correct net asset value. A determination that the net asset value was incorrect in respect of a Dealing Day may arise where the Board of Directors and the Management Company subsequently determine, based on professional advice, that the net asset value reflected an under-accrual or over-accrual for tax or other liabilities. In addition, if at any time after a redemption of Shares (including in connection with any complete redemption by a Shareholder) the Fund determine that the amount paid to such Shareholder or former Shareholder pursuant to such redemption was materially incorrect (including because the net asset value at which the Shareholder or former Shareholder purchased such Shares or at which the redemption was effected was materially incorrect), the Fund will pay to such Shareholder or former Shareholder any additional amount that the Fund determines such Shareholder or former Shareholder would have been entitled to receive had the redemption been effected at the correct net asset value, or, in the Fund's sole discretion, seek payment from such Shareholder or former Shareholder of (and such Shareholder or former Shareholder may be required to pay) the amount of any excess payment that the Fund determines such Shareholder or former Shareholder received, in each case without interest. Further, the Fund may, although it is under no obligation to, make the foregoing adjustments in the event that the amount paid was incorrect (but not to a material extent). In the event that the Fund elects not to seek the payment of such amounts from a Shareholder or former Shareholder or is unable to collect such amounts from a Shareholder or former Shareholder, the net asset value will be less than it would have been had such amounts been collected.

Under certain circumstances, the Fund may be required to make a payment in respect of, or may, subject to any limitations under applicable law, determine to establish an accrual for, a direct or indirect liability (including a tax liability) that is attributable to prior periods and for which no accrual has previously been made. Even though the net asset value of the applicable Shares in effect for prior periods was not necessarily incorrect under the then-current accounting standards, the Fund may, in the sole discretion of the Board of Directors, subject to any

limitations under applicable law, determine that it is appropriate to take measures in an effort to allocate the burden of a direct or indirect liability among Shareholders and former Shareholders such that the direct or indirect liability is borne by the Shareholders and former Shareholders in proportion to their respective interests in the Fund for the period in which such liability was incurred or existed or in such other manner as the Fund shall determine is equitable and reasonable. Such measures may include one or more of the arrangements described in the preceding paragraph, including adjustments to the net asset value (including for prior periods), redeeming a portion of a Shareholder's Shares or issuing additional Shares to a Shareholder for no consideration, and seeking repayment of distributed amounts from Shareholders or former Shareholders

4.12.5 "Fair value" prices and impact on fees payable to the Investment Adviser

In certain circumstances the Valuer may be required to provide "fair value" prices for certain assets of the Fund and its subsidiaries and that, in such circumstances, the Valuer's "fair value" may diverge significantly from the next available market price of such assets. Investors should be aware that in these circumstances a possible conflict of interest may arise where the Valuer is a related party to the Investment Adviser and the higher the estimated probable realisation value of the securities the higher the fees payable to the Investment Adviser.

4.12.6 Trading prior to receipt of subscription monies and prior to the effective date of subscriptions

A Portfolio may, in the sole discretion of its Investment Adviser, begin trading at any time prior to the effective date of subscriptions for Shares on the basis of subscription applications received by a Distributor. In addition, without limiting the generality of the foregoing, a Portfolio may, in the sole discretion of its Investment Adviser, trade after the effective date of a subscription on the basis of receiving funds with respect to the subscription even if such funds were not received on such effective date. Pursuant to the Original Account Agreement, an investor or prospective investor will be liable for any losses or costs arising out of or relating to the non-payment or late payment of subscription monies, including any losses or costs incurred as a result of a Portfolio trading on the basis of receipt of such monies as of the effective date of a subscription. These practices could have an adverse effect on a Portfolio. Non-payment or late payment of subscription monies may result in losses and costs to a Portfolio, and a Portfolio may not ultimately recoup such losses or costs from the applicable investors or prospective investors. In addition, the Investment Adviser as may make investments or other portfolio decisions for a Portfolio in anticipation of subscriptions that would not have been made were it known that the subscriptions would not be made or would be made late, which could have an adverse effect on a Portfolio's portfolio.

Furthermore, as a result of extended time periods required to effect trades in certain types of assets, such as loan participations, the settlement of trades made by a Portfolio in anticipation of subscriptions or redemptions may fall a substantial time before or after the anticipated Dealing Day. Accordingly, such trades may have the effect of increasing or decreasing the amounts of leverage to which a Portfolio is exposed. Investors in the Portfolio (and not the subscribing investors) will bear the market risk and return, and the credit risk, in respect of any trades made prior to a Dealing Day in anticipation of subscriptions. Similarly, investors in the Portfolio (and not the redeemed Shareholders) will bear the market risk and return, and the credit risk, in respect of any trades made to Portfolio redemptions which are effected after the relevant Dealing Day.

4.12.7 In-kind distributions

The Portfolios generally expect to pay redemption proceeds in respect of redeemed Shares and other distributions, if any, in cash. However, each Portfolio will have the right, at its discretion (although in certain circumstances this discretion will be subject to the consent or approval of relevant Shareholders), to cause any distributions, including, without limitation, distributions in respect of redeemed Shares, to be made wholly or partly in-kind to the Shareholders.

In the event that a Portfolio makes such a distribution of securities, Shareholders will bear any risks of the distributed securities which may not perfectly reflect a pro rata slice of the Portfolio, and may be required to pay brokerage commissions or other costs in order to dispose of such securities. Moreover, securities and other assets distributed by a Portfolio may not be readily marketable or saleable and may have to be held by Shareholders (or any special purpose vehicle or liquidating trust created to hold such assets) for an indefinite period of time. The risk of loss and delay and any expenses incurred in connection with liquidating such securities (including any expenses involved in the organisation and maintenance of any applicable special purpose vehicle or liquidating trust and any brokerage commissions or other costs) will be borne by the applicable Shareholders, which may result in such

Shareholders ultimately receiving less cash than they would have received if such distribution had been made in cash. While assets distributed in kind will ordinarily be valued as of the applicable distribution date, the value of such assets will fluctuate and the value assigned thereto for purposes of such distribution may not reflect the actual amount that will be realised in connection with a disposition (or, on the eventual liquidation) of such assets.

4.12.8 Special considerations applicable to the continuous offering of Shares

Shares may be offered, and such offerings will close, at such times as are determined by the Board of Directors, in accordance with the Prospectus. The Board of Directors may permit only certain Shareholders and/or prospective Shareholders, including without limitation Goldman Sachs and certain employees of Goldman Sachs (including members of the Investment Adviser's investment team) to subscribe for Shares on a particular date. Such subscriptions may occur at any time, as determined by the Board of Directors, including without limitation at times when a Portfolio is experiencing adverse performance, when the Portfolio or the markets are experiencing volatility, or when the Board of Directors determines that it would be advisable for the Portfolio to obtain additional cash for liquidity or other purposes. Goldman Sachs could potentially make a large additional investment in a Portfolio, one or more feeder funds and/or one or more other investment vehicles that invest on a side-by-side basis with a Portfolio at a time when other Shareholders and/or prospective Shareholders may not be permitted to invest. Such additional investments may dilute the indirect interests of existing Shareholders in the Portfolio's investment portfolio prior to any such investments, which could have an adverse impact on such Shareholders' interests in a Portfolio if the Portfolio's future investments underperform its prior investments.

In addition, Shares acquired following the initial offering of Shares represent interests in an operating Portfolio that has significant open positions. Since these Shares will share in a Portfolio's open positions which may have been held for some period of time prior to the acquisition of such Shares, the application of the Investment Adviser's trading approach to such positions may have a qualitatively different effect on the performance of the additional Shares than it does on the performance of previously issued Shares. For example, a number of trading approaches utilised by a Portfolio may become more aggressive in terms of willingness to tolerate losses in a position and increase in the size of a position after an open trade has generated a substantial profit because subsequent losses (up to a certain level) are perceived as being only a partial give-back of prior profits, not an actual loss. As purchasers of Shares in the continuous offering will not have received the benefit of any profits on open positions prior to the date on which they purchase the Shares, subsequent losses will constitute an absolute loss to such holders, not only a partial give-back of profits. In addition, certain trading approaches by a Portfolio may follow profit-taking strategies whereby it will liquidate or partially liquidate a position after it has generated a predetermined amount of profit. Since the new Shares will not have had the benefit of any such profit prior to the date on which they were issued, Shareholders holding such Shares may find themselves liquidated out of a position (which may have continued to generate substantial profits) due to the Investment Adviser's "taking profits," none of which had inured to their benefit. Some approaches apply similar analyses based on overall portfolio performance, not just the performance of particular positions, with generally analogous effects.

4.12.9 Risk of mandatory redemption of U.S. Persons

As described in Section 14 "Redemption of Shares" (paragraph 14.2 "Mandatory Sale or Redemption") in the Prospectus, the Board of Directors has authorized the Management Company and the Distributor to determine from time to time the number of permitted U.S. Persons who may be admitted into the Fund pursuant to an applicable policy and procedure and accordingly may require the compulsory transfer or redemptions of Shares of a U.S. Person where the continued holding of Shares by such a Shareholder may result in adverse tax, pecuniary, legal, regulatory or material administrative disadvantages to the Fund (including any Portfolio) or its Shareholders as a whole. It should be noted that the number of permitted U.S. Persons that may be admitted in one Portfolio may impact the number of Shareholders who are permitted U.S. Persons being admitted to another and a large subscription or redemption in any Portfolio may impact the number of permitted U.S. Persons admitted in a different Portfolio resulting in the mandatory redemption of Shares of such permitted U.S. Persons or the temporary or permanent prohibition of further permitted U.S. Persons being admitted.

4.12.10 Substantial investor redemptions

Substantial redemption requests by Shareholders (including without limitation one or more other investment funds or accounts managed by Goldman Sachs) in a concentrated period of time could require a Portfolio to liquidate certain of its investments more rapidly than might otherwise be desirable in order to raise cash to fund the redemptions and achieve a portfolio appropriately reflecting a smaller asset base. Substantial redemption requests

may limit the ability of the Investment Adviser to successfully implement the investment program of a Portfolio and could negatively impact the value of the Shares being redeemed and the value of Shares that remain outstanding. In addition, following receipt of a redemption request, a Portfolio may be required to liquidate assets in advance of the applicable Dealing Day, which may result in a Portfolio holding cash or highly liquid investments pending such Dealing Day. During any such period, the ability of the Investment Adviser to successfully implement the investment program of a Portfolio may be impaired and the Portfolio's returns may be adversely affected as a result.

Moreover, regardless of the time period over which substantial redemption requests are made, the resulting reduction in the net asset value of a Portfolio could make it more difficult for the Portfolio to generate profits or recover losses. Shareholders will not receive notification of substantial redemption requests in respect of any particular Dealing Day from a Portfolio and, therefore, may not have the opportunity to redeem their Shares or portions thereof prior to or at the same time as the redeeming Shareholders. Under certain circumstances, a Portfolio may be permitted to suspend or postpone redemptions.

The risk of substantial redemption requests in a concentrated period of time may be heightened in the event that a Portfolio accepts investments related directly or indirectly to the offering of structured products including, without limitation, in connection with the hedging of positions under such structured products, particularly those structured products with a fixed life. A Portfolio may or may not accept such investments, as determined by the Portfolio in its sole discretion, and such investments could, at any time, make up a significant portion of the Portfolio's net asset value.

If Shareholders or investors in a Portfolio request redemption of a substantial number of Shares in the Portfolio, the Board of Directors may determine to gate the Portfolio and limit future redemptions (see Section 14 "Redemption of Shares" (paragraph 14.1 "Shareholder Request") in the Prospectus) or otherwise terminate the Portfolio rather than continue it with a significantly smaller asset base. A determination to terminate a Portfolio early may adversely affect the returns of the Portfolio and, in turn, the Shareholders.

Where Shares of a Portfolio are included in an index (or excluded from the index having previously been included in it), investors should be aware that the net asset value of that Portfolio may fluctuate due to investors basing their investment decisions on the constitution of such index. Any large inflows or outflows may cause an adverse impact on the underlying costs of the Portfolio.

4.12.11 Subsidiary holding companies

Subject to the prior approval of the Luxembourg Supervisory Authority, the Fund may from time to time establish one or more wholly-owned special purpose subsidiaries in order to facilitate a Portfolio's investment programme in certain jurisdictions. The formation and administration of any such special purpose subsidiaries may result in increased expenses to a Portfolio. In addition, the benefits of conducting investment activities through such subsidiaries may be adversely affected by political or legal developments in countries in which a Portfolio may invest. In the event that a subsidiary is created by the Fund, this Prospectus will be updated to include detailed information on such subsidiary. For the purposes of investing in India, the Fund may, but shall not be obliged to, invest through Goldman Sachs India Limited, a wholly owned subsidiary (the "Subsidiary") of the Fund. The Subsidiary was registered on 24 December 2007, no 76527 in the Company Registry in the Republic of Mauritius. The shares of the Subsidiary are in registered form only. The business of the Subsidiary is to act as an investment holding company for investing and holding assets exclusively on behalf of the Fund. The directors of the Subsidiary are responsible for ensuring that it is operated in a manner consistent with the overall investment policy, objective and management of the Fund and for its administration. The majority of the directors of the Subsidiary are members of the Board of Directors. If utilised, investment will be made via the Subsidiary with a view to the advancing of the efficient management of the Fund, in particular for the Goldman Sachs India Equity Portfolio (please refer to Supplement I for a detailed description of this Portfolio). Other Portfolios that may invest in India may also utilise the Subsidiary. On the 26 December 2007 the Subsidiary obtained a license from the Financial Services Commission of Mauritius (the "FSC") as a Category 1 Global Business Company.

The Subsidiary has obtained a tax residence certificate from the Commissioner of Income Tax in Mauritius. Accordingly, the objective is for the Subsidiary to qualify as a resident of Mauritius for the purposes of receiving the benefits of the India-Mauritius Double Taxation Avoidance Agreement (the "India-Mauritius Treaty") but this cannot be guaranteed. The registered office of the Subsidiary is at: Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius. The Subsidiary's directors are Theodore Sotir, York Shin Lim Voon Kee, Teddy Lo Seen Chong and Mark Heaney.

The investment adviser to the Subsidiary is Goldman Sachs Asset Management, L.P. New York, USA. The investment adviser sub delegates investment into India to its affiliated company, GSAMI. The fund administrator to the Subsidiary is Intercontinental Trust Limited which sub delegates the fund administration and calculation of net asset values to State Street.

The underlying investments of the Subsidiary will comply with the investment guidelines and restrictions applicable to the Fund. Appropriate procedures have been put in place in order to allow to the Depositary of the Fund to fulfil its supervisory and monitoring functions as regards the assets held by the Subsidiary on behalf of the Fund. The costs and expenses borne by the Subsidiary shall be allocated to the relevant Portfolio of the Fund, which shall invest its assets through the Subsidiary. As a wholly owned subsidiary of the Fund, all assets and liabilities, income and expenses of the Subsidiary are consolidated in the statement of net assets and operations of the Fund, allocated to the relevant Portfolio as appropriate. All investments held by the Subsidiary are disclosed in the financial statements and accounts of the Fund and all the assets held by the Subsidiary on behalf of the Fund are to be considered as assets held directly by the Fund. The Subsidiary's accounts are audited by the Fund's Auditor. The Subsidiary incurs and pays certain fees and expenses relating to its investment activity in India. These fees and expenses may include brokerage costs and commissions, transaction costs associated with converting currency to and from Indian Rupee, fees incurred by its standing proxy, corporate and registration fees and taxes associated with the establishment and operation of the Subsidiary.

There can be no assurance that any future changes to the India-Mauritius Treaty or future interpretations of such Treaty or a change in the Mauritius or Indian domestic tax laws, or a change of policy of the Mauritian or Indian tax authorities will not adversely affect the tax position of the Subsidiary's investments, which may have a material effect on the Fund.

Investors in a Portfolio which owns shares in the Subsidiary are required to represent that they are not resident in India and that the investment in the Portfolio is not derived from sources within India.

4.12.12 Limited pool of assets to invest

At inception, and for some period of time thereafter, a Portfolio may have relatively limited assets, which may limit its ability to trade in certain instruments that typically require minimum account balances for investment. As a result, a Portfolio may be limited with respect to the investment strategies it is able to employ until such time as it receives additional investments. For example, a Portfolio's trading may be restricted to the use of forward contracts, rather than futures, until it has an asset base sufficient to permit trading in other markets. Similar considerations may apply in respect of other instruments and investment strategies. In addition, if a Portfolio has a smaller asset base it may be less able to diversify its portfolio across investment strategies or instruments. The Investment Adviser may choose to limit or exclude the use of certain investment strategies and transactions. A Portfolio may face similar constraints if its asset size decreases as a result of future redemptions.

4.12.13 Performance based compensation to the Investment Adviser

The Investment Adviser may receive incentive compensation from a Portfolio. The performance fee payable to the Investment Adviser may create an incentive for the Investment Adviser to make investments on behalf of a Portfolio that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, since such compensation is calculated on a basis that includes unrealised appreciation of the Portfolios' assets, such compensation may be greater than if it were based solely on realised gains and losses. As a result incentive compensation may be paid on unrealized gains which may never subsequently be realised.

Unless otherwise indicated in the relevant Supplement, the Portfolios do not operate performance fee equalisation and therefore if they operate a performance fee this fact, combined with the vesting period of the performance fee, may result in unequal effects being experienced between different investors as to the effective performance fee that they bear on the performance in the relevant Portfolio that they personally experience through the period of their investment.

4.12.14 Voting rights and share-blocking

From time to time, the issuer of a security held in a Portfolio may initiate a corporate action relating to that security. Corporate actions relating to equity securities may include, among others, an offer to purchase new shares, or to tender existing shares, of that security at a certain price. Corporate actions relating to debt securities may include, among others, an offer for early redemption of the debt security, or an offer to convert the debt security into stock.

The Fund may in its discretion exercise or procure the exercise of all voting or other rights which may be exercisable in relation to investments held by a Portfolio, including Shares held by a Portfolio in another Permitted Fund. In relation to the exercise of such rights the Management Company may establish guidelines for the exercise of voting or other rights and the Management Company may, in its discretion, elect not to exercise or procure the exercise of such voting or other rights.

Certain corporate actions are voluntary, meaning that the Fund may only participate in the corporate action if it elects to do so in a timely fashion. Participation in certain corporate actions may enhance the value of a Portfolio.

In cases where the Fund, the Management Company or the Investment Adviser receives sufficient advance notice from the Depositary of a voluntary corporate action, the Investment Adviser or the Management Company will exercise its discretion, in good faith, to determine whether the Fund will participate in that corporate action (due to information not being made available in a commercially reasonable manner for access). If the Fund, the Management Company or the Investment Adviser does not receive sufficient advance notice of a voluntary corporate action, the Fund may not be able to timely elect to participate in that corporate action. Participation or lack of participation in a voluntary corporate action may result in a negative impact on the value of a Portfolio.

Certain investments may be subject to “share-blocking”. This occurs when an investment is “frozen” in the custodian system to facilitate the exercise of voting or other rights by the relevant custodians acting as proxies of the persons beneficially entitled to those affected investments. Share-blocking typically takes place 1 to 20 days before an upcoming meeting of investors in the relevant investment. While the investments are “frozen” they may not be traded. Therefore, in order to mitigate such illiquidity, a Portfolio (or its agents) may refrain from exercising its voting rights in respect of those investments which may be subject to “share-blocking”.

A summary description of the strategies for the exercise of voting rights relating to the Fund’s assets is available to investors on the Management Company website. Details of the actions taken on the basis of these strategies are available to the investors free of charge at their request at the registered office of the Management Company.

4.12.15 Changes to the investment strategies utilised by a Portfolio

The Investment Adviser may, from time to time, in its sole discretion, without prior notice to the Shareholders and without limitation, utilise additional investment strategies and/or remove, substitute or modify any investment strategy, or allocate all or a significant portion of a Portfolio’s assets to a single investment strategy or type of trade it is then utilising for a Portfolio, within the context of that Portfolio’s investment objectives and policies.

Any such decision will be made by the Investment Adviser based on one or more factors it may deem relevant from time to time, which among others may include liquidity constraints and the availability of opportunities that it deems attractive. There can be no assurance that the strategies utilised by a Portfolio are adequate, will be adequately implemented or that the Investment Adviser’s decisions in this regard will be successful or will not otherwise have an adverse effect on a Portfolio.

Shareholders will not have an opportunity to evaluate the Investment Adviser’s decisions regarding the determination of (and any changes to) the investment strategies utilised by a Portfolio, nor an opportunity to redeem their Shares, prior to any such decision.

In addition, the Investment Adviser or an Affiliate thereof may, from time to time, develop and implement new trading strategies across various asset classes. The Investment Adviser or its Affiliate, as applicable, may, however, determine that a particular strategy is more appropriately included as part of the portfolio of another of its investment funds or accounts rather than a Portfolio. Accordingly, the Investment Adviser may elect not to allocate to a Portfolio certain strategies that it has developed which are consistent with the investment objective of the Portfolio and the general categories of investment strategies of the Portfolio described in its Supplement, based on such factors as strategic fit and other portfolio management considerations, including, without limitation, the Portfolio’s capacity for such strategy, the liquidity of the strategy and its underlying instruments, the liquidity of the Portfolio, the business risk of the strategy relative to the overall portfolio make-up of the Portfolio, the lack of efficacy of, or return expectations from, the strategy for the Portfolio, and such other factors as the Investment Adviser deems relevant. For example, such a determination may, but will not necessarily, include consideration of the fact that a particular strategy will not have a meaningful impact on a Portfolio given the overall size of the Portfolio, the limited availability of opportunities in the strategy and the availability of other strategies for the Portfolio. As a result, such a strategy may be allocated to other accounts and investment funds managed by the Investment Adviser and not to the Portfolio, or vice versa. See paragraph 4.14.1 “Potential Conflicts of Interest”.

4.12.16 Risk budgeting

The Investment Adviser generally seeks to allocate the Fund's assets among the Fund's various investments and investment strategies in accordance with its risk budget, determined at any time and from time to time by the Investment Adviser and will rebalance this allocation from time to time. The Investment Adviser strongly believes in "risk budgeting" as a key concept in portfolio management. The Investment Adviser seeks to allocate risk to various investment exposures in a manner that the Investment Adviser believes will maximize the return per unit of risk at the time of such allocation, but there is no assurance that the Investment Adviser will be successful in doing so. The Investment Adviser believes that diversification achieved by the use of the Fund's investment strategies is consistent with this goal, although the Investment Adviser has complete discretion to utilise additional investment strategies or remove or substitute any investment strategy, which may, at any time, result in the Fund utilizing only one investment strategy, and there is no assurance that the strategies used by the Fund or the investments of the Fund will be sufficiently diversified or that they will have low correlation with each other which may result in increased concentration risk. Effective risk budgeting requires the ability to estimate risk; however, there is no assurance that risk will be estimated adequately or that this strategy will be implemented successfully.

The Investment Adviser has a proprietary risk models which seeks to estimate risk based on observed historical volatilities and correlations. To better capture the changing risks in the markets, certain of these models may be updated with daily data and greater emphasis is placed on more recent data. The allocation of the Fund's assets among its investment strategies and investments may also change from time to time based on the output of models used by the Investment Adviser or based on the discretion that may be employed by the Investment Adviser in making allocations. These models, among other things, forecast relative returns for, risk levels and volatility of, and correlations among strategies and investments. However, these models may, for a variety of reasons, fail to accurately predict such factors, including because of scarcity of historical data in respect of certain strategies and investments, erroneous underlying assumptions or estimates in respect of certain data or other defects in the models, or because future events may not necessarily follow historical norms. There can be no assurance that the Investment Adviser's models are adequate, that they will be adequately utilised by the Investment Adviser, or that the Investment Adviser's use of risk budgeting will be adequate.

4.12.17 Risk management

Risk management involves determining the risk of the portfolio as precisely as possible. This process implies an effort to monitor risk, but should not be confused with and does not imply low risk. The Investment Adviser's portfolio formation and strategy combination techniques are designed to give it a good sense of the risks to which the Fund's portfolio will be exposed, but these estimates are subject to error. Preparation and a detailed plan for timely portfolio adjustments to shocks in the markets define the function of risk management. The Management Company monitors the risk of each strategy and the correlation of the strategies. These figures combine to form a single measure of overall investment risk in the portfolio.

4.12.18 Risk calculation

The Management Company may, under applicable law, regulation and/or accounting standards, utilise third party risk management service providers to calculate risk metric measures under applicable law for certain Portfolios of the Fund. As part of the commercial arrangements entered into pursuant to a contract with the Management Company, such service providers may impose a cap on their liability to the Management Company for the services provided. The Management Company, however, retains all responsibility for the risk management of the Portfolios. The Fund is responsible for the fees payable to such entity in relation thereof, which shall be considered as a part of the operating expenses referred to in Section 19 "Fees and Expenses" in the Prospectus.

4.13 Regulatory issues

4.13.1 Increasing and evolving regulation

Since the recent global financial crisis there has been increased political and regulatory scrutiny of financial services, including the asset management industry.

In addition, there is a material risk that regulatory agencies in Europe, the United States or elsewhere may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or

enforcement thereof, which are specifically targeted at the asset management industry, or other changes that could adversely affect the Fund.

Future tax or other legislation and regulation could result in material tax or other costs for the Fund and the Portfolios, or require a significant restructuring of the manner in which the Fund and the Portfolios are organized or operated.

4.13.2 Regulatory uncertainty

There is significant uncertainty regarding recently enacted legislation (including the Dodd-Frank Act and the regulations that will need to be developed pursuant to such legislation) and, consequently, the full impact that such legislation will ultimately have on the Fund, the Portfolios and the markets in which they trade and invest is not fully known. Such uncertainty and any resulting confusion may itself be detrimental to the efficient functioning of the markets and the success of certain investment strategies. Further, the ability of a Portfolio to pursue its trading strategies may be adversely affected due to additional regulatory requirements or changes to regulatory requirements applicable to a Portfolio, such as requirements that may be imposed due to other activities of Goldman Sachs (including, without limitation, as a result of Goldman Sachs electing to be regulated as a Bank Holding Company (“BHC”) or as a result of the investment in a Portfolio by certain investors or types of investors. See “—*Regulation as a Bank Holding Company*” and “—*The Volcker Rule*”. Any changes to current regulations or any new regulations applicable to Goldman Sachs, the Fund, and/or the Portfolios could have a materially adverse effect on the Fund and/or the Portfolios (including, without limitation, by imposing material tax or other costs on a Portfolio, by requiring a significant restructuring of the manner in which the Portfolios are organized or operated or by otherwise restricting the Portfolios).

4.13.3 Regulation as a bank holding company

Because Goldman Sachs is currently deemed to “control” the Fund within the meaning of the U.S. Bank Holding Company Act of 1956, as amended (“BHCA”), the restrictions imposed by the BHCA and related regulations are expected to apply to the Fund. Accordingly, the BHCA and other applicable banking laws, rules, regulations and guidelines, and their interpretation and administration by the appropriate regulatory agencies, including but not limited to the Board of Governors of the Federal Reserve System (the “Federal Reserve”), may restrict the transactions and relationships between the Investment Adviser, the Management Company, the Board of Directors, Goldman Sachs and their Affiliates, on the one hand, and the Fund, on the other hand, and may restrict the investments and transactions by, and the operations of, the Fund. In addition, the BHCA regulations applicable to Goldman Sachs and the Fund may, among other things, restrict the Fund’s ability to make certain investments or the size of certain investments, impose a maximum holding period on some or all of the Fund’s investments, restrict the Investment Adviser’s ability to participate in the management and operations of the companies in which the Fund invests, and will restrict the ability of Goldman Sachs to invest in the Fund. Moreover, certain BHCA regulations may require aggregation of the positions owned, held or controlled by related entities. Thus, in certain circumstances positions held by Goldman Sachs (including the Management Company and the Investment Adviser) for client and proprietary accounts may need to be aggregated with positions held by the Portfolios. In this case, where BHCA regulations impose a cap on the amount of a position that may be held, Goldman Sachs may utilise available capacity to make investments for its proprietary accounts or for the accounts of other clients, which may require a Portfolio to limit and/or liquidate certain investments. See paragraph 4.14.1 “Potential Conflicts of Interest”.

The potential future impact of these restrictions is uncertain. These restrictions may affect the ability of the Management Company or the Investment Adviser to pursue certain strategies within a Portfolio’s investment programme and may otherwise have a material adverse effect on the Portfolios. In addition, Goldman Sachs may cease in the future to qualify as a financial holding company” under the BHCA, which may subject the Portfolios to additional restrictions. Furthermore, there can be no assurance as to the impact on Goldman Sachs or the Fund resulting from the Dodd-Frank Act and the new rules and regulations to be promulgated by supervisory and oversight agencies implementing the new legislation, or that the impact of such legislation will not have a material adverse effect on the Portfolios.

Goldman Sachs may in the future, in its sole discretion and without notice to Shareholders, restructure the Investment Adviser and / or the Management Company in order to reduce or eliminate the impact or applicability of any bank regulatory restrictions on Goldman Sachs, the Portfolios or other funds and accounts managed by the Investment Adviser and its Affiliates. Goldman Sachs may seek to accomplish this result by causing another entity

to replace the Investment Adviser, or by such other means as it determines. Any replacement investment adviser may be unaffiliated with Goldman Sachs.

4.13.4 CFTC

To the extent required, the Investment Adviser as operates each Portfolio pursuant to one of a number of possible exemptions for CFTC purposes and depending on which exemption is applicable certain CFTC commodity pool operator (“CPO”) regulations will apply to a Portfolio.

Although the Investment Adviser is registered with the CFTC under the U.S. Commodity Exchange Act as a CPO with respect to other pools that it operates, unless otherwise specified in the applicable Supplement or other form of disclosure document, the Investment Adviser will operate each Portfolio as if the Investment Adviser were exempt from registration as a CPO pursuant to Rule 4.13(a)(3) under the U.S. Commodity Exchange Act (the “Rule 4.13(a)(3) Exemption”). The Investment Adviser expects to be able to rely on the Rule 4.13(a)(3) Exemption in respect of each such Portfolio based on satisfaction of the criteria for such exemption, which include the following: (i) the offer and sale of the Shares is exempt from registration under the 1933 Act and is being conducted without marketing to the public in the United States; (ii) the Portfolio will at all times meet the trading limits of Rule 4.13(a)(3)(ii) with respect to any “commodity interest”; (iii) the Investment Adviser reasonably believes that each person who participates in the Portfolio meets the eligibility criteria under Rule 4.13(a)(3); and (iv) the Shares will not be marketed as or in a vehicle for trading in the commodity futures or commodity options markets. In order to rely on the Rule 4.13(a)(3) Exemption, a Portfolio may only engage in a limited amount of commodity interest transactions, which includes transactions involving futures contracts and swaps. As a result of still being so limited, the Portfolio may not be able to engage in certain transactions, which could adversely affect a Portfolio’s performance.

It should also be noted that where Shares of a Portfolio are currently only offered and sold to Non-U.S. Persons, the Investment Adviser is not required to operate the Portfolio as a “commodity pool” subject to regulation by the CFTC or to rely on an exemption from such registration. To the extent the Fund in the future may offer Shares in a Portfolio to U.S. Persons, before doing so, it will comply with applicable CFTC rules and regulations or rely on an appropriate exemptions from such rules and regulations.

Where the Investment Adviser will operate the Fund as if it were exempt from registration as a CPO or is not a “commodity pool” subject to regulation by the CFTC, the Investment Adviser will not be required to deliver a CFTC-compliant disclosure document and a certified annual report to Shareholders in the Fund. For the avoidance of doubt, this will have no impact on the other reports that Shareholders in the Fund will receive as described in this Prospectus and the Supplement referable to a Portfolio.

4.13.5 The Volcker Rule

In July 2010, the Dodd-Frank Act was enacted into law. The Dodd-Frank Act includes the so-called “Volcker Rule”. U.S. financial regulators issued final rules to implement the statutory mandate of the Volcker Rule on December 10, 2013. Pursuant to the Dodd-Frank Act, the Volcker Rule was effective July 21, 2012; however, the Federal Reserve issued an order that provided that banking entities are not required to be in compliance with the Volcker Rule and its final rules until July 21, 2015. Under the Volcker Rule, Goldman Sachs can “sponsor” or manage hedge funds and private equity funds only if certain conditions are satisfied. It is expected that the majority of the Portfolios will not be treated as “covered funds” for the purposes of the Volcker Rule.

If any of the Portfolios are treated as Volcker covered funds though, among other things, these Volcker Rule conditions generally prohibit banking entities (including Goldman Sachs) from engaging in “covered transactions” and certain other transactions with hedge funds or private equity funds that are managed by affiliates of the banking entities, or with investment vehicles controlled by such hedge funds or private equity funds. “Covered transactions” include loans or extensions of credit, purchases of assets and certain other transactions (including financial derivative instrument transactions and guarantees) that would cause the banking entities or their affiliates to have credit exposure to funds managed by their affiliates. In addition, the Volcker Rule requires that certain other transactions between Goldman Sachs and such entities be on “arms’ length” terms. The Fund does not expect to engage in such transactions with Goldman Sachs to any material extent and, as a result, the prohibition on covered transactions between Goldman Sachs and a Portfolio is not expected to have a material effect on the Portfolio.

In addition, the Volcker Rule prohibits any banking entity from engaging in any activity that would involve or result in a material conflict of interest between the banking entity and its clients, customers or counterparties, or that would result, directly or indirectly, in a material exposure by the banking entity to high-risk assets or high-risk trading strategies. However, there remains significant uncertainty as to how this prohibition will ultimately impact Goldman Sachs and the Portfolios. Goldman Sachs' policies and procedures are designed to identify and limit exposure to such material conflicts of interest and high-risk assets and trading strategies in its trading and investment activities, including its activities related to the Fund. If the regulatory agencies implementing the Volcker Rule develop guidance regarding best practices for addressing these matters, as they indicated that they intend to do, Goldman Sachs' policies and procedures may be modified or adapted to take any such guidance into account. Any requirements or restrictions imposed by Goldman Sachs' policies and procedures or by the Volcker Rule agencies could materially adversely affect the Portfolios, including because the requirements or restrictions could result in, among other things, a Portfolio foregoing certain investments or investment strategies or taking other or refraining from other actions, which actions could disadvantage that Portfolio.

As noted above, under the Volcker Rule, Goldman Sachs can "sponsor" and manage hedge funds and private equity funds only if certain conditions are satisfied. While Goldman Sachs intends to satisfy these conditions, if for any reason Goldman Sachs is unable to, or elects not to, satisfy these conditions or any other conditions under the Volcker Rule, then Goldman Sachs may no longer be able to sponsor the Fund and the Portfolios. In such event, the structure, operation and governance of the Fund may need to be altered such that Goldman Sachs is no longer deemed to sponsor the Fund and the Portfolios or, alternatively, the Fund and the Portfolios may need to be terminated.

In addition, other sections of the Dodd-Frank Act may adversely affect the ability of the Portfolios to pursue their trading strategies, and may require material changes to the business and operations of, or have other adverse effects on, the Portfolios. See "*—Disclosure of Information Regarding Shareholders*".

Goldman Sachs may in the future, in its sole discretion and without notice to Shareholders, restructure the Investment Adviser or suggest to the Board of Directors the restructuring of the Fund, in order to reduce or eliminate the impact or applicability of the Volcker Rule on Goldman Sachs, the Portfolios or other funds and accounts managed by the Investment Adviser, the Management Company and their Affiliates. Goldman Sachs may seek to accomplish this result by reducing the amount of Goldman Sachs' investment in the Fund (if any), or by such other means as it determines.

In respect of any Portfolios that are treated as Volcker covered funds:

Prospective investors are hereby advised that any losses in the Portfolio will be borne solely by investors in the Portfolio and not by Goldman Sachs; therefore, Goldman Sachs' losses in the Portfolio will be limited to any losses in its capacity as an investor in the Portfolio. Interests in the Portfolio are not insured by the U.S. Federal Deposit Insurance Corporation, and are not deposits, obligations of, or endorsed or guaranteed in any way, by any banking entity. Investments in the Portfolio are subject to substantial investment risks, including, among others, those described herein, including the possibility of partial or total loss of an investor's investment.

4.13.6 Effect of regulation of speculative position limits

Under U.S., European or other regulations, some exchanges may have rules limiting the maximum net long or net short positions which any person or group may own, hold or control in any given futures contract or option on such futures contract. Any such limits may prevent a Portfolio from acquiring positions that might otherwise have been desirable or profitable. In addition, in applying such limits, some exchanges require aggregation of the positions owned, held or controlled by certain related entities. The activities of the Investment Adviser on behalf of a Portfolio are, and will continue to be, conducted separately from the activities of the Investment Adviser and its Affiliates. However, in applying such limits, some exchanges will require aggregation of a Portfolio's positions in futures with positions held by other entities managed by the Investment Adviser. In addition, it is possible that, in applying such limits, some exchanges will require aggregation of a Portfolio's positions in futures with positions held or controlled by other entities affiliated with the Investment Adviser. Under such circumstances, Goldman Sachs may utilise available position limits for its proprietary accounts, and, as a result, a Portfolio, and not Goldman Sachs, could be required to limit its use of futures or liquidate its positions.

In addition, pursuant to the Dodd-Frank Act, the CFTC recently proposed position limit rules for futures and options contracts on 28 agricultural, energy and metal commodities, along with economically equivalent futures, options and swaps that, among other things, would incorporate more restrictive aggregation criteria. Any additional rules or

rule amendments adopted by the CFTC in the future may hinder the Investment Adviser's ability to trade such contracts and could have an adverse effect on the operations and profitability of the Portfolios and the Fund.

4.14 Disclosures regarding the Management Company / Investment Adviser

4.14.1 Potential Conflicts of Interest

The Board of Directors, the Management Company, the Investment Adviser, the Distributor, the Administrator, the Depositary, the Registrar and Transfer Agent and their respective Affiliates and delegates, may each from time to time act as director, management company, investment manager, investment adviser, distributor, administrator, transfer agent or depositary in relation to, or be otherwise involved in, other collective investment schemes which have similar investment objectives to those of the Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the Fund or the Shareholders. Each will, at all times, have regard in such event to its obligations to the Fund and, in particular, to its obligations to act in the best interests of the Shareholders when undertaking any investments where conflicts of interest may arise and will endeavour to ensure that such conflicts are resolved fairly and, in particular, the Investment Adviser will act in a manner which it in good faith considers fair and equitable in allocating investment opportunities to the Fund. The estimate of the Valuer may be used when determining the probable realisation value of certain investments. Investors should be aware that in these circumstances a possible conflict of interest may arise as the higher the estimated probable realisation value of the securities the higher the fees payable to the Management Company or the Investment Adviser.

The Management Company, the Investment Adviser, the Distributor, the Administrator, the Depositary, the Registrar and Transfer Agent and their respective affiliates, may each from time to time deal, as principal or agent, with the Fund, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. Dealings will be deemed to have been effected on normal commercial terms negotiated at arm's length if (i) a certified valuation of any such transaction by a person approved by the Depositary (or the Board of Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary) as independent and competent is obtained; or (ii) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or (iii) where (i) and (ii) are not practical, the transaction is executed on terms which the Depositary (or the Board of Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary), is satisfied are normal commercial terms negotiated at arm's length and in the best interests of Shareholders at the date of the transaction.

Each of the Board of Directors and the Management Company shall endeavour to ensure that any conflicts of interest are resolved fairly and in the best interests of Shareholders in accordance with the Management Company's conflicts of interest policy. The Fund has appointed Goldman Sachs to provide a number of services to the Fund and relies on Goldman Sachs to act in accordance with the Management Company's conflicts of interest policy.

The general nature or causes of interest which may arise despite the application of policies and procedures to mitigate such conflicts currently in place is described below and in Appendix F – "Potential Conflicts of Interest".

Goldman Sachs' Global Presence

Goldman Sachs, including its personnel, 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. In those and other capacities, Goldman Sachs advises clients in all markets and transactions and purchases, sells, holds and recommends a broad array of investments 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 activities and dealings may give rise to potential conflicts of interest. In addition, the activities of the Advisors and their respective Affiliates, and their directors, trustees, managers, members, partners, officers and employees, for their own accounts and other accounts they manage, may give rise to conflicts of interest that could disadvantage the Fund and its Shareholders. A description of certain of such potential conflicts of interest is set forth under Appendix F – "Potential Conflicts of Interest".

Goldman Sachs Specific Conflicts

GSAMGS serves as the Management Company, GSAMI serves as the Investment Adviser, its Affiliates may serve as a Sub-Adviser, Goldman, Sachs & Co. serves as the Valuer and GSI serves as the Distributor. In addition,

certain of the current members of the Board of Directors are persons employed by or associated with Goldman Sachs. Goldman Sachs may also act in a capacity other than Management Company, Investment Adviser, Sub-Adviser, Valuer or Distributor to the Fund or a Portfolio including as broker, dealer, agent, lender or adviser or in other commercial capacities for the Fund or a Portfolio, which may give rise to additional potential conflicts of interest that could disadvantage the Fund and the Shareholders. A description of certain of such potential conflicts of interest is set forth under Appendix F – “Potential Conflicts of Interest”.

Appendix F – “Potential Conflicts of Interest” further describes certain conflicts of interest and potential conflicts of interest that may be associated with the financial or other interests that the Management Company, the Investment Adviser and Goldman Sachs may have in transactions effected by, with, and on behalf of the Fund. They are not, and are not intended to be, a complete enumeration or explanation of all of the potential conflicts of interest that may arise. Additional information about potential conflicts of interest regarding the Management Company, the Investment Adviser and Goldman Sachs is set forth in the Investment Adviser’s Form ADV which prospective Shareholders should review prior to purchasing Shares. A copy of Part 1 and Part 2 of the Forms ADV is available on the SEC’s website (www.adviserinfo.sec.gov). By having made an investment in a Portfolio, a Shareholder is deemed to have assented to the potential conflicts of interest relating to Goldman Sachs and to the operations of the Fund in the face of such conflicts.

4.14.2 Dependence on Key Personnel

In managing and directing the investment programs of the Fund, the Investment Adviser may rely heavily on certain key personnel of Goldman Sachs. As a result of regulation or for other reasons, the amount of compensation that may be payable to Goldman Sachs executives or other employees may be reduced, or employees who rely on work visas or other permits may have such visas or permits revoked or not renewed. As a result, certain key personnel, including members of the Investment Adviser’s investment team, may leave Goldman Sachs. The departure of any of such key personnel or their inability to fulfil certain duties may adversely affect the ability of the Investment Adviser to effectively implement the investment programs of the Fund and may have an adverse impact on the Fund. Changes to the composition of the investment team may occur over time and without notice to Shareholders.

4.14.3 Goldman Sachs risk

Although the Fund is a separate legal entity from Goldman Sachs, it could nonetheless be adversely affected by damage to Goldman Sachs’ reputation, any insolvency and/or liquidation proceedings, or if there were a change of control of Goldman Sachs. In that regard, reputational damage, bankruptcy or change of control of Goldman Sachs, the Management Company or the Investment Adviser could cause the Management Company or the Investment Adviser to have difficulty retaining personnel or otherwise adversely affect a Portfolio and its ability to achieve its investment objective.

4.15 Disclosure regarding taxation issues

4.15.1 Uncertain tax positions

Shareholders should be aware that tax laws and regulations change on an ongoing basis and may be changed with retroactive effect. Moreover, the interpretation and application of tax laws and regulations by certain tax authorities may not be clear, consistent or transparent. As a result, the net asset value of a Portfolio at the time any subscriptions and redemptions of Shares occur may not accurately reflect the Portfolio’s tax liabilities, including on any historical realized or unrealized gains (including those tax liabilities that are imposed with retroactive effect). In addition, the net asset value of a Portfolio on any Dealing Day may reflect an accrual for tax liabilities, including estimates for such tax liabilities, that may ultimately not be paid, or that may be less than what is ultimately required to be paid. Accounting standards may also change, creating an obligation for the Fund to accrue for a tax liability that was not previously required to be accrued for or in situations where the Fund does not expect the relevant Portfolio to be ultimately subject to such tax liability.

In the event that the Fund subsequently accrues for tax liabilities and/or is required to pay amounts relating to tax liabilities that had not previously been accrued and/or any investments result in tax liabilities that were not reflected in their valuation (including previously realised investments), the amount of any such accrual or payment will generally be allocated among the Shareholders at the time of such accrual or payment, rather than when the income or transaction to which such taxes relate was earned or occurred. Moreover, in the event that the Fund

subsequently determines that an accrual for tax liabilities exceeds or will exceed the liability for such taxes, the benefit from any such determination will generally be allocated among the Shareholders at the time of such determination, rather than when the income or transaction to which such taxes relate was earned or occurred, and Shareholders previously redeemed Shares will not receive additional compensation or otherwise share such benefit. Shareholders will not be notified of any of the foregoing determinations or payments.

Shareholders that invest in a Portfolio at a time during which any liabilities for taxes are not accrued will invest in the Portfolio at a higher net asset value than if liabilities had been accrued at the time of the applicable investment and, likewise, Shareholders that invest in a Portfolio at a time during which any liabilities for taxes are accrued will invest in the Portfolio at a lower net asset value than if such liabilities had not been accrued at the time of the applicable investment. On the other hand, Shareholders that redeem Shares of a Portfolio at a time during which potential liabilities for taxes are not accrued will redeem Shares from the Portfolio at a higher net asset value than if such liabilities had been accrued at the time of the applicable redemption and, likewise, Shareholders that redeem Shares at a time during which liabilities are accrued will redeem from a Portfolio at a lower net asset value than if such liabilities had not been accrued at the time of the applicable redemption. In that situation the Portfolio may also be considered to have been subject to an inadvertent underinvestment effect if that accrual of taxes is not subsequently paid.

4.15.2 Disclosure of information regarding Shareholders

Certain payments to the Fund and each Portfolio of U.S. source interest or dividends (as well as similar payments) made after 30 June 2014 and certain payments attributable to gross proceeds from the sale or other disposition of property that could produce U.S. source interest or dividends made after 31 December 2016, may be subject to a withholding tax of 30% unless various reporting requirements are met. In particular, these reporting requirements may be met if, among other things, the Fund and the applicable Portfolio obtains certain information from each of its Shareholders and the Fund and such Portfolio disclose certain of this information to the Luxembourg tax authorities, as may be required by law or such authority, which will in turn pass on the information to the U.S. Internal Revenue Services. Shareholders that fail to provide the required information could become subject to this withholding tax in respect of all or a portion of any redemption or distribution payments made by the Company or the applicable Fund after 31 December 2016. No assurance can be provided that the Fund and each Portfolio will not be subject to this withholding tax. This and certain other tax risks associated with an investment in the Fund and the Portfolios are discussed below. See Section 22 “Taxation” (paragraph 22.6 “Certain U.S. Tax Considerations”) in the Prospectus, including the legend in that section indicating, among other things, that the discussion in that section cannot be relied upon by any taxpayer for the purpose of avoiding penalties under the U.S. federal tax laws that may be imposed on the taxpayer.

Moreover, the Fund, the Management Company, the Investment Adviser or its Affiliates and/or service providers or agents of the Fund, the Management Company or the Investment Adviser may from time to time be required or may, in their sole discretion, determine that it is advisable to disclose certain information about a Portfolio and the Shareholders, including, but not limited to, investments held by a Portfolio and the names and level of beneficial ownership of Shareholders, to (i) one or more regulatory and/or taxing authorities of certain jurisdictions which have or assert jurisdiction over the disclosing party or in which the Portfolio directly or indirectly invests and/or (ii) one or more counterparties of, or service providers to, the Investment Adviser, the Management Company or the Fund. By virtue of entering into an Original Account Agreement, each Shareholder will have consented to any such disclosure relating to such Shareholder.

4.15.3 Certain ERISA considerations

Although the Fund expects that its assets will not be treated as “plan assets” subject to Title I of ERISA or Section 4975 of the Code, there is no assurance that this will be the case. Were the assets of the Fund to be treated as “plan assets” (that is, if 25% or more of any class of equity interests in the Fund is held by Benefit Plan Investors), the Fund could, among other things, be subject to certain restrictions on its ability to carry out its activities as described herein, including, without limitation, that the Fund may be prohibited from trading with and through Goldman Sachs in respect of investments made for the Fund. Moreover, in such a case, the Fund may require Benefit Plan Investors or other employee benefit plans not subject to Title I of ERISA or Section 4975 of the Code to reduce or terminate their interests in the Fund in whole or in part notwithstanding that other investors may not be permitted to redeem or transfer their interests in the Fund at such time.

For a discussion of certain ERISA considerations relating to an investment in a Portfolio, see the discussion under Appendix D – “Certain ERISA Considerations”, including the legends in such discussion indicating, among other things, that such discussion cannot be relied upon by any taxpayer for the purpose of avoiding penalties under the U.S. federal tax laws that may be imposed on the taxpayer.

4.15.4 Special risks resulting from tax publication requirements in Germany

At the Fund's discretion, share classes are entered into German tax transparent reporting. In this instance, the Fund is required to provide documentation to the German fiscal authorities upon request in order for such authorities to, inter alia, verify the accuracy of the published tax information. The basis on which such figures are calculated is subject to interpretation and therefore it cannot be guaranteed that such authorities will accept or agree with the Fund's calculation methodology. In addition, Shareholders who are subject to German tax should be aware, if it transpires that the German fiscal authorities disagree with the Fund's calculation methodology and determine that the published tax information is incorrect, that any subsequent correction will, as a general rule, not have retrospective effect and will only take effect during the current financial year. Consequently, the correction may positively or negatively affect those German Investors who receive a distribution or an attribution of deemed income distributions in the current year.

4.15.5 Special risks resulting from tax publication requirements in Austria

At the Fund's discretion, share classes are entered into Austrian tax transparent reporting. In this instance, the Fund is required to provide documentation to the Austrian fiscal authorities upon request in order for such authorities to, inter alia, verify the accuracy of the published tax information. The basis on which such figures are calculated is subject to interpretation and therefore it cannot be guaranteed that such authorities will accept or agree with the Fund's calculation methodology. In addition, tax information published on OeKB's website can be corrected within the same calendar year by 15 December and will lead to an automatic correction of the already deducted withholding tax on Austrian investors' deposits. Corrections after 15 December each calendar year are not processed automatically, investors have to file an income tax statement in order to get any wrong deductions corrected.

4.15.6 Special risks resulting from tax publication requirements in Switzerland

At the Fund's discretion, share classes are entered into Swiss tax transparent reporting. In this instance, the Fund is required to provide documentation to the Swiss fiscal authorities upon request in order for such authorities to, inter alia, verify the accuracy of the published tax information. The basis on which such figures are calculated is subject to interpretation and therefore it cannot be guaranteed that such authorities will accept or agree with the Fund's calculation methodology.

4.15.7 Special risks from tax publication requirements in the United Kingdom

At the Fund's discretion, share classes can be entered into the United Kingdom (UK) Tax Reporting Regime. In circumstances where UK Tax Reporting status is required for a particular share class, the Fund must make an application to HM Revenue & Customs and provide them with the necessary information to process the application. Once a share class has received UK Tax Reporting status, the Fund must comply with the annual reporting requirements in respect of the relevant share class including preparing a calculation of reportable income and submit this to HM Revenue & Customs in advance of the prescribed deadline. The basis upon which the reportable income amounts are calculated is subject to interpretation, in some instances, and therefore it cannot be guaranteed that HM Revenue & Customs will accept or agree with the Fund's calculation methodology.

4.15.8 Foreign taxes

The Fund may be liable to taxes (including withholding taxes) in countries other than Luxembourg on income earned and capital gains arising on its investments. The Fund may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Luxembourg and other countries. The Fund may not, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes and the Fund obtains a repayment of foreign tax, the net asset value of the Fund will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

4.15.9 U.S. tax-exempt investors

Permitted U.S. Tax Persons may be subject to U.S. federal and state laws, rules and regulations which may regulate their participation in the Fund, or their engaging directly, or indirectly through an investment in any of the Portfolios, in investment strategies of the type which the Portfolios may utilise from time to time. Each type of exempt investor may be subject to different laws, rules and regulations, and prospective investors are strongly advised to consult with their own advisors as to the advisability and tax consequences of an investment in the Fund. See Section 22 "Taxation" in the Prospectus including the legend in the paragraph 22.6 "Certain U.S. Tax Consideration" indicating, among other things, that the discussion in that section cannot be relied upon by any taxpayer for the purpose of avoiding penalties under the U.S. federal income tax laws imposed on the taxpayer, Section 14 "Redemption of Shares, paragraph 14.2 "Mandatory Sale or Redemption" and Section 15 "Transfer of Shares", paragraph "Subscriptions by and Transfers to U.S. Persons".

5. Board of Directors

The Board of Directors has overall responsibility for the management of the Fund including making general policy decisions and reviewing the actions of the Management Company, Investment Adviser, Depositary, Administrator, Distributor, Paying Agent, Domiciliary Agent and Listing Agent, and the Registrar and Transfer Agent and any other service providers appointed by the Fund or the Management Company from time to time.

Although certain directors of the Board of Directors may be connected to Goldman Sachs, in their capacity as directors of the Fund they will function as persons with independent fiduciary responsibilities, and will not be subject to the control of Goldman Sachs in the exercise of such responsibilities.

The Board of Directors as of the date of the Prospectus is comprised of⁴:

5.1. Directors of the Fund employed by Goldman Sachs

- Theodore T. Sotir, Managing Director, GSAMI, River Court, 120 Fleet Street, London, EC4A 2BE, U.K.
- Katherine Uniacke, Advisory Director, Goldman Sachs Asset Management L.P., 200 West Street, New York, NY, U.S.

5.2. Directors of the Fund not employed by Goldman Sachs

- Frank Ennis, Non-Executive Director, 16 Hillside Drive, Castlepark, Dublin, Ireland.
- Gráinne Alexander, Non-Executive Director, Daarswood, Daars North, Sallins, Co. Kildare, Ireland.

Directors on the Board of Directors will serve until their resignation, death or suspension or discharge in accordance with the Articles. Additional directors of the Fund may be appointed in accordance with the Articles. All directors on the Board of Directors will be appropriately remunerated and reimbursed for their out-of-pocket expenses incurred in connection with the performance of their duties as directors. Directors of the Fund not employed by Goldman Sachs are paid fees in respect of their services to the Fund. Directors of the Fund employed by Goldman Sachs, while entitled to reimbursement of reasonable expenses, are not paid fees by the Fund for their services. Each of the directors on the Board of Directors may invest in one or more of the Portfolios. Information relating to the fees paid to directors on the Board of Directors is included in the Fund's financial statements.

The Fund may indemnify any Director or officer, and his heirs, executors and administrators, against any costs, charges, reasonable expenses, losses, damages or liabilities incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Fund or, at its request, of any other company of which the Fund is a shareholder or a creditor and from which he is not entitled to be indemnified, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable to gross negligence or misconduct; in the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Fund is advised by counsel that the person to be indemnified did not commit such a breach of duty.

⁴ Mark Heaney has resigned from his position as director of the Fund with effect from 27 May 2016. The remaining directors contemplate co-opting another director in replacement of Mark Heaney.

6. Management Company

The Fund has appointed GSAMGS, a wholly-owned subsidiary of The Goldman Sachs Group Inc., as its management company. The Management Company is authorised by the FCA to act as management company in accordance with The Financial Services and Markets Act 2000, as amended. The Management Company also acts as designated management company to certain other Luxembourg and foreign UCITS and as alternative investment fund manager (as defined in the Alternative Investment Fund Managers Directive 2011/61/EU) for other funds that have investment programmes that may or may not be similar to the Fund. The Management Company was incorporated on 13 December 2013 for an unlimited period of time. Its subscribed capital as of June 2014 amounts to USD18,500,000.00.

The board of directors of the Management Company as of the date of the Prospectus is comprised of:

- Stephen Davies, Managing Director, Goldman Sachs, Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom.
- Theodore T. Sotir, Managing Director, Goldman Sachs, Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom.
- Glenn R. Thorpe, Managing Director, Goldman Sachs, Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom.
- Karl Wiancki, Managing Director, Goldman Sachs, Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom.
- Barbara Healy, Non-Executive Director, GSAMGS, Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom.

The Management Company is responsible for the investment management, administration and marketing of the Fund and each Portfolio. The Management Company is also responsible for the risk management function. As further described in this Prospectus, the Management Company has delegated certain functions with respect to these duties to certain Affiliates and to third parties. In particular, the Management Company has delegated certain investment management functions in relation to each of the Portfolios to the Investment Adviser (as described in Section 7 “Investment Adviser”), certain valuation functions to the Valuer (as described in Section 8 “The Valuer”), certain administration functions to the Administrator (as described in Section 9 “Depositary, Administrator, Paying Agent, Domiciliary Agent and Listing Agent”), certain administration functions to the Registrar and Transfer Agent (as described in Section 10 “Registrar and Transfer Agent”) and certain distribution functions to the Distributor (as described in Section 11 “Distributor”). Notwithstanding any delegation the Management Company shall remain liable to the Fund for the proper performance of its duties. The Investment Adviser will be responsible to the Management Company in respect of the management of the investment of the assets of each Portfolio in accordance with its investment objectives and policies subject always to the supervision and direction of the Management Company.

In its capacity as appointed management company, the Management Company will receive a fee payable out of the assets of the Portfolios as described under Section 19 “Fees and Expenses” in the Prospectus. The Management Company may also receive performance fees in respect of certain Portfolios as described in the Supplements. The Management Company shall meet all of its own expenses incurred in the ordinary course of carrying out the services under the Management Company Agreement. In addition, the Management Company is entitled to be reimbursed on demand by the Portfolios for any expenses, costs or fees charged to the Management Company by a service provider appointed in accordance with the terms of the Management Company Agreement.

The Management Company has remuneration policies, procedures and practices which are consistent with and promote sound and effective risk management. They apply to staff whose professional activities have a material impact on the risk profile of the Management Company or the Fund and are designed not to encourage risk-taking which is inconsistent with the risk profile of the Fund. The details of the up-to-date policy, including, but not limited to, a description of how the remuneration and benefits are determined and governed by the Management Company, are available at http://www.goldmansachs.com/gsam/docs/funds_international/legal_documents/others/gsamgs-comp-summary.pdf and a paper copy is made available free of charge upon request.

The Management Company Agreement provides that each of the Management Company, its associates, service providers and any of their respective officers, directors, partners, members, shareholders, agents, delegates, employees and contingent workers and any person (for the purposes of this Section a "Portfolio Company Director") nominated by the Fund, the Management Company or any delegate who serves on the board of directors or advisory board or equivalent body of any investment at the request of the Fund, the Management Company or any delegate (each a "Management Company Indemnified Person"), to the extent permitted by applicable law, shall be entitled to be indemnified on an after tax basis out of the assets of the Fund against any and all claims, liabilities, losses, costs or expenses (including legal fees) (for the purposes of this Section the "Liabilities") of any nature whatsoever, known or unknown, liquidated or unliquidated incurred by them or threatened in connection with the subject matter of the Management Company Agreement or in the course of the discharge of the Management Company's functions thereunder or any action or omission taken or suffered by any Management Company Indemnified Person in good faith in its capacity as a member of the board of directors or advisory board or equivalent body of any investment howsoever any such Liabilities may have occurred except to the extent that such Liabilities have resulted from the negligence, bad faith, wilful default or fraud of such Management Company Indemnified Person in the performance or failure to perform by it or him of its or his obligations and duties under the Management Company Agreement or in its capacity as a member of the board of directors or advisory board or equivalent body of any investment.

The Management Company Agreement is governed by the laws of England and Wales.

7. Investment Adviser

The Investment Adviser is GSAMI. GSAMI is located at Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom. GSAMI currently serves a wide range of clients including mutual funds, private and public pension funds, governmental entities, endowments, foundations, banks, insurance companies, corporations, and private investors and family groups. As of 30 September 2015, GSAMI and its advisory Affiliates acted as investment adviser in respect of approximately USD 1,029 billion in assets. GSAMI and its advisory Affiliates, with financial centres around the globe, have a worldwide staff of over 1000 investment management professionals. GSAMI is regulated by the FCA and is a registered investment adviser under the Advisers Act. GSAMI is part of The Goldman Sachs Group, Inc., which is a bank holding company, together with Goldman, Sachs & Co., GSAM LP and its Affiliates constitutes one of the world's oldest and largest investment banking and securities firms, was founded in 1869 and has at present more than 30 offices world-wide.

In its capacity as investment adviser, the Investment Adviser will receive a Management Fee payable out of the assets of each Portfolio as further described under Section 19 "Fees and Expenses" in the Prospectus. The Investment Adviser may also receive performance fees in respect of certain Portfolios as described in the Supplements. In addition, the Investment Adviser (or its delegate, as the case may be) is entitled to be reimbursed by the Portfolios for any costs, transaction-related expenses and fees arising out of transactions in such Portfolios and any other costs and expenses properly incurred in performing its duties under the Investment Advisory Agreement. The Investment Adviser will select brokers and dealers through which to effect transactions for the Fund on a best execution basis. Best price, giving effect to brokerage commissions and commission equivalents, if any, and other transaction costs, is normally an important factor in this decision, but the selection also takes into account the quality of brokerage services, including such factors as execution capability, willingness to commit capital, creditworthiness and financial stability, financial responsibility and strength, and clearance and settlement capability. In managing the assets of the Fund, the Investment Adviser may receive services that constitute research under applicable law. The use of commissions or research arrangements to pay for such research or other services, whether provided directly or indirectly, may be utilised, to the extent permissible under applicable law, for the benefit of the Investment Adviser's other accounts, as well as the Fund.

The Investment Advisory Agreement shall continue in effect for an unlimited period, subject to termination by either party on 30 days' prior written notice (provided that the Investment Adviser may terminate the Investment Advisory Agreement immediately if required to do so by any competent regulatory authority).

Subject to the compliance with applicable laws, the Investment Adviser may select and rely upon third-party investment sub-advisers as well as its affiliated sub-advisers for Portfolio decisions and management with respect to certain Portfolio securities and is able to draw upon the investment management, investment advice, research and investment expertise of such selected third party advisers as well as its other affiliate offices with respect to the selection and management of investments for each Portfolio. The Investment Adviser is entitled to appoint as its delegate any adviser, including any Affiliate (including Sub-Advisers listed in the Directory of this Prospectus), provided that the Investment Adviser's liability to the Fund for all matters so delegated shall not be affected by such delegation. The fees payable to any such delegate will not be payable out of the assets of the relevant Portfolio but will be payable by the Investment Adviser out of its Management Fee and Performance Fee (if any) in an amount agreed between the Investment Adviser and the delegatee adviser from time to time. The amount of such remuneration paid to a third party delegatee adviser may take into account and reflect the aggregate assets managed by such delegate and/or its Affiliates for the Investment Adviser and its Affiliates.

Each of the Investment Adviser, any of its associates, any permitted delegate and any of their respective officers, directors, partners, members, shareholders, agents delegates, employees and contingent workers and any Portfolio Company Director (defined for the purposes of this Section as any person nominated by the Management Company, the Investment Adviser or any delegate who serves at the request of the Management Company, the Investment Adviser or any delegate on the board of directors or advisory board or equivalent body of any body corporate, partnership or other incorporated or unincorporated association in which the Fund holds an interest for investment purposes) (each an "Investment Adviser Indemnified Person"), to the extent permitted by applicable law, shall be entitled to be indemnified on an after tax basis out of the assets of the Fund against any expenses, losses, damages, liabilities, demands, charges and claims of any kind or nature whatsoever (including without limitation any legal expenses and costs and expenses relating to investigating or defending any demands, charges or claims) (for the purposes of this Section the "Losses") of any nature whatsoever, known or unknown, liquidated

or unliquidated, incurred by them or threatened to the extent that such Losses have resulted from the Fund's failure to pay any fees or expenses due from the Fund to the Investment Adviser under the Investment Advisory Agreement. At any time when the Fund, considering only what is necessary in the best interests of the Fund's Shareholders, reasonably determines that the Management Company has not enforced, whether intentionally or otherwise, one or more of its rights against the Investment Adviser under the Investment Advisory Agreement, and such non-enforcement is not due to an attempt by the Management Company to resolve a potential dispute in relation to such rights between the Management Company and the Investment Advisor, the Fund shall be entitled to enforce such rights for its own benefit provided it assumes the Management Company's obligations corresponding to such rights, including, without limitation, the indemnity obligations of the Management Company in relation to the rights so enforced.

8. The Valuer

Goldman, Sachs & Co., a wholly-owned subsidiary of The Goldman Sachs Group Inc., has been appointed by the Management Company to provide valuation services in relation to the assets of the Fund and its subsidiaries.

The Valuer is a delegate of the Management Company. The Valuer shall not be directly liable for any of its acts or omissions to either the Fund or any Shareholder under the terms of the Valuation Agreement and the Management Company shall remain liable to the Fund for the proper performance of any valuation pursuant to the terms of the Management Company Agreement.

For its services under the Valuation Agreement, the Valuer may receive a remuneration paid by the Management Company.

The Valuer will provide certain valuation services to the Management Company in relation to the assets of the Fund and its subsidiaries and shall assist the Management Company in establishing maintaining, implementing and reviewing written valuation policies and procedures that ensure a transparent and appropriately documented valuation process in relation to, inter alia, the assets of the Fund and its subsidiaries.

Please see Section 17 “Determination of the Net Asset Value” for further information on the role of the Valuer.

9. Depositary, Administrator, Paying Agent, Domiciliary Agent and Listing Agent

Introduction and Key Depositary Duties

State Street is a corporate partnership limited by shares (“société en commandite par actions”) incorporated under the laws of the Grand Duchy of Luxembourg. It was incorporated in Luxembourg on 19 January 1990 and presently exists for an unlimited period of time. Its registered office is in Luxembourg in the Grand Duchy of Luxembourg.

The Fund has appointed State Street as Depositary pursuant to the Depositary Agreement. In accordance with the Law of 17 December 2010, the Depositary has been entrusted with the following main functions:

- (a) ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the Articles.
- (b) ensuring that the value of the Shares is calculated in accordance with applicable law and the Articles.
- (c) carrying out the instructions of the Management Company or the Fund unless they conflict with applicable law and the Articles.
- (d) ensuring that in transactions involving the assets of the Fund, any consideration is remitted to the Fund within the usual time limits.
- (e) ensuring that the income of the Fund is applied in accordance with applicable law and the Articles.
- (f) monitoring of the Fund's cash and cash flows.
- (g) safekeeping of the Fund's assets which includes (a) except as agreed otherwise, holding in custody all financial instruments that can be registered in a financial instrument account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary and (b) for other assets, verifying the ownership of the Fund of such assets and maintaining an up-to-date record accordingly.

Delegation

The Depositary has full power to delegate the whole or any part of its safekeeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

The Depositary has delegated those safekeeping duties set out in Article 34(3)(a) of the Law of 17 December 2010 to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network.

Information about the safekeeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Fund and at http://www2.goldmansachs.com/gsam/docs/funds_international/legal_documents/reports/subcustodian-list.pdf.

Liability

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and its Shareholders.

In the event of a loss of a financial instrument held in custody, determined in accordance with the Law of 17 December 2010, and Article 18 of the UCITS Regulations, the Depositary shall return financial instruments of identical type or the corresponding amount to the Fund without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary will be liable to the Fund and the Shareholders for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

Under the Depositary Agreement, the Fund undertakes to hold harmless and indemnify the Depositary against all actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the assets of the Fund) and against all costs, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Depositary by reason of the proper performance of the Depositary's duties under the terms of the Depositary Agreement save where any such actions, proceedings, claims, costs, demands or expenses arise as a result of the Depositary's or any of its agents' negligence, fraud, bad faith, intentional failure, wilful default or recklessness in the performance of its duties or for which the Depositary is liable.

Conflicts of Interest

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the Depositary Agreement or under separate contractual or other arrangements. Such activities may include:

- a) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Fund;
- b) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Fund either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- a) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Fund, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- b) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- c) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Fund;
- d) may provide the same or similar services to other clients including competitors of the Fund;
- e) may be granted creditors' rights by the Fund which it may exercise.

The Fund may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Fund. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Fund. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Fund. The affiliate shall enter into such transactions on the terms and conditions agreed with the Fund or the Management Company.

Where cash belonging to the Fund is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Management Company may also be a client or counterparty of the Depositary or its affiliates.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored.

Other

For its services under the Depositary Agreement, State Street receives a fee payable out of the assets of the Portfolios as further detailed under Section 19 "Fees and Expenses" in the Prospectus. Further to the above, and as part of its depositary functions, State Street may also administer a Commission Recapture Programme for the Fund and receive a fee (included in its fees under the Depositary Agreement) for such services. In addition, State Street is entitled to be reimbursed by the Portfolios for its reasonable out-of-pocket expenses and disbursements: see Section 19 "Fees and Expenses" in the Prospectus.

An Affiliate of the Depositary currently makes available to the Fund (acting on behalf and for the account of certain Portfolios severally and not jointly) (in each case a "Borrower") a senior, committed revolving line of credit for loans in order to meet short term liquidity requirements of the Borrowers, provided that each loan is made in accordance with applicable law. The terms of the agreement require the Borrowers to: (i) pay a commitment fee on the unused portion of the facility amount; and (ii) indemnify the lenders, and their respective Affiliates, directors, officers, employees, agents, advisers and representatives against all losses, liabilities, claims, damages, or expenses relating to the lenders' execution, delivery and performance of the facility documents and the loans made to the Borrowers thereunder and the Borrowers' use of proceeds thereof, including but not limited to reasonable attorneys' fees and settlement costs, except such as result from the indemnitee's gross negligence or wilful misconduct.

9.1. Administration Agreement

Pursuant to the Administration Agreement, State Street has also been appointed by the Management Company to act as Administrator, and by the Fund to act as Corporate Agent, Paying Agent, Domiciliary Agent and Listing Agent. The rights and duties of State Street in respect of its functions as Administrator, Corporate Agent, Paying Agent, Domiciliary Agent and Listing Agent carried out on behalf of the Fund are governed by the Administration Agreement.

As Administrator and Corporate Agent, State Street is responsible for certain administrative duties required by Luxembourg law, in particular for the bookkeeping and for the calculation of the net asset value of the Shares of each Portfolio.

As Paying Agent, State Street is also responsible for making payments of dividends to Shareholders (the Registrar and Transfer Agent is responsible for making payments of redemption proceeds to Shareholders).

As Domiciliary Agent and Listing Agent, State Street is responsible for establishing the registered office of the Fund in Luxembourg, and listing the Shares on the Luxembourg Stock Exchange (if applicable).

For its services under the Administration Agreement, State Street receives a fee payable out of the assets of the Portfolios as described under Section 19 "Fees and Expenses" in the Prospectus. In addition, State Street is entitled to be reimbursed by the Portfolios for its reasonable out-of-pocket expenses and disbursements.

State Street will be responsible in its capacity as Depositary for ensuring that the remuneration received by State Street in its capacity as Administrator, Corporate Agent, Paying Agent, Domiciliary Agent and Listing Agent is paid in accordance with the Administration Agreement.

Under the Administration Agreement, the Fund agrees to indemnify and hold harmless State Street and its officers and directors (an "Administrator Indemnified Person") from costs, liabilities and expenses (including reasonable attorney fees) and direct loss which may be suffered or incurred by an Administrator Indemnified Person by reason of the Administrator Indemnified Persons' performance of its obligations and duties under the Administration Agreement, or as a result of acting upon any proper instruction, other than (i) due to the Administrator Indemnified Person's negligence, fraud, wilful misconduct or failure to exercise reasonable care in the performance of its duties under the Administration Agreement as would ordinarily be expected of a global financial institution carrying out services of the kind under the Administration Agreement in the relevant market acting in a manner representative

of market practice in such market, and (ii) a tax on any Administrator Indemnified Person's overall income or profits.

In some circumstances, the Fund may be entitled to enforce one or more rights the Management Company has against the Administrator for its own benefit provided it assumes the Management Company's obligations corresponding to such rights, including, without limitation, the indemnity obligations of the Management Company stipulated in the Administration Agreement for the benefit of the Administrator.

10. Registrar and Transfer Agent

The Management Company has appointed RBC to act as Registrar and Transfer Agent with responsibility for the processing of subscriptions and transfers of Shares and requests for redemptions and exchanges of Shares, the safekeeping of the register of Shareholders of the Fund, the co-ordination of its services with those of the Administrator and Paying Agent, and the provision and supervision of services with regard to the mailing of statements, reports, notices and other documents to the Shareholders.

The Management Company will perform investors' identification checks, notably for the purpose of anti-money laundering. The Registrar and Transfer Agent shall be allowed to rely on such checks.

The rights and duties of the Registrar and Transfer Agent are governed by the RTA Agreement. For its services, RBC receives a fee payable out of the assets of the Portfolios as described under Section 19 "Fees and Expenses" in the Prospectus. In addition, RBC is entitled to be reimbursed by the Portfolios for all reasonable out-of-pocket expenses properly incurred by it under the RTA Agreement in the proper performance of its duties under the RTA Agreement as well as for any extra work performed in connection with the RTA Agreement subject to prior approval of the Fund in accordance with the RTA Agreement.

RBC may, in accordance with the conditions set out in the RTA Agreement, and subject to compliance at all times with applicable law and regulation, delegate its duties under the RTA Agreement. RBC has delegated the processing of investor data to its Affiliate in Singapore, RBC Investor Services Singapore Pte Limited, and may in the future delegate this task to other entities globally.

In addition, as per the RTA Agreement, RBC is required to communicate to the Management Company, upon the latter's request, information relating to the Fund and/or the Shareholders as the Management Company may deem necessary to perform its services, notably the provision of operational and administrative services to the Shareholders.

At any time when the Fund, considering only what is necessary in the best interests of the Fund's Shareholders, reasonably determines that the Management Company has not enforced, whether intentionally or otherwise, one or more of its rights against the Registrar and Transfer Agent under the RTA Agreement, and such non-enforcement is not due to an attempt by the Management Company to resolve a potential dispute in relation to such rights between Management Company and the Registrar and Transfer Agent, the Fund shall be entitled to enforce such rights for its own benefit provided it assumes Management Company's obligations corresponding to such rights. This preceding is without prejudice to Management Company's ability to enforce its rights under the RTA Agreement in its own name. For the avoidance of doubt, the Fund's right to enforce any rights against the Registrar and Transfer Agent shall be limited to where a final decision has been made by Management Company not to enforce any such rights and will not arise in any other circumstance.

RBC is a public limited company ("société anonyme") registered with the Luxembourg Trade and Companies Register under number B-47192 and has been incorporated in 1994 under the name "First European Transfer Agent". It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended, and specialises in custody, fund administration and related services.

RBC is fully owned by RBC Investor Services Limited, a company incorporated under the laws of England and Wales that is controlled by Banque Internationale à Luxembourg ("société anonyme"), Luxembourg, Grand Duchy of Luxembourg and Royal Bank of Canada, Toronto, Canada. Its registered office is in Esch-sur-Alzette in the Grand Duchy of Luxembourg.

11. Distributor

The Management Company has appointed GSI as the Distributor of the Fund. To the extent that the Management Company wishes to make Shares available to U.S. Persons within the U.S. and North America, the Management Company has appointed Goldman, Sachs & Co. as distributor in the U.S. and North America. Please note that sales to U.S. Persons are restricted and additional terms and procedures are applicable to the distribution of Shares to U.S. Persons and within the U.S. and North America by any Sub-distributor appointed by the Distributor or Goldman Sachs & Co. as referred to in Section 15 "Transfer of Shares". Sales of Shares will be made through the Distributor, Goldman, Sachs & Co. and any Sub-distributors pursuant to the procedures set forth below. Sub-distributors, who may be either affiliated or unaffiliated with the Distributor, may be appointed by the Distributor, the Management Company or Goldman, Sachs & Co. in its discretion from time to time on similar or different terms to those set out in the Distribution Agreement.

The Distributor or Goldman Sachs & Co. may receive fees payable out of the assets of the Fund for their services. The Fund will pay all expenses relating to the offering of Shares, including reimbursement for reasonable out of pocket expenses incurred by the Distributor or Goldman Sachs & Co. in marketing Shares and any additional reasonable amounts they may incur or may have incurred in connection with the marketing of Shares, and, where relevant, reimbursement for the reasonable out of pocket expenses incurred by any Sub-distributors, as described in more detail under Sections 3 "Description of Share Classes" and 19 "Fees and Expenses" in the Prospectus.

Subject to applicable law and regulation, the Investment Adviser or the Distributor (with the approval of the Investment Adviser), its Sub-distributors and agents or Goldman, Sachs & Co. may in their discretion on a negotiated basis enter into an agreement with a Shareholder or prospective investor (or an agent thereof) under which they make payments to or for the benefit of such Shareholder, which represent a rebate of all or part of the fees paid to the Investment Adviser out of the assets of the Fund in respect of that part of the value of a Portfolio which may, for this purpose only, be deemed to be represented by some or all of the Shares owned by that Shareholder.

Consequently, the effective net fees payable by a Shareholder who receives a rebate under the arrangements described above may be lower than the fees payable by a Shareholder who does not participate in such arrangements. Save for the reasons of compliance with the Swiss requirements and subject to the Management Company's duty to treat the investors fairly, neither the Investment Adviser nor the Fund intermediaries shall be under any obligation to make any such arrangement available to other Shareholders. Investors should note that the termination of such rebate arrangements may lead to redemptions from the Fund which could cause the Fund to incur dealing costs. In the case of distribution activity in or from Switzerland, the Management Company, the Investment Adviser, the Distributor, Sub-Distributor or Goldman Sachs & Co may, upon request, pay rebates directly to Shareholders, provided that:

- the rebates are paid from fees received by the Management Company, the Investment Adviser, the Distributor, Sub-Distributor or Goldman Sachs & Co and therefore do not represent an additional charge on the Fund's assets;
- the rebates are granted on the basis of objective criteria; and
- all Shareholders who meet these objective criteria and demand rebates are also granted such rebates within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Management Company, the Investment Adviser, the Distributor, Sub-Distributor or Goldman Sachs & Co are as follows:

- the amount of Shares subscribed to by the Shareholders or the total volume such Shareholders hold in the Fund or across the various portfolios and other funds managed by the Management Company, Investment Adviser and/or their Affiliates, as applicable;
- the Shareholder's willingness to provide support in the launch or early phase and/or the investment amount(s) contributed by such Shareholder whether on a one-off basis or as part of the continuing commitment to participation at the launch or early stage of the Fund;
- alternative fee arrangements that may be in place between a Shareholder and the Management Company, the Investment Adviser, the Distributor, Sub-Distributor or Goldman Sachs & Co;
- the overall relationship between the Shareholder and the Management Company, the Investment Adviser,

- the Distributor, Sub-Distributor or Goldman Sachs & Co; and
- the overall investment capacity of the Fund which may impact the decision to offer rebate payments throughout the Fund's lifecycle.

Following the request of a Shareholder, the Management Company, the Investment Adviser, the Distributor, Sub-Distributor or Goldman Sachs & Co must disclose to the Shareholder free of charge the amount ranges of such rebates applicable to the share classes to which the Shareholder has subscribed.

In addition, the Management Company, the Investment Adviser or the Distributor may make payments to third parties as remuneration for effecting sales of Shares. Such payments can take a number of forms, including Sales Charges and distribution fees applicable to certain Share Classes as noted in the Prospectus, as well as rebates of all or part of the fees paid to the Management Company or the Investment Adviser out of the assets of the Fund in respect of that part of the value of a Portfolio represented by assets raised by such third parties. Such payments may be funded by the Management Company or the Investment Adviser, and to the extent payments made by the Management Company or the Investment Adviser are not disclosed Sales Charges and/or distribution fees, they are made by the Management Company or the Investment Adviser in its absolute discretion out of its own financial resources and either paid directly or via the Fund intermediaries. Shareholders and prospective investors are encouraged to seek information from any intermediary through whom they purchase shares in the Fund in respect of any Sales Charges, distribution fees or rebates such intermediary may receive in respect of the purchase of Shares and are advised, in respect of intermediated sales of Shares, that it is likely that such payments will have been made. When dealing with intermediaries and in the event that the intermediary is in receipt of a Sales Charge, distribution fee or rebate as described above, Shareholders are advised to investigate such matters to determine whether or not any conflict potentially arising from such situation is addressed to its reasonable satisfaction and to ensure that compliance with any such intermediaries' duty to act in the best interests of the client is not impaired. The Management Company and the Distributor, unless acting as intermediary as referred to above, shall have no additional duty in that respect as per the applicable law.

The following services shall be taken into account for the purposes of determining the remuneration rates for the distribution activities of the Distributor or Sub-distributors in and from Switzerland:

- Distributing the Shares to potential Shareholders in and from Switzerland;
- Setting up processes for subscribing, holding and custody of the Shares;
- Providing, upon request, the current marketing and legal documents;
- Providing access to legally required publications and other documentation;
- Performing due diligence in areas such as money laundering, client investment objectives and distribution restrictions;
- Operating and maintaining an electronic distribution and/or information platform;
- Clarifying and answering specific questions from Shareholders relating to the Fund or the Management Company;
- Drafting fund research material;
- Managing investor relationships;
- Subscribing for Shares as a "nominee" for several investors; and
- Appointing and monitoring additional distributors.

Where applicable, the recipients of the retrocessions must disclose free of charge the retrocession fees that they receive for the provision of the above services in connection with class of Shares in which the relevant Shareholder is invested.

Each of the Distributor, any of its associates, any Sub-distributors or Goldman, Sachs & Co. and any of their respective officers, directors, partners, members, shareholders, agents, delegates, employees and contingent workers (each a "Distributor Indemnified Person"), to the extent permitted by applicable law, shall be entitled to be indemnified on an after tax basis out of the assets of the Fund against any and all claims, liabilities, losses, costs or expenses (including legal fees) (for the purposes of this Section the "Losses") of any nature whatsoever, known or unknown, liquidated or unliquidated incurred by them or threatened to the extent that such Losses have resulted from the Fund's failure to pay any fees or expenses due from the Fund to the Distributor under the Distribution Agreement.

At any time when the Fund, considering only what is necessary in the best interests of the Fund's Shareholders, reasonably determines that the Management Company has not enforced, whether intentionally or otherwise, one or more of its rights against the Distributor under the Distribution Agreement, and such non-enforcement is not due to an attempt by the Management Company to resolve a potential dispute in relation to such rights between the Management Company and the Distributor, the Fund shall be entitled to enforce such rights for its own benefit provided it assumes the Management Company's obligations corresponding to such rights, including, without limitation, the indemnity obligations of the Management Company in relation to the rights so enforced.

Where the Distributor or any Sub-distributor holds Shares in its own, or a nominee's, name for and on behalf of Shareholders it will act as nominee in respect of such Shares. Whether investors elect to make use of such nominee service is their own decision. Investors are advised to inform themselves of, and when appropriate consult with their nominee regarding, the rights that they have in respect of Shares held through the relevant nominee service. In particular, investors should ensure that their arrangements with such nominees deal with information being given regarding corporate actions and notifications arising in respect of the Fund's Shares, as the Fund is only obliged to deliver notice to parties inscribed as a Shareholder in the Fund's register and can have no obligation to any third party.

12. Auditor

PricewaterhouseCoopers has been appointed as the Auditor of the Fund. The Auditor's responsibility is to audit and express an opinion on the financial statements of the Fund in accordance with applicable law and auditing standards.

13. Purchase of Shares

13.1. General

Subscriptions will be accepted provided that the investor has received the relevant KIID.

The minimum initial subscription for Shares in each of the Share Classes issued in respect of a Portfolio is set out in the relevant currency of denomination of that Share Class in the tables in the relevant Supplement.

Subsequent subscriptions for Shares, other than through reinvestment of dividends, must ordinarily equal or exceed a Portfolio's minimum initial subscription amount, although certain Portfolios may introduce lower subsequent subscription amounts as specified in the relevant Supplement. Investors should note the restrictions applicable to the Share Classes (including but not limited to the fact that certain Share Classes are available to certain categories of investors only and Share Classes may be subject to minimum initial subscription and/or minimum additional subscription amounts). The Board of Directors or the Management Company on behalf of the Fund reserves the right to accept or reject subscriptions in any amount, to accept or reject subscriptions in whole or in part, to suspend at any time and without prior notice the issue of Shares of a Portfolio, to modify the minimum initial and subsequent subscription amounts and the manner in which Shares are offered and to change or eliminate the Sales Charge applicable to the purchase of Shares.

It is expected that (a) investors subject to Title I of ERISA or Section 4975 of the Code and (b) entities whose assets are treated as "plan assets" of any such investors will represent less than 25% of the value of each class of equity interests in a Portfolio (disregarding certain interests held by the Investment Adviser and its Affiliates). As a result, it is expected that the assets of each Portfolio will not be treated as "plan assets" subject to Title I of ERISA or Section 4975 of the Code, and that the Investment Adviser will not be a fiduciary under ERISA or the Code to any of the investors in a Portfolio. The Fund reserves the right to exclude Benefit Plan Investors and other employee benefit plans not subject to Title I of ERISA or Section 4975 of the Code (including, for example, governmental plans as defined in Section 3(32) of ERISA) from, or limit investments by such investors in, a Portfolio (including, without limitation, by rejecting subscriptions for Shares by, or transfers of Shares to, any such investors or by requiring any such investors to reduce or terminate their interests in the Portfolio in whole or in part at any time) if the Fund determines in its sole discretion that participation or continued participation by any such investors causes or could cause the assets of a Portfolio to be or continue to be treated as "plan assets" subject to Title I of ERISA, Section 4975 of the Code or similar laws or regulations, or for any other reason in its sole discretion.

Shares of the Portfolios are issued in registered form. The inscription of a Shareholder's name in the register of Shares evidences a right of ownership of such Shares. The Fund will not issue certificated Shares. Fractions of registered Shares may be issued to one-thousandth of a Share. Written confirmation detailing the purchase of Shares will be sent to Shareholders. All Shares must be fully paid-up, notwithstanding the right of the Fund to issue fractional Shares. The Shares are of no par value and carry no preferential or pre-emptive rights.

Certain Share Classes of certain Portfolios are listed for trading on the Luxembourg Stock Exchange.

Regular savings plans may be available in Italy. Further information can be obtained from the Distributor and/or Sub-distributor(s) of the Fund.

Purchases and exchanges of Shares should be made for investment purposes only. The Fund does not permit market-timing or other excessive trading practices. Excessive, short-term (market-timing) trading practices may disrupt portfolio management strategies and harm the performance of the Fund. To minimise harm to the Fund and the Shareholders, the Board of Directors or an authorised agent of the Fund (including the Management Company, the Distributor and/or the Registrar and Transfer Agent) on their behalf may, in their absolute discretion, reject any order for the purchase or exchange of Shares, or levy a fee of up to 2% of the value of the order for the benefit of the Fund from any investor who is in the opinion of the Board of Directors (or the relevant agent), engaging in excessive trading or has a history of excessive trading or if an investor's trading, in the opinion of the Board of Directors (or the relevant agent), has been or may be disruptive to the Fund or any of the Portfolios. In making this judgment, the Board of Directors (or the relevant agent) may consider trading done in multiple accounts under common ownership or control. The Board of Directors also has the power to redeem all Shares held by an investor

who it believes is or has been engaged in excessive trading. The Board of Directors may apply such measures in its absolute discretion and neither the Board of Directors nor the Fund or its agents will be held liable for any loss resulting from rejected orders or mandatory redemptions or from their bona fide decision not to effect such measures. In addition, the Board of Directors is authorised to take any further measures deemed appropriate to prevent the above mentioned practices, without prejudice however to the provisions under Luxembourg law.

The Fund and its agents may monitor electronic communications and may record telephone conversations between investors and the Fund's agents (such recording may take place without the use of a warning tone). The Fund may use such recordings in evidence in connection with any disputes arising from purchases, exchanges or redemptions of Shares or applications for such purchases, exchanges or redemptions. The Fund may hold and process the resulting information, together with any information relating to investors obtained during the course of a purchase exchange or redemption of Shares (or applications therefore), or otherwise acquired from another source, for purposes connected with the purchase, exchange or redemption of Shares, for administrative or other purposes, for such additional purposes as investors agree with the Fund from time to time and/or for purposes connected with complying with applicable law or regulation and rules of regulatory or self-regulatory bodies. Any information may be transferred to any Affiliates of the Fund or Goldman Sachs which exist within and outside the EEA and the Fund may transfer such information to third parties to process on the Fund's instructions, subject to appropriate confidentiality arrangements and in compliance with any applicable laws on professional and banking secrecy and data protection requirements. In subscribing for Shares, the investor expressly consents to the Fund's agents, for their own purposes in carrying out their services to the Fund, monitoring electronic communications and recording telephone conversations between themselves and the investor, in compliance with their applicable laws.

13.2. Account Opening

Investors subscribing for Shares in a Portfolio must first complete and submit an Original Account Agreement which may be sent by fax, provided that the signed original is mailed promptly thereafter. Shares may be purchased through the Distributor and/or Sub-distributors. By completing an Original Account Agreement, Shareholders agree to subscribe for Shares and to be bound by the terms of the Prospectus and the Articles. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, copies of which are available as described in the Section 20 "Additional Information on the Fund" (paragraph 20.1 "Corporate Information"). The Original Account Agreement and the Articles are governed by Luxembourg law and the courts of the Grand Duchy of Luxembourg shall have exclusive jurisdiction in relation to them. Provided that an Original Account Agreement has been duly submitted by an investor and accepted by or on behalf of the Fund and provided that the relevant account has been opened on behalf of the investor, Shares may subsequently be purchased by completing a Subscription Form in accordance with the procedures described below. If the requisite funds are not received in time, the purchase order may be cancelled and any funds subsequently received returned (without interest) to the investor. The investor will be liable for the costs (including, at the discretion of the Board of Directors, interest) of late or non-payment, in which case the Board of Directors will have the power to redeem all or part of the investor's holding of Shares in the Fund in order to meet such costs or take such other action as may be appropriate that has the same effect. The Fund will, subject to the terms of the Prospectus, the Original Account Agreement and the Articles, issue Shares corresponding to amounts actually received.

13.3. Initial and Continuous Offering

Shares may be purchased through the Management Company, the Distributor and/or Sub-distributors, on any Purchase Date, by submitting a duly completed Subscription Form to the Management Company or the Registrar and Transfer Agent not later than 2:00pm Central European time (except as otherwise stated in a Supplement) on such Purchase Date, at the net asset value per Share of the relevant Share Class on such day plus any applicable Sales Charges. The Management Company may, in its discretion, accept purchase orders in other written formats (i.e. other than the Subscription Form), and which may be communicated by fax or, without prejudice to other means and subject to applicable laws and regulations, accept purchase orders placed via electronic or other on-line trading platforms as may be available for such purposes from time to time. The Board of Directors or the Management Company on behalf of the Fund reserves the right to deny a subsequent request to redeem Shares if the relevant Shareholder fails to deliver to the Distributor a Subscription Form, acceptable to the Management Company, or, where a purchase order is made by another means, a written confirmation of such purchase, acceptable to the Management Company, specifying the amount to be invested.

The Board of Directors and the Management Company will ensure that the relevant cut-off time for requests for subscription are strictly complied with and will therefore take all adequate measures to prevent practices known as "late trading".

The Fund determines the price of its Shares on a forward basis. This means that it is not possible to know in advance the net asset value per Share at which Shares will be bought or sold (exclusive of any Sales Charges).

In the event that the Luxembourg Stock Exchange closes for business at an earlier time than is usual (for example, on a half-day bank holiday) and/or in the event that the Board of Directors, in consultation with the Management Company or the Investment Adviser, believes that there are sufficient markets in which the Portfolio may invest which have closed at an earlier time than usual, then the Board of Directors, in consultation with the Management Company or the Investment Adviser, may determine that duly completed purchase requests may only be accepted before such earlier closing times provided that (a) the Board of Directors, in consultation with the Management Company or the Investment Adviser determines that such practice would provide the Fund and Shareholders with a potential benefit and would not result in any unfair disadvantage to the Shareholders and (b) the Fund shall have regard at all times to the equal treatment of Shareholders. For avoidance of doubt, 24 December is not expected to be a Business Day.

Except as otherwise stated in a Supplement, investors must deliver to the Fund's bank account the aggregate purchase price (net of all transfer costs/charges, if any), by wire transfer of immediately available funds in the relevant currency to the designated account, within three (3) Business Days after the relevant Purchase Date. If the requisite funds are not received in time the purchase order may be cancelled and the funds returned to the investor without interest. The investor will be liable for the costs (including, at the discretion of the Board of Directors, interest) of late or non-payment and the Board of Directors will have the power to redeem all or part of the investor's holding of Shares in the Fund in order to meet such costs or take such other action as may be appropriate that has the same effect. In circumstances where it is not practical or feasible to recoup a loss from an applicant for Shares, any losses incurred by the Fund due to late or non-payment of the subscription proceeds in respect of subscription applications received may be borne by the Fund.

The Board of Directors upon proposal of the Management Company may, in compliance with the conditions set forth by Luxembourg law and at the request of a prospective investor, agree to accept, in whole or in part, a contribution of securities or other instruments in kind by an investor as consideration for the issuance of Shares, provided that such securities or other instruments comply with the investment objectives and investment policies and restrictions of the relevant Portfolio. Costs incurred in connection with a contribution in kind of securities or other instruments are typically borne by the relevant Shareholders.

The Board of Directors in consultation with the Management Company may determine, in its discretion, that if subscriptions for Shares of a Portfolio received in an initial offering do not exceed USD25,000,000 (or, as appropriate, its equivalent in the Base Currency where not expressed in USD), the Portfolio will not begin operations and any money received for Shares in the Portfolio, including any applicable Sales Charge, will normally be returned to the subscribers of such Shares within three (3) Business Days of the closing date, without payment of interest thereon.

Shares will be issued effective on the Purchase Date and will be entitled to dividends declared from the following day forward when, as and if the Board of Directors declares such dividends. If the purchase order is not received in time, the purchase order will ordinarily be processed on the next Purchase Date. Additionally, investors shall bear the risk that the amount actually received by the Fund may vary from the amount set forth in their notice. The Fund will, subject to the terms of the Prospectus, and the Articles, issue Shares corresponding to amounts actually received.

Please note that, in order to facilitate the flow of subscription and redemption monies to/from the Fund's custody account, monies invested into and redeemed from the Fund pass through accounts, in the name of the Fund or its relevant service provider, that are held with and are operated by Bank of America while in such accounts, or similar accounts at other banks in the future, monies will be subject to the credit, legal and operations risks of such banks.

13.4. Multi-Currency Dealing

The Board of Directors or the Management Company (or its delegate) on behalf of the Fund may, but is not obliged to, accept from investors in Shares payment of the aggregate purchase price in a currency other than the currency in which the relevant Shares to be purchased are denominated. Investors may also request that redemption proceeds be paid in a currency other than the currency in which the relevant Shares to be redeemed are denominated. Where such an arrangement is in place the other currency will be converted into the currency in which the Shares are denominated at the expense and risk of the investors by reference to the prevailing relevant currency exchange rate. Where reasonably practicable, such conversion will be effected at those rates prevailing on the day on which the relevant subscription or redemption order, as appropriate, is submitted. The net proceeds of such conversion shall be deemed to be the aggregate purchase or redemption price, as appropriate, and the Fund will, subject to the terms of the Prospectus, the Original Account Agreement and the Articles, issue or redeem Shares corresponding to the net amounts in the currency of the relevant Shares to be purchased or redeemed after such conversion. If any amounts are to be returned to a prospective investors as described above, the amount so returned will be denominated in the currency into which they have been converted and the arrangements described above in relation to the return of such amounts will apply without limitation. Investors should note that a fee may be charged in respect of this service.

13.5. Sales Charge

The Sales Charge imposed by the Distributor and Sub-distributor appointed by the Distributor may vary, but may not exceed 5.5% of the purchase price of Shares. The "I", "IS", "ID", "II", "IO", "IOD", "IX" and "IXO" Shares do not have a Sales Charge.

The "B" Shares and "C" Shares do not have a Sales Charge but investors are subject to a CDSC as described above at Section 3 "Description of Share Classes". The CDSC varies between 4% and 1% of the lower of either initial purchase price or total net asset value of the "B" Shares or "C" Shares being redeemed and will be deducted from the redemption proceeds.

For further information on Sales Charges, please see Section 3 "Description of Share Classes" above as well as the relevant Supplement.

Banks and other agents employed as agents of Shareholders may impose administrative or other charges to be paid by Shareholders pursuant to arrangements between Shareholders and those banks or other agents.

Shares of a Portfolio may be issued at net asset value without the imposition of a Sales Charge to Affiliates of Goldman Sachs, to partners, directors and employees of Goldman Sachs, to certain investment funds related to Goldman Sachs and to certain other parties designated from time to time by Goldman Sachs.

14. Redemption of Shares

Investors should refer to the relevant Supplement for additional information on the notification to be made to the Fund in respect of redemption requests as the settlement requirements for certain Portfolios may vary.

14.1. Shareholder Request

Shares of each Portfolio may be redeemed on any Redemption Date, at the prevailing net asset value per Share of the relevant Share Class of the Portfolio. Such redemption requests must be made upon written notice (which may be sent by fax) to the Distributor, the Registrar and Transfer Agent, the Management Company or the Fund and in a form available from the Fund by the Shareholder requesting redemption of all or part of its Shares to the Distributor, the Registrar and Transfer Agent, the Management Company or the Fund given (except as otherwise stated in a Supplement) not later than 2:00pm Central European time on such Redemption Date.

The Board of Directors and the Management Company will ensure that the relevant cut-off time for requests for redemption are strictly complied with and will therefore take all adequate measures to prevent practices known as "late trading".

The Fund, the Management Company or Distributor may in their discretion permit investors to give notice of redemption by telephone or electronic mail in certain circumstances. In order to avoid delay, the redeeming Shareholder must specify what Share Class the redemption request relates to. Any request for redemption shall be irrevocable, except in the event of a suspension of the calculation of net asset value. A Shareholder may request the redemption of all or part of the Shares held by such Shareholder, except as set forth below under "Mandatory Sale or Redemption" provided that partial redemptions must ordinarily equal or exceed a Portfolio's and/or Share Classes' minimum initial subscription amount. In all the above cases, the signed original must be mailed promptly thereafter.

In the event that the Luxembourg Stock Exchange closes for business at an earlier time than is usual (for example, on a half-day bank holiday) and/or in the event that the Board of Directors in consultation with the Management Company or the Investment Adviser believes that there are sufficient markets in which the Portfolio may invest which have closed at an earlier time than usual, then the Board of Directors in consultation with the Management Company or the Investment Adviser may determine that duly completed redemption requests may only be accepted before such earlier closing times provided that (a) the Board of Directors in consultation with the Management Company or the Investment Adviser determines that such practice would provide the Fund and the Shareholders with a potential benefit and would not result in any unfair disadvantage to the Fund's Shareholders and (b) the Fund shall have regard at all times to the equal treatment of Shareholders. For the avoidance of doubt, 24 December is not expected to be a Business Day.

Except as otherwise stated in a Supplement, the Fund intends to normally pay redemption proceeds, less any tax or duty imposed on the redemption of the Shares within three (3) Business Days following the relevant Redemption Date. The earlier payment of such redemption proceeds prior to such date may be permitted by the Board of Directors in consultation with the Management Company in certain circumstances, provided that such shorter settlement would not be detrimental to the best interests of the remaining Shareholders of the relevant Portfolio. The Board of Directors or the Management Company on behalf of the Fund reserves the right to deny any payment of redemption proceeds where the relevant Shareholder has failed to deliver original documentation required by the Management Company. Shares with respect to which a redemption request has been given will be entitled to dividends, if any, declared up to and including that Redemption Date in respect of Shareholders of record on the dividend declaration date. Payment of redemption proceeds will be made by wire transfer, as indicated on a Shareholder's Original Account Agreement, as amended from time to time, to the address or account indicated on the register of Shareholders. Where a Shareholder redeems Shares that he has not paid for within the required subscription settlement period, in circumstances where the redemption proceeds would exceed the subscription amount that he owes, the Fund will be entitled to retain such excess for the benefit of the Fund.

Shares will not be redeemed in circumstances where the calculation of the net asset value of the relevant Shares is suspended by the Board of Directors or the Management Company on behalf of the Fund. Please see Section 17 "Determination of Net Asset Value" in the Prospectus.

The Board of Directors, upon proposal of the Management Company may, at the request of a Shareholder, agree to make, in whole or in part, a distribution in-kind of securities of the Portfolio to that Shareholder in lieu of paying to that Shareholder redemption proceeds in cash. The Board of Directors will agree to do so if it determines that such a transaction would not be detrimental to the best interests of the remaining Shareholders of the relevant Portfolio. Such redemption will be effected at the net asset value of Shares of the relevant Share Class of the Portfolio which the Shareholder is redeeming, and thus will constitute a pro rata portion of the Portfolio's assets attributable in that Share Class in terms of value. The assets to be transferred to such Shareholder shall be determined by the Investment Adviser and Depositary, with regard to the practicality of transferring the assets and to the interests of the Portfolio and continuing participants therein and to the Shareholder. Such a Shareholder may incur brokerage and/or local tax charges on any transfer or sale of securities so received in satisfaction of redemption. The net proceeds from this sale by the redeeming Shareholder of such securities may be more or less than the corresponding redemption price of Shares in the relevant Portfolio due to market conditions and/or differences in the prices used for the purposes of such sale or transfer and the calculation of the net asset value of Shares of the Portfolio. To the extent required by Luxembourg law, the selection, valuation and transfer of assets shall be subject to the review and approval of the Fund's Auditor.

The redemption of Shares of a Portfolio may be temporarily suspended by the Board of Directors or the Management Company on behalf of the Fund upon certain conditions described below under Section 17 "Determination of Net Asset Value". In addition, if on any given date requests for redemption of Shares received by the Fund relate to more than 10% of the Shares in a given Portfolio, and either the Fund's available cash, together with amounts the Fund is permitted to borrow, is insufficient to meet such requests or the Board of Directors or the Management Company on behalf of the Fund determines that it is not advisable to apply such cash and borrowings to meet such requests, then the Board of Directors or the Management Company may decide that part or all of such requests for redemption will be deferred for such period as the Board of Directors or the Management Company considers to be in the best interests of the Portfolio provided that any such deferral period would not normally exceed ten Business Days. On the next Business Day following such period of deferral, redemption requests so deferred will be given priority over requests subsequently received. The price at which any such deferred redemptions are effected shall be the net asset value per Share of the Portfolio on the day on which such requests are met. All redeemed Shares shall be cancelled.

Any funds receivable by a Shareholder under this Section, but not collected within a period of six (6) months from the date specified in the redemption notice, will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto until the end of the statute of limitations.

14.2. Mandatory Sale or Redemption

None of the Shares may be offered or sold, directly or indirectly, to any U.S. Person unless authorised by the Fund as further described in Section 15 "Transfer of Shares" (under the heading "Subscriptions by and Transfers to U.S. Persons"). Accordingly, if a transferee who is an unauthorised U.S. Person applies to register a transfer of Shares, or if the Board of Directors or the Registrar and Transfer Agent otherwise becomes aware that a Shareholder is an unauthorised U.S. Person, the Registrar and Transfer Agent, on behalf of and subject to the ultimate discretion of the Board of Directors, may direct such person to sell their Shares and to provide to the Registrar and Transfer Agent evidence of such transaction, within 30 days' notice from the Registrar and Transfer Agent. If such person fails to comply with the direction, the Board of Directors or the Registrar and Transfer Agent on its behalf may effect redemption of the Shares as agent for that person as provided for in the Articles and will account for the redemption proceeds (less expenses and any applicable CDSC) to such person. In addition, the Board of Directors has authorised the Management Company and the Distributor to determine from time to time the number or percentage of U.S. Persons who may be admitted to any Portfolio or the Fund as a whole pursuant to an applicable policy and procedure and accordingly may require the compulsory transfer or redemption of Shares of a U.S. Person where the continued holding of Shares by such a Shareholder may result in adverse tax, pecuniary, legal, regulatory or material administrative disadvantages to the Fund (including any Portfolio) or its Shareholders as a whole.

More generally, (i) if the sale or transfer to any person may cause the Fund to be required to register the Shares, to be subject to tax or to violate the laws of any jurisdiction (which shall include where a Shareholder who has invested in "I", "II", "ID", "IO", "IOD", "IX", "IXO" or "UC" Shares does not qualify or ceases to qualify as being eligible to invest in such Shares), or (ii) where, in the opinion of the Board of Directors, the holding of Shares by any person may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage to the Fund

or Shareholders as a whole (including, without limitation, under ERISA), or (iii) as the Board of Directors may decide in their sole discretion in respect of any Shareholder(s), under the conditions provided in the Articles, the Registrar and Transfer Agent, on behalf of and subject to the ultimate discretion of the Board of Directors, may direct such person to sell their Shares (or, in the case of an ineligible Shareholder of "I", "II", "ID", "IO", "IOD", "IX", "IXO" or "UC" Shares, to exchange such Shares for Shares of another Share Class of the same Portfolio for which the Shareholder is eligible) and to provide to the Registrar and Transfer Agent evidence of such transaction, within 30 days' notice from the Registrar and Transfer Agent. If such person fails to comply with the direction, the Board of Directors or the Registrar and Transfer Agent on its behalf may effect a redemption of the Shares as agent for that person as provided for in the Articles and will account for the redemption proceeds (less expenses and any applicable CDSC) to such person.

Shares may, in the absolute discretion of the Board of Directors but subject to Luxembourg law, be mandatorily redeemed in a similar manner if the net asset value of the Shares held by a Shareholder falls below the minimum investment level for the relevant Share Class set out in the relevant Supplement. Where the Shareholder's Shares are denominated in a currency other than the Base Currency of the relevant Portfolio, the prescribed level will be calculated by converting such currency into the Base Currency at the prevailing currency exchange rate. It is expected that such redemptions will not be implemented if the value of the Shareholder's account falls below the minimum initial investment subscription level solely as a result of market conditions. The Fund will give prior written notice to Shareholders whose Shares are being redeemed in this manner to allow them to purchase sufficient additional Shares of the Portfolio so as to avoid such mandatory redemption.

"UC" Shares may be mandatorily redeemed either at their maturity term or before such maturity term at the full discretion of the Board of Directors.

If for any reason the value of the assets of any Portfolio on a given Business Day shall be less than USD100,000,000 (or, as appropriate, its equivalent in the Base Currency where not expressed in USD), then the Board of Directors may, at its discretion, elect to redeem all, but not part, of the Shares of such Portfolio then outstanding at the net asset value per Share of such Portfolio calculated on the Business Day on which such Shares are redeemed. The Fund shall provide at least 30 days prior notice of redemption to all registered Shareholders of the Shares to be so redeemed.

If for any reason the value of the assets of any Share Class in any Portfolio on a given Business Day shall be less than USD25,000,000 (or, as appropriate, its equivalent in the Base currency of the relevant Share Class where not expressed in USD), then the Board of Directors may, at its discretion, elect to redeem all, but not part, of the Shares in such Share Class in such Portfolio then outstanding at the net asset value per Share of such Portfolio calculated on the Business Day on which such Shares are redeemed. The Fund shall provide at least 30 days prior notice of redemption to all registered Shareholders of the Shares in the Share Class to be so redeemed.

14.3. Redemption Charges

Shareholders should note that there is a CDSC levied on redemptions of "B" Shares and "C" Shares which will be deducted from the redemption proceeds and calculated on the basis of the lower of either the initial purchase price or the total net asset value of the Shares being redeemed. However, Shareholders of "B" Shares or "C" Shares may request redemption by reference to a USD amount. Where this is the case, any CDSC outstanding on those Shares will be added to the redemption amount, so that the Shareholder still receives the actual amount requested (with a correspondingly greater reduction in the number of Shares held on the Shareholder's behalf) except where the redemption request represents the Shareholder's entire shareholding, the redemption amount will be reduced accordingly. Any CDSC in respect of "B" Shares or "C" Shares acquired as the result of the reinvestment of dividends will be waived. Further, when a Shareholder of "B" Shares or "C" Shares redeems a portion of its Shares, it will be deemed to be redeeming Shares acquired as the result of the reinvestment of dividends first, followed by those Shares with the lowest rate of CDSC.

The CDSC is described at Section 3 "Description of Share Classes" above. Save for CDSC in respect of the "B" Shares and "C" Shares, there are no redemption charges for other Share Classes.

15. Transfer of Shares

Shares are freely transferable for secondary trading on the Luxembourg Stock Exchange according to the rules and regulations of the Luxembourg Stock Exchange. For those Shares not listed on the Luxembourg Stock Exchange, transfers of Shares shall be effected by a transfer in writing in any usual or common form or any other form approved by the Board of Directors and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Share shall be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered on the Share register in respect thereof. In addition, thereto, the Shares may be redeemed compulsorily if a Shareholder does not meet the minimum subscription or holding levels of the relevant Share Class and/or Portfolio as set out in the relevant Supplement further to a transfer of his Shares. The registration of transfer may be suspended at such times and for such periods as the Board of Directors may from time to time determine, provided, however, that such registration shall not be suspended for more than 30 days in any calendar year. The Board of Directors or the Management Company on behalf of the Fund may decline to register any transfer of Shares unless the original instruments of transfer, and such other documents that the Board of Directors or the Management Company may require, including a duly completed Original Account Agreement, are deposited at the registered office of the Fund or at such other place as the Board of Directors or the Management Company may reasonably require, together with such other evidence as the Board of Directors or the Management Company may reasonably require to show the right of the transferor to make the transfer and to verify the identity of the transferee. Such evidence may include a declaration as to whether the proposed transferee is a U.S. Person or acting for or on behalf of a U.S. Person.

The Board of Directors or the Management Company on behalf of the Fund may decline to register a transfer of Shares if the transferee is a U.S. Person or is acting for or on behalf of a U.S. Person. Please see the Section 15 "Transfer of Shares" (under the heading "Subscriptions by and Transfers to U.S. Persons") for details of circumstances in which a transfer to a U.S. Person may be permitted by the Board of Directors or the Management Company.

Subscriptions by and Transfers to U.S. Persons

In order to invest in the Fund, Shareholders must certify that, except as otherwise authorised by the Board of Directors, in consultation with the Management Company or the Distributor, they are neither U.S. Persons nor subscribing for Shares on behalf of U.S. Persons. Shareholders are required to notify the Fund through the Management Company or the Distributor, immediately in the event that they become U.S. Persons or hold Shares on behalf of U.S. Persons and their Shares may be compulsorily redeemed by the Fund, or they may otherwise be required by the Fund to dispose of their Shares in the manner outlined above under Section 14 "Redemption of Shares" (paragraph 14.2 "Mandatory Sale or Redemption").

The Board of Directors, in consultation with the Management Company or the Distributor may, in its discretion, authorise the purchase by or transfer of Shares to or on behalf of a U.S. Person if it has sufficient comfort that:

- (i) such purchase or transfer is exempt from registration under, and does not result in a violation of, the 1933 Act or the applicable laws of the U.S. or any U.S. state and otherwise complies with the applicable requirements of any U.S. state;
- (ii) any purchaser or transferee that is a U.S. Person is a "qualified purchaser" as defined in the 1940 Act and the rules promulgated thereunder and an "accredited investor" as defined in Regulation D under the 1933 Act;
- (iii) such purchase or transfer would not be reasonably expected to result in the Fund or any Portfolio being required to register under the 1940 Act;
- (iv) such purchase or transfer would not cause a violation of, or require the Fund or any Portfolio to register under the 1934 Act;
- (v) such purchase or transfer would not result in the assets of the Fund or any Portfolio consisting of "plan assets" subject to Title I of ERISA or Section 4975 of the Code; and
- (vi) there will be no adverse tax, pecuniary, legal, regulatory or material administrative disadvantage to the Fund (including any Portfolio) or its Shareholders as a whole as a result of such a purchase or transfer.

In addition, the Board of Directors, in consultation with the Management Company or the Distributor, may authorise the purchase by or transfer of Shares to a U.S. Person resident outside the U.S. if the U.S. Person declares that they are making their application for the beneficial account of a person who is not a U.S. Person.

Each investor (including a prospective transferee) for Shares who is a U.S. Person will be required to provide such representations, warranties or documentation, including opinion of counsel, as may be required by the Fund to ensure that such requirements are met prior to approval of such sale or transfer by the Fund. The Board of Directors, in consultation with the Management Company or the Distributor, shall determine from time to time the number of U.S. Persons who may be admitted into the Fund.

The Board of Directors shall have the authority to refuse applications for Shares or require compulsory transfer or redemptions of Shares where any of the aforementioned conditions in respect of investment by U.S. Persons are not or no longer satisfied.

16. Exchange of Shares

Shares of a Portfolio may be exchanged, without the imposition of an additional Sales Charge, at the net asset value per Share of the relevant Share Class of the Portfolio for (i) Shares of another Share Class of the same Portfolio which has a Sales Charge that is equal to or lower than the Sales Charge applicable to the Share Class to be exchanged or (ii) Shares of either the same or another Share Class of any other Portfolio which has a Sales Charge that is equal to or lower than the Sales Charge applicable to the Shares to be exchanged. The number of Shares in the newly selected Share Class and/or Portfolio will be determined by reference to the respective net asset values of the relevant Shares, calculated on the relevant Business Day, taking into account the current exchange rate of the different currencies in which the Portfolios may be denominated (or the currency in which a Share Class is priced, if applicable) and, if applicable, any foreign exchange costs and/or excessive trading penalties. The Fund may make a payment in lieu of any fractional amount smaller than one thousandth of a Share. The right to exchange Shares remains subject to restrictions imposed by applicable law or the Fund. The right will not be available, for example, where, as a result of such exchange, the newly selected Portfolio becomes subject to additional registration or qualification under the laws of any jurisdiction. Shareholders should be aware that the Fund reserves the right to accept or reject any request to exchange Shares in its discretion. In particular, Shareholders should note that Shares may only be exchanged for "I", "II", "ID", "IO", "IOD", "IX" or "IXO" Shares if the Shareholder is eligible to acquire such Shares.

A Shareholder should obtain and read the Prospectus and the specific Supplement relating to any Portfolio or any Share Class of a Portfolio and consider its investment objective, policies and applicable fees before requesting any exchange into that Portfolio or Share Class.

Request for exchanges will be accepted provided that the Shareholder has received the relevant KIID.

Subject to the overall policies and procedures set by the Board of Directors, Shares may only be exchanged at the net asset value per Share of the relevant Shares of the Portfolio without being subject to an additional Sales Charge (subject to any foreign exchange costs or excessive trading penalties and to the provisions described below) for Shares of any other Portfolio having the same Sales Charge as, or a Sales Charge lower than, the Shares to be exchanged, subject to restrictions imposed by applicable law or the Fund, provided that, as a result of such exchange, the newly selected Portfolio does not thereby become subject to registration or qualification under the laws of any jurisdiction other than where such Portfolio shall already be duly registered or qualified at the time of the proposed exchange in which circumstances no exchange rights shall apply.

Subject to the overall policies and procedures set by the Board of Directors, Shares of a Portfolio may be exchanged at the net asset value per Share for another Share Class in either the same or a different Portfolio with a higher Sales Charge. In such circumstances the Shares may, on acquisition, be subject to a Sales Charge equal to the difference between the Sales Charge of the Shares being exchanged and the new Shares being received (in addition to any foreign exchange costs or excessive trading penalties and to the provisions described below).

"B" Shares or "C" Shares may be exchanged at the net asset value per Share of the "B" Shares or "C" Shares of the Portfolio without a Sales Charge being levied at that time. The exchanged Shares will, on redemption, be subject to the CDSC of the Shares originally held. However, the Fund reserves the right to levy any applicable CDSC at the time that the "B" Shares or "C" Shares are exchanged. For the purposes of determining the amount of the applicable CDSC, the length of time that the Shareholder has owned the Shares will be measured from the date it acquired the original "B" Shares or "C" Shares subject to a CDSC and this will not be affected by a subsequent exchange.

Shareholders are entitled, in accordance with the terms of the Articles, to exchange Shares of another Share Class of the same Portfolio for "B" Shares or "C" Shares of that Portfolio or another Portfolio. For existing Shareholders this is likely to be fiscally disadvantageous.

Shares may be exchanged through the Distributor and Sub-distributors on any Business Day, upon notice given to the Distributor not later than 2:00pm Central European time on such Business Day (subject to the frequency of, and cut-off times for, subscriptions and redemptions of certain Portfolios as may be specified in the relevant Supplement). Shares may also be exchanged on any Business Day for each of the Portfolios directly through the Fund or the Management Company, upon notice to the Registrar and Transfer Agent given not later than 2:00pm

Central European time on such Business Day (subject to the frequency of, and cut-off times for, subscriptions and redemptions of certain Portfolios as may be specified in the relevant Supplement). Such notice must be given in writing, on a form available from the Distributor and may be sent by fax. The Distributor may in its discretion permit Shareholders to give the notice by telephone or electronic mail in certain circumstances. In all the above cases, the signed original must be mailed promptly thereafter.

Subject to the frequency of, and cut-off times for, subscriptions and redemptions of certain Portfolios as may be specified in the relevant Supplement, in the event that an exchange request is received after 2:00pm Central European Time on any Business Day such request will be effected on the following Business Day.

The Board of Directors and the Management Company will ensure that the relevant cut-off time for requests for exchange are strictly complied with and will therefore take all adequate measures to prevent practices known as "late trading".

In the event that the Luxembourg Stock Exchange closes for business at an earlier time than is usual (for example, on a half-day bank holiday) and/or in the event that the Board of Directors in consultation with the Management Company or the Investment Adviser believes that there are sufficient markets in which the Portfolio may invest which have closed at an earlier time than usual, then the Board of Directors in consultation with the Management Company or the Investment Adviser may determine that duly completed exchange requests may only be accepted before such earlier closing times provided that (a) the Board of Directors in consultation with the Management Company or the Investment Adviser determines that such practice would provide the Fund and the Shareholders with a potential benefit and would not result in any unfair disadvantage to the Fund's Shareholders and (b) the Fund shall have regard at all times to the equal treatment of Shareholders. All exchanges must satisfy the minimum investment requirements of the Portfolio into which the Shares are being converted and will not normally be accepted where the purchase of Shares of the Portfolio from which the conversion is taking place has not yet been settled by the Shareholder. If the exchange privilege is modified or withdrawn, the Prospectus will be amended to reflect the changes. For the avoidance of doubt, 24 December is not expected to be a Business Day.

The exchange of Shares of a Portfolio may be temporarily suspended by the Fund upon the occurrence of certain events described below under Section 17 "Determination of Net Asset Value".

An exchange of Shares may have tax consequences for a Shareholder. Shareholders should consult with their normal tax adviser if they are in any doubt as to such tax consequences.

17. Determination of Net Asset Value

The net asset value per Share of each Share Class of each Portfolio shall be determined by the Administrator under the supervision of the Board of Directors and the Management Company and with the assistance, if required, of the Valuer. The net asset value per Share of a particular Share Class will be calculated by dividing (i) the total assets of the Portfolio attributable to that Share Class less the total liabilities of the Portfolio attributable to that Share Class by (ii) the total number of Shares of that Share Class of the Portfolio outstanding. Shares of each Portfolio and Share Class and any other Portfolios in the Fund are expected to perform differently, and each Portfolio (and Share Class if appropriate) will bear its own fees and expenses (to the extent specifically attributable to the Portfolio (or Share Class)). In particular, the costs associated with the conversion of monies in connection with the purchase, redemption and exchange of Shares of a Portfolio denominated in one currency but also offered in another currency will normally be borne by the relevant Share Class and will be reflected in the net asset value of such Share Class. Consequently, the net asset value per Share of each Portfolio and of different Share Classes of a single Portfolio, if appropriate, is expected to differ.

The Administrator, in respect of each Portfolio and in consultation with the Management Company and the Valuer, as and when required, will compute the net asset value per Share of each Share Class on each Business Day to at least two decimal places. For a Share Class which is expressed in a currency other than the Base Currency of the relevant Portfolio, the net asset value per Share of that Share Class shall be the net asset value attributable to the Shares of the Share Class of that Portfolio calculated in the Base Currency of the Portfolio and converted into the other relevant currency at the current currency exchange rate between the Base Currency and such other currency. The Administrator will usually calculate prices by reference to a valuation point at least two hours after 2:00pm Central European time (the "Cut-off Point") and prior to the following Cut-off Point, such time to be known as the valuation point. The Management Company, in conformity with the guidelines established by the Board of Directors, reserves the right to instruct the Administrator to calculate prices at a time other than the scheduled valuation point in the case of a material change to the market value of the Fund's investment in one or more Portfolios.

In the case of certain Portfolios as more particularly specified in the relevant Supplement, the Fund may decide to issue Share Classes in one Portfolio which have different valuation points, e.g. "snap" and "close", where the "snap" valuation point takes a value at a time other than at close and may include fair value prices, if considered appropriate, for securities which are traded on markets which are closed at the valuation point (please refer to the Supplements in order to establish which Portfolios offer such Share Classes). In consequence, the net asset values per Share of such Share Classes are expected to differ from each other as a result of the application of such different valuation points.

On any Business Day the Management Company may determine, in conformity with the guidelines established by the Board of Directors, to apply swing pricing (to include such reasonable factors as it sees fit) to the net asset value per Share of a particular Portfolio. This method of net asset value calculation is intended to pass the estimated costs of underlying investment activity of the Portfolio to the active Shareholders by adjusting the net asset value of the relevant Share and thus to protect the Portfolio's long-term Shareholders from costs associated with ongoing subscription and redemption activity.

Swing pricing may take account of trading spreads on the Portfolio's investments, the value of any duties and charges incurred as a result of trading and may include an allowance for market impact. Where, based on the prevailing market conditions and the level of subscriptions or redemptions requested by Shareholders or potential Shareholders in relation to the size of the relevant Portfolio, a particular Portfolio applies swing pricing, the Portfolio may be valued either on a bid or offer basis.

Because the determination of whether to value the Portfolio's net asset value on an offer or bid basis is based on the net transaction activity of the relevant day, Shareholders transacting in the opposite direction of the Portfolio's net transaction activity may benefit at the expense of the other Shareholders in the Portfolio. In addition, the Portfolio's net asset value and short-term performance may experience greater volatility as a result of swing pricing.

Investors should be aware that, the factor used to apply swing pricing ("swing factor") will generally not exceed 2% of the net asset value of the relevant Share Class of the Portfolio, unless otherwise stated in the relevant

Supplement. The swing factors applied to individual Portfolios will be reviewed by the Investment Adviser on a periodic basis in order to verify their appropriateness in light of prevailing market conditions.

The Board of Directors or the Management Company on behalf of the Fund may temporarily suspend the determination of the net asset value per Share of a Portfolio or Share Class and the issue, redemption or exchange of Shares of a Portfolio or Share Class upon the occurrence of one or more of the following events:

- (a) any period when any of the principal stock exchanges or other markets on which any portion of the investments of a Portfolio or the relevant Share Class are quoted or dealt in, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of a Portfolio is denominated, are closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended;
- (b) political, economic, military, monetary or other emergency events beyond the control, liability and influence of the Fund makes the disposal of the assets of any Portfolio impossible under normal market conditions or such disposal would be detrimental to the interests of the shareholders;
- (c) the existence of any state of affairs as a result of which disposals or the valuation of assets of a Portfolio or the relevant Share Class would be impracticable;
- (d) any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of a Portfolio or the current price or values on any market or stock exchange in respect of the assets of a Portfolio or the relevant Share Class;
- (e) any period when for any other reason the prices of any investments owned by the Fund cannot promptly or accurately be ascertained;
- (f) any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of the Shares of a Portfolio or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange;
- (g) upon the publication of a notice convening a general meeting of Shareholders for the purpose of resolving the winding-up of the Fund or a Portfolio or informing the Shareholders of the decision of the Board of Directors to terminate any Portfolio or class of Shares;
- (h) during any period where the relevant indices underlying the financial derivative instruments which may be entered into by the Portfolios of the Fund are not compiled or published;
- (i) during any period when the net asset value of any subsidiary of the Fund may not be determined accurately; and/or
- (j) following the suspension of the calculation of the net asset value per share/unit, the issue, redemption and/or exchange of shares/units, at the level of a master fund in which a Portfolio invests in its quality of feeder fund of such master fund.

A suspension of the determination of the net asset value of any Portfolio or Share Class shall be published, if appropriate, by the Fund and shall be notified to those Shareholders who have made an application for subscription, redemption or exchange of Shares in respect of the relevant Portfolio or Share Class. Such subscriptions, redemptions and exchanges shall be transacted when such suspension has been lifted.

For the purpose of calculating the net asset value per Share of a Portfolio, the following valuation principles will be observed.

When determining the probable realisation value or fair value of assets, one or more of a variety of valuation methodologies may be used (depending on factors including the asset type). The asset may be valued using market quotations or evaluated prices from a recognised independent third party pricing service. Where a pricing service does not supply a price, a transaction price or broker quote may be applied. If such prices are not representative of their value, or there is no price available, the Valuer may (in conformity with the valuation policy

of the Management Company) determine the value by leveraging proprietary models, inputs etc. which would represent the fair value at which it is expected to be resold.

The value of any cash on hand or on deposit, bills and demand notes payable and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the Management Company in conformity with the guidelines established by the Board of Directors shall determine the fair value thereof after making such discount as it considers appropriate in such case to reflect the true value thereof.

The value of Transferable Securities, Money Market Instruments and any financial liquid assets listed or dealt in on a stock exchange or on a Regulated Market, or any other regulated market, are generally valued at the last available known price in the relevant market prior to the time of valuation, or any other price deemed appropriate by the Management Company, in conformity with the guidelines established by the Board of Directors. Fixed income investments are generally valued using quotations from a recognised pricing service approved by the Board of Directors. Fixed income investments for which a pricing service does not supply a quotation will be valued through the use of broker quotes whenever possible or any other price deemed appropriate by the Management Company, in conformity with the guidelines established by the Board of Directors.

If such prices are not representative of their value, such securities are stated at market value or otherwise at the fair value at which it is expected they may be resold.

The liquidating value of futures, forward or options contracts not traded on a stock exchange or on Regulated Markets, or on other regulated markets shall mean their net liquidating value determined, pursuant to the guidelines established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The value of futures, forward or options contracts traded on a stock exchange or on Regulated Markets, or on other regulated markets shall be based upon the last available settlement or closing prices as applicable to these contracts on a stock exchange or on Regulated Markets, or on other regulated markets on which the particular futures, forward or options contracts are traded on behalf of the Fund; provided that if a future, forward or options contract could not be liquidated on the day with respect to which assets are being determined, the basis for determining the liquidating value of such contract shall be such value as deemed fair and reasonable.

All other Transferable Securities, Money Market Instruments and other financial liquid assets, including equity and debt securities, for which prices are supplied by a pricing agent but are not deemed to be representative of market values, but excluding Money Market Instruments with a remaining maturity of ninety days or less and including restricted securities and securities for which no market quotation is available, are valued at fair value as determined in good faith pursuant to guidelines established by the Board of Directors. Money Market Instruments shall be valued at amortised cost method, which approximates market value. Under this valuation method, the relevant Portfolio's investments are valued at their acquisition cost as adjusted for amortisation of premium or accretion of discount rather than at market value.

Cash and cash equivalents are valued at their face value plus accrued interest.

Over-the-counter financial derivative contracts, including centrally cleared derivatives, are valued at their fair market value as determined using counterparty supplied valuations, an independent pricing service or valuation models which use market data inputs supplied by an independent pricing service. As these financial derivative contracts are not exchange-traded, but are private contracts into which the Fund and a swap counterparty enter as principals, the data inputs for valuation models are usually established by reference to active markets. However, it is possible that such market data will not be available for certain over-the-counter financial derivative contracts near the date on which valuation is undertaken. Where such markets inputs are not available, quoted market data for similar instruments (e.g. a different underlying instrument for the same or a similar reference entity) will be used, provided that appropriate adjustments are made to reflect any differences between the over-the-counter financial derivative contracts being valued and the similar financial instrument for which a price is available. Market input data and prices may be sourced from exchanges, a broker, an external pricing agency or a counterparty.

If no such price sources are available, over-the-counter financial derivative contracts will be valued at their fair value pursuant to a valuation method adopted by the Management Company, in conformity with the guidelines established by the Board of Directors, which shall be a valuation method widely accepted as good market practice

(i.e. used by active participants on setting prices in the market place or which has demonstrated to provide reliable estimate of market prices), provided that adjustments that the Management Company, in conformity with the guidelines established by the Board of Directors, may deem fair and reasonable be made. The Fund's Auditor will review the appropriateness of the valuation methodology used in valuing over-the-counter financial derivative contracts in the course of their annual review of the financial statements of the Fund. In any event, over-the-counter financial derivative contracts will always be valued on an arm's-length basis.

The value of contracts for differences will be based on the value of the underlying assets and vary similarly to the value of such underlying assets. Contracts for differences will be valued at fair market value, as determined in good faith pursuant to the guidelines established by the Board of Directors.

Units or shares of open-ended Permitted Funds will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined on a fair and equitable basis. Units or shares of a closed-ended Permitted Fund will be valued at their last available stock market value.

The value of other assets will be determined prudently and in good faith by the Management Company in conformity with the guidelines established by the Board of Directors.

The Board of Directors may, in its discretion, permit some other method of valuation to be used if it believes that such other method provides a valuation which more accurately reflects the fair value of any asset of the Fund.

Where "fair value" prices are provided other than through an independent fair value service, such prices shall be generated by the Valuer, and, unless the Management Company fails to ratify such prices (in circumstances where the Management Company is required to ratify such prices) as are provided to it by the Valuer, those prices shall then be delivered to the Administrator, who shall be required to comply with its contractual obligations to the Fund and its statutory duties under Luxembourg law when processing such prices for inclusion in its calculation of the net asset value of the Fund. Full details of all instances where "fair values" have been applied to Fund assets shall be reported to the Management Company for its review on a periodic basis. The Management Company shall also liaise with the Administrator in order to establish whether such prices have been included in the Administrator's calculation of the net asset value of the Fund. Summaries of all fair valued securities including any relevant memoranda shall be presented at the following meeting of the Board of Directors. The memoranda shall include, inter alia, security information, price analysis and the rationale for the "fair value" determined by the Valuer; in addition, the memoranda shall include an explanation and summary of the functions carried out by the Administrator, acting in accordance with procedures agreed between it, the Fund and the Valuer, in reviewing and providing support for such price determination. The Portfolios may utilise "fair value" prices provided by an independent fair value service and where they do this valuation will supersede, and be instead of, the method of valuation set out above although that method of valuation would form the basis of the valuation to which the fair value adjustment would be applied. Fair value prices may be used to ensure appropriate accounting for events that could affect the values of certain Portfolio holdings that may occur between the close of the market on which those holdings are traded and the time of determining the net asset value, and which would not otherwise be reflected in the net asset value.

One effect of using an independent fair value service may be to reduce stale pricing arbitrage opportunities presented by the pricing of Shares. However, this involves the risk that the values used by the Management Company to price the securities may be different from those used by other investment companies and investors to price the same securities.

Generally, Portfolio security trades (but not necessarily other trades) are accounted for and valued in a Portfolio's net asset value on a trade date plus one basis. However, where events affecting the values of such securities occur between the time of trade execution and the calculation of net asset value the Administrator, in consultation with the Management Company and the Valuer, as and when required, may determine that such trades be accounted for in the Portfolio's net asset value on trade date.

All account statements and annual and semi-annual reports of a Portfolio will be stated in its Base Currency.

The issuance of a net asset value is without prejudice to any right the Fund may have at law in the case of a miscalculated net asset value to reclaim over issuance of Shares or overpayment of proceeds to an investor under the concept of unjust enrichment or any similar concept.

Except where the determination of the purchase and redemption prices has been suspended, in the circumstances described in this Section, the net asset value per Share as well as the sale and redemption prices of the Shares will be available on each Business Day from the Administrator and from the Management Company as well as on such other media as may be decided from time to time by the Board of Directors or the Management Company.

18. Dividend Policy

Investors should note that both Distribution Shares and Accumulation Shares are available in respect of certain Share Classes and/or Portfolios. Investors should refer to the Supplements for additional information ("Acc." denoting Share Classes that are available as Accumulation Shares). The information below is relevant to investors who wish to subscribe for Distribution Shares.

Each Portfolio may offer Distribution Shares with the following dividend declaration / payment date frequencies: (i) at least annually, (ii) semi-annually (denoted "SDist") (iii) quarterly (denoted "QDist") and (iv) monthly (denoted "MDist"). Furthermore, each Portfolio may offer Distribution Shares which calculate dividend payments based on the following methodologies:

- (i) Net investment income, if any, calculated as gross investment income less any management fees, distribution & shareholder services fees and operating expenses attributable to such Shares. Capital gains attributable to such Shares are generally expected to be retained, although the Board of Directors retains the right to declare dividends in respect of such capital gains in its sole discretion.

Investors should note that for certain Share Classes and/or Portfolios, the Board of Directors intends for any net realised gains, on prepayments from mortgage-backed securities, to also be declared as a dividend. Shares of this type will be denoted with "Dist II" in the share class name (e.g. Dist II QDist).

- (ii) Net investment income, if any, calculated as gross investment income less any management fees, distribution & shareholder services fees and operating expenses, plus at the discretion of the Board of Directors, any capital gains and/or capital attributable to such Shares. Investors should be aware that the distribution of capital gains and/or capital as a dividend may result in an erosion of capital and may reduce future capital growth. Shares of this type, with the exception of Class IX and Class IXO Shares made available in certain Portfolios, will be denoted with "Cap" in the Share Class name (e.g. Cap QDist).
- (iii) Gross investment income, which is calculated gross of management fees, distribution & shareholder services fees and operating expenses attributable to such Shares. As a result, the expenses of such Shares will be effectively deducted from capital and therefore this may result in an erosion of capital and may reduce future capital growth. Investors should be aware that, where expenses are deducted from capital and gross investment income is declared as a dividend, this may have tax implications for an investor where income and capital gains are subject to different treatment and personal tax rates. Details in respect of which Portfolios offer such Share Classes may be found in the Supplements. Shares of this type will be denoted with "Gross" in the Share Class name (e.g. Gross QDist).
- (iv) Stable distribution, based on the projected gross investment income, which is calculated gross of management fees, distribution & shareholder services fees and operating expenses attributable to such Shares. As a result, the expenses of such Shares will be effectively deducted from capital and therefore this may result in an erosion of capital and may reduce future capital growth. Investors should be aware that, where expenses are deducted from capital and gross investment income is declared as a dividend, this may have tax implications for an investor where income and capital gains are subject to different treatment and personal tax rates. In addition, as the stable distribution level is based on the projected gross investment income there is a risk that this may be greater than the actual gross investment income for the period and therefore this may result in a further distribution from capital and reduction in future capital growth. Investors should also note that, whilst it is intended that such Shares will pay a stable dividend over the fiscal year, there could be circumstances where it is not possible to declare a dividend or where the level of the dividend needs to be adjusted. Details in respect of which Portfolios offer such Share Classes may be found in the Supplements. Shares of this type will be denoted with "Stable" in the Share Class name (e.g. Stable QDist).

Investors should be aware that the distribution of income and/or capital gains as dividends or any distributions of capital may impact the tax position of investors who should accordingly take their own specific advice on investment in such different types of Shares.

Each dividend declared by the Fund on the outstanding Shares of a Portfolio will, at the election of each Shareholder, be paid in cash or in additional Shares of the Portfolio. This election should initially be made on a Shareholder's Original Account Agreement and may be changed upon written notice to the Fund at any time prior to the record date for a particular dividend or distribution. If no election is made, all dividend distributions will be paid in the form of additional Shares. Such reinvestment will be made at the net asset value per Share of the Portfolio as of the Business Day on which such dividends are declared. If a Shareholder's dividends are reinvested as a result of either an election on the Original Account Agreement or non-election, there will be no Sales Charge payable in respect of the reinvestment.

Upon the declaration of any dividends to Shareholders of a Portfolio, the net asset value of the Shares of that Portfolio will be reduced by the amount of such dividends. Payment of the dividends shall be made as indicated on a Shareholder's Original Account Agreement, as amended from time to time, to the address or account indicated on the register of Shareholders or otherwise instructed. Where Shareholders elect reinvestment of dividends in additional Shares, each dividend due to the Shareholder will be paid by the Portfolio to State Street at its Luxembourg office for the account of the relevant Shareholder. State Street will, as Paying Agent for the Shareholders, credit such monies to the Portfolio in subscription for further Shares.

Any dividend paid on a Share of a Portfolio that has not been claimed within five years of its declaration shall be forfeited for the benefit of the Portfolio. No interest shall be paid on a dividend declared by the Fund in respect of a Portfolio and kept by the Fund at the disposal of its beneficiary.

Any CDSC in respect of "B" Shares or "C" Shares acquired as the result of the reinvestment of dividends will be waived. Further, when a holder of "B" Shares or "C" Shares redeems a portion of its "B" Shares or "C" Shares, it will be deemed to be redeeming Shares acquired as the result of the reinvestment of dividends first, followed by those Shares with the lowest rate of CDSC, as discussed in Section 3 "Description of Share Classes" in the Prospectus.

Income Equalisation Arrangements

Income equalisation arrangements may be applied in the case of Shares in some or all the Portfolios of the Fund.

Where they are applied these arrangements are intended to ensure that the income per Share which is distributed or deemed distributed in respect of a distribution period is not affected by changes in the number of Shares in issue during that period.

19. Fees and Expenses

Upon the issue of Shares, each Portfolio will receive net proceeds in an amount per Share equal to the purchase price of such Shares (not including any Sales Charges).

The Fund is responsible for the payment of the following fees and expenses:

- (i) A Management Fee to the Investment Adviser for its services and payable out of the assets of each Portfolio, as specified in the Supplement for such Portfolio, payable monthly. This monthly fee shall be charged on an annual percentage basis by reference to the Portfolios, or in the case of the fees relating to a Share Class, the Share Class' average daily net asset value. The Investment Adviser may also receive performance fees in respect of certain Portfolios as described in the applicable Supplement for the relevant Portfolio. The Investment Adviser or the Distributor (with the approval of the Investment Adviser) and/or its Sub-distributors and agents may give rebates as described under Section 11 "Distributor" in the Prospectus. Such rebates shall be paid out of the Management Fee;
- (ii) A fee to the Distributor for its services and payable out of the assets referable to the applicable Share Classes, as specified in Section 3 "Description of Share Classes" in the Prospectus and in the Supplement for the relevant Portfolio, payable monthly. This monthly fee shall be charged on an annual percentage basis by reference to the Portfolios, or in the case of the fees relating to a Share Class, the Share Class' average daily net asset value;
- (iii) all other operating expenses, which shall include any ongoing expenses such as fees payable to the Board of Directors, permanent representatives and other agents of the Fund, and certain other expenses, such as the fees and expenses of the Management Company, Depositary, Administrator, Registrar and Transfer Agent, entities appointed for processing, calculating and reporting risk measures to the Management Company; fees and expenses incurred by the Management Company, the Investment Adviser and relating to the Fund in respect of any reporting or filing obligations to any government or regulatory body with competent authority and certain legal and accounting expenses attributable to the Fund; expenses incurred by the Investment Adviser in connection with membership in investment company organisations including but not limited to the investment company institute (the "ICI"); and fees and expenses for the Fund's fair valuation service providers, auditors and legal advisers; and any fees or expenses involved in registering and maintaining the registration of the Fund with any regulatory body or authority or stock exchange in the Grand Duchy of Luxembourg and in any other country, reporting, printing and publishing expenses, including the costs of offering, preparing, translating, printing, publishing, advertising and distributing the Prospectus, KIID, explanatory memoranda, periodical reports or registration statements and the costs of reports to Shareholders, all taxes, duties, governmental and similar charges, interest on borrowings and bank charges incurred in negotiating, effecting or varying the terms of such borrowings, any commissions charged by intermediaries in relation to an investment in the Fund and other expenses that may be borne by the Fund in order to carry out its activity as more fully described in the Articles. In normal circumstances, the fees payable to State Street for its provision of depositary and administrative services shall be subject to a maximum of 50 basis points.

Charges relating to the creation of a new Portfolio are generally expensed over a period of approximately one year against the assets of that Portfolio. A newly created Portfolio will not bear a pro rata portion of the costs and expenses incurred in connection with the formation of the Fund and the initial issue of Shares, to the extent those costs and expenses have already been written off at the time of the creation of the new Portfolio. Charges that are not specifically attributable to a particular Portfolio may be allocated among the Portfolios based on their respective net assets or any other reasonable basis depending on the nature of the charges. Charges that may reasonably be attributed to one of the relevant Portfolios (or Share Class as applicable) will be charged exclusively to such Portfolio or Share Class, as appropriate. Currency conversion costs incurred in connection with conversion of currency on the purchase, redemption and exchange of Shares of a Share Class of a Portfolio which are priced in a currency other than the Base Currency denomination of that Portfolio will be borne by that Share Class.

Certain Share Classes of certain Portfolios may have a fixed rate of operating expenses (as detailed in the applicable Supplement for the relevant Portfolio), which is applied to the average assets attributable to the relevant Share Class. The Management Company or the Investment Adviser will bear any actual operating expenses that

exceed the fixed rate (either directly by waiving a portion of its fees or by reimbursement to the account of the relevant Share Class). Conversely, the Management Company or the Investment Adviser, as applicable, will be entitled to retain any amount by which the fixed rate of operating expenses exceeds the actual operating expenses attributable to the relevant Share Class of a Portfolio. For the purpose of the above, "operating expenses" includes all of the costs, expenses and fees listed in paragraph (iii) above, but excludes any fees payable to the Investment Adviser, the Distributor and any extraordinary expenses.

The monthly fees shall be charged on an annual percentage basis by reference to the Portfolio's, or in the case of the fees relating to a Class, the Class', average daily net asset value. See the relevant Supplement(s) and Section 3 "Description of Share Classes" in the Prospectus.

For those Share Classes that do not have a fixed rate of operating expenses, as described in the paragraph above, the Management Company may impose a cap on a Share Class by Share Class basis on the amount of expenses that will be borne by the relevant Share Class. The Management Company may, in its sole discretion, designate which expenses of the Fund will be subject to any such expense cap imposed by the Management Company. Any such expense cap may be increased, decreased, waived or eliminated at any time and without prior notice to investors in the Management Company's sole discretion. Shareholders should be aware that the existence of such a cap may increase the performance of the Share Class it has been applied to. Any increase or elimination of the cap in the future could have a negative impact on the performance of the Share Class it has previously been applied to.

The Fund may accrue a Portfolio's expenses of a regular or recurring nature based on an estimated amount rateably for annual or other periods. In addition to the fees payable to the Management Company, Investment Adviser, Distributor, Depositary, Administrator, Registrar and Transfer Agent, and the other agents of the Fund, each Portfolio will bear its own expenses as described above. The Management Company, the Investment Adviser and the Distributor may, during any period, elect to waive a portion of their respective fees with respect to any of the Portfolios without notice to Shareholders. The Fund is responsible for all of its extraordinary expenses which could include, but are not limited to, costs and expenses of litigation and newly imposed taxes.

20. Additional Information on the Fund

20.1. Corporate Information

The Fund was incorporated on 5 November 1992 and is governed by the Law of 10 August 1915 on commercial companies, as amended, and by the Law of 17 December 2010. The registered office is established at 49, avenue J-F Kennedy, L-1855 Luxembourg. The Fund is recorded at the Luxembourg Trade and Companies Register under the number B 41. 751. The head office of the Fund is located in Luxembourg.

Any interested person may inspect the Articles at the Luxembourg Trade and Companies Register; copies are available on request at the registered office of the Fund. The net asset value of each Share Class (except where the determination of the net asset value of a particular Share Class or Portfolio has been suspended), and historical performance of each Portfolio shall be available at the registered office of the Fund.

The minimum capital of the Fund is as provided by law (i.e., EUR1,250,000), represented by fully paid-up Shares of the Portfolios of no par value.

The Fund is open-ended, which means that it may, at the request of Shareholders, redeem its Shares at prices based on the applicable net asset value as described in the Prospectus. For further information about redemptions, please refer to Section 14 "Redemption of Shares". Each Share of a Portfolio is entitled to one vote at any general meeting of Shareholders, in compliance with Luxembourg law and the Articles.

There can be no assurance that any other Portfolios will be created by the Board of Directors or, if created, that existing Shareholders will be granted pre-emptive rights to purchase Shares in such new Portfolio or that Shares of the new Portfolio shall be offered for sale in the same jurisdiction.

Procedures on complaints handling are made available to Shareholders free of charge at the registered office of the Fund and/or the Management Company.

Appropriate information on the "best execution" policy adopted by the Management Company and any changes to such policy, is made available to Shareholders at the registered office of the Management Company.

If applicable, the main terms of arrangements relating to any fees, commissions or non-monetary benefits paid or provided in relation to the investment management and administration activities of the Fund, if any, will be provided for in the annual reports of the Fund and any further information, if any, will be provided to Shareholders upon request.

20.2. Liquidation and Division of Portfolios

Notwithstanding the powers conferred on the Board of Directors to redeem all of the Shares of a Portfolio or Share Class (please see Section 14 "Redemption of Shares" (paragraph 14.2 "Mandatory Sale or Redemption") in the Prospectus), the general meeting of Shareholders of any one or more Share Classes issued in a Portfolio may, upon a proposal by the Board of Directors, by resolution adopted at such meeting, reduce the capital of the Fund by redemption of the Shares issued in the relevant class or classes of Shares in the Portfolio and refund to the Shareholders the net asset value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated on the Business Day at which such resolution shall take effect, all in compliance with the delays, terms and conditions set forth in the Articles. There shall be no quorum requirements for such a general meeting of Shareholders and such a resolution may be passed by a simple majority of the validly cast votes. In the event that the Board of Directors determines, in consultation with the Management Company that it is required in the interests of the Shareholders of the relevant Portfolio or that a change in the economic or political situation relating to the Portfolio concerned has occurred, the reorganisation of one Portfolio, by means of a liquidation of the relevant Portfolio or a division into two or more Portfolios, may be decided by the Board of Directors.

20.3. Merger of the Fund or of any Portfolio

The Board of Directors may proceed with a merger of the Fund or of any Portfolio, either as receiving or absorbed UCITS fund/Portfolio in accordance with the procedures set out in the Articles and applicable law.

20.4. Dissolution and Liquidation of the Fund

The Fund may at any time be dissolved by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements as referred to in the Articles.

Whenever the Share capital of the Fund falls below two thirds of the minimum capital (EUR1,250,000), a proposal to dissolve the Fund shall be referred to the general meeting by the Board of Directors. The general meeting for which no quorum shall be required shall decide by simple majority of the Shares represented at the meeting.

A proposal to dissolve the Fund shall further be referred to the general meeting whenever the Share capital falls below one fourth of the minimum capital; in such an event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by Shareholders holding one fourth of the Shares represented at the meeting.

The general meeting will be convened so that it is held within a period of 40 days from the date on which it is ascertained that the share capital of the Fund has fallen below two thirds or one fourth of the legal minimum, as the case may be.

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities, duly approved by the appropriate Luxembourg authority and appointed by the general meeting of Shareholders which shall determine their powers and their compensation.

The net proceeds of liquidation corresponding to each Portfolio shall be distributed by the liquidator(s) to the holders of Shares in the Portfolio in proportion to their holding of Shares in such Portfolio.

Should the Fund be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the Law of 17 December 2010. Such law specifies the steps to be taken to enable Shareholders to participate in the distribution(s) of the liquidation proceeds.

Liquidation proceeds available for distribution to Shareholders in the course of the liquidation that are not claimed by Shareholders will at the close of the liquidation be deposited at the *Caisse de Consignation* in Luxembourg pursuant to Article 146 of the Law of 17 December 2010, where during 30 years they will be held at the disposal of the Shareholders entitled thereto.

20.5. Information on the Fund's positions

The Board of Directors or the Management Company may, subject to certain restrictions designed to protect the interests of the Fund and in compliance with applicable laws and regulations including, without limitation, those in relation to the prevention of market timing and related practices, authorise the disclosure on a confidential basis of information pertaining to the Fund's positions. Depending on various factors pertaining to the specific Portfolio of the Fund, including, without limitation, the investment strategy provided by the Investment Adviser for that Portfolio, the target investors and existing Shareholders currently invested in that Portfolio and such other factors as the Board of Directors or the Management Company may consider appropriate, such disclosure may be made subject to a delay (referred to as a "time-lag" herein), meaning that Shareholders may not be able to obtain real-time information concerning the Fund's positions. Portfolios of the Fund may have different time-lags. It is therefore possible that Shareholders in one Portfolio may obtain disclosure prior to Shareholders in other Portfolios and it is also possible that such disclosure may include information on the same underlying holdings.

The Board of Directors or the Management Company shall not be obliged to effect such disclosure but if it does so it shall make it available to all Shareholders requesting such information upon equal terms, which terms shall include, for the avoidance of doubt, the information pertaining to the Fund's positions and the time-lag associated with the Portfolio in question. Notwithstanding the foregoing, the Fund may share such information with service providers including sub-advisers who may require access to such information in order to fulfil their contractual duties to the Fund. The Fund may also disclose such information pertaining to a Portfolio's positions to certain fund analysts, pricing services, rating agencies or other entities or third parties, Shareholders or potential Shareholders that have a legitimate business purpose in receiving such information on a shorter time-lag than other Shareholders. The Board of Directors or the Management Company shall not be obliged to make such information available to any Shareholder, potential Shareholder, third party or other entity that is unwilling to provide

undertakings to keep the information confidential upon terms acceptable to the Board of Directors or the Management Company, which terms shall specify that such information may not be utilised contrary to the interests of the Fund. The Board of Directors or the Management Company shall not be obliged to supply information to any Shareholder in circumstances where it reasonably believes that such disclosure involves a material risk of information being utilised contrary to the best interests of the Fund or where disclosure would be made to persons who are, or are representatives of, a resident of a jurisdiction that does not have a legal and regulatory regime considered by the Board of Directors or the Management Company, in its reasonable discretion to adequately protect the Fund in the event of the abuse of the information so disclosed. The Board of Directors or the Management Company may discontinue such disclosure in its absolute discretion and, in the event of it doing so, the sole remedy of a Shareholder previously in receipt of such information shall be to request redemption of Shares held by them in accordance with the terms of the Prospectus. The Board of Directors may delegate responsibility of implementing such information disclosure to the Fund's agents.

20.6. Shareholders' rights

The Investment Adviser and its Affiliates each has the right, in its sole discretion, to enter into direct contractual arrangements with a Shareholder (including, without limitation, in respect of Goldman Sachs or any Affiliate or employee thereof as a Shareholder) that: (i) return to such Shareholder, partially or completely, the fees, which have been paid by the Fund to the Investment Adviser or Affiliate in respect of such Shareholder's Shares; (ii) create fee, (including but not limited to compensation that is higher, lower, calculated in a different manner or payable at different times) arrangements in addition to those described in (i) above; or (iii) to reimburse the Shareholder for any indemnification payments which may become owed by the Shareholder in connection with its ownership of Shares). Such arrangements reflect terms privately agreed to between the Investment Adviser or its Affiliate and the relevant Shareholder. Subject to the Management Company's duty to treat investors fairly, the Investment Adviser and its Affiliates will be under no obligation to make such arrangements available on equal terms to other Shareholders, and the Fund cannot, and is under no duty to, enforce equality of treatment of Shareholders under any such arrangements. In addition, where permitted by applicable law, the Investment Adviser and its Affiliates may elect to pay part or all of the fees paid to it by the Fund to distributors of the Fund. Investors should also refer to paragraph 4.14.1 "Potential Conflicts of Interest".

The Fund or, where empowered to do so, the Investment Adviser may also enter into side letters with investors which clarify the scope and extent of existing rights and/or obligations and/or agree to make available certain information; such side letters will not (i) establish or vary rights and/or obligations as between the Fund and Shareholders which would create any preferential treatment as between Shareholders and/or (ii) agree to make available information to an investor that would not generally be made available to any other investor if such investor requested the information. Such side letters will be granted pursuant to a policy agreed with the Board of Directors which seeks to ensure, in general terms, that (i) investors are treated fairly and (ii) the best interests of the Fund and its investors must be considered in the granting of any side letter.

21. Meetings of and Reports to Shareholders

Notice of any general meeting of Shareholders of the Fund or of a Portfolio or of a Share Class of a Portfolio shall be provided to the relevant Shareholders in the manner required by law. The annual general meeting takes place in Luxembourg at a place specified in the notice of meeting on the first Friday in the month of April, or if not a Business Day, on the next succeeding Business Day, at 3:00pm. In accordance with the Articles, Shareholders of a Portfolio of the Fund may hold, at any time, a general meeting to decide on any matters which relate exclusively to the Portfolio.

If the Articles are amended, such amendments shall be filed with the Chancery of the District Court of Luxembourg and published in the Mémorial.

The Fund shall publish annually, as of 30 November of each year, or if 30 November is not a Business Day as of the Business Day immediately preceding 30 November, a detailed report on its activities and on the management of the Portfolios' assets; such report shall include, inter alia, the accounts of each Portfolio and the consolidated accounts relating to the Fund, a detailed description of the assets of each Portfolio and the report from the Auditor.

The Fund shall further publish semi-annual reports as of 31 May of each year, or if 31 May is not a Business Day as of the Business Day immediately preceding 31 May, including, inter alia, the investments underlying each Portfolio and the number of Shares issued and redeemed since the last publication.

The Articles and the annual and semi-annual reports in respect of each Portfolio may be obtained free of charge by any person at the registered office of the Fund.

The accounting year of the Fund shall end on 30 November of each year or if 30 November is not a Business Day as of the Business Day immediately preceding 30 November.

22. Taxation

22.1. Taxation in Luxembourg

22.1.1. General

The following summary is based on the law and practice currently applicable in the Grand Duchy of Luxembourg and is subject to changes therein. Investors should inform themselves of and when appropriate consult their professional advisers on the possible tax consequences of subscription for, buying, holding, exchanging, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence or, domicile.

It is expected that Shareholders in the Fund will be resident for tax purposes in many different countries. Consequently, no attempt is made in the Prospectus to summarise the taxation consequences for each investor of subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares of a Portfolio of the Fund. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

Investors should consult their professional advisers on the possible tax or other consequences of buying, transferring, or selling any of the Fund's Shares under the laws of their countries of citizenship, residence and domicile.

Certain jurisdictions may have reporting regimes that may require the Fund to provide certain financial and/or other information relating to Shareholders, including, but not limited to, information relating to the identity of Shareholders and income and gains derived from their holdings of units in the Fund and/or derived from underlying assets in the Fund. Please see "U.S. Reporting Obligations" under "Certain U.S. Tax Considerations".

22.1.2. Taxation of the Fund

Under current law and practice, the Fund is not liable for any Luxembourg tax on profits or income, nor are the dividends paid by a Portfolio liable to any Luxembourg withholding tax.

Subscription tax

However, the Fund is liable in Luxembourg to an annual subscription tax (*taxe d'abonnement*) of 0.05% *per annum*. The taxable basis of the subscription tax is the aggregate net assets of the Fund as valued on the last day of each quarter. This rate is however of 0.01% *per annum* for:

- a) Undertakings whose exclusive object is the collective investment in Money Market Instruments and the placing of deposits with credit institutions;
- b) undertakings whose exclusive object is the collective investment in deposits with credit institutions; and
- c) individual compartments of UCIs with multiple compartments referred to in the Law of 17 December 2010, as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

Under certain conditions, exemptions from subscription tax may apply.

Other taxes

No stamp duty or other tax is payable in Luxembourg on the issue of Shares against cash by the Fund. Any amendment to the Articles of the Fund is generally subject to a fixed registration duty of EUR 75.

Dividends, interest, income and gains received by a Portfolio on its investments may be subject to non-recoverable withholding or other taxes in the countries of origin.

22.1.3. Taxation of Shareholders

Under current legislation, Shareholders are not subject to any capital gains, income, withholding, net wealth tax or inheritance taxes in Luxembourg (except for those domiciled, resident or having a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable).

22.1.4. Value Added Tax

The Fund is considered in Luxembourg as a taxable person for value added tax ("VAT") purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund could potentially trigger VAT and require the VAT registration of the Fund in Luxembourg as to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Fund to its Shareholders, to the extent that such payments are linked to their subscription to the Fund's shares and do not constitute the consideration received for taxable services supplied.

22.2. Income Equalisation Arrangements

Income equalisation arrangements may be applied in the case of Shares in some or all the Portfolios of the Fund. Where they are applied these arrangements are intended to ensure that the income per Share which is distributed or deemed distributed in respect of a distribution period is not affected by changes in the number of Shares in issue during that period, and the amount of the first distribution received by a Shareholder in an impacted Portfolio following the purchase of Shares in that Portfolio will represent partly participation in income received by the Portfolio and partly a return of capital (the 'equalisation amount').

It is expected that the equalisation amount will not be taxable as an income receipt of the Shareholder but should be applied to reduce the base acquisition cost of the Shares for the purpose of computing capital gains. The tax treatment of equalisation amounts may, however, differ in certain jurisdictions. Please consult your tax adviser to assess the impact, if any, of such arrangements in light of your own circumstances.

Shareholders who wish to obtain information concerning whether equalisation is currently being operated and the equalisation amount, if any, received or to be received by them as a part of their distribution, may do so by contacting the Distributor.

22.3. Taxation Information for UK Resident Investors

Please refer to www.gs.com/gsam for a list of the Share Classes of the Fund which have elected to be "Reporting Funds" for UK Offshore Fund purposes and for the statement of reportable income for those Reporting Funds. It is intended that income will be reported within 6 months of the Fund year end. Alternatively, please contact the Management Company on +44 20 7774 6366 or email: ess@gs.com.

22.4. Taxation of the Fund in Belgium

According to Article 161, 3° of the Belgian Code of Estate Taxes, as from the first of January following the year of registration for public distribution with the Commission for Banking, Finance and Insurance in Belgium, an annual subscription tax is due, by foreign funds registered, pursuant to Article 127 of the Law of July 20, 2004 concerning certain forms of collective investment undertakings, where such subscriptions are made through financial intermediaries situated in Belgium (the "Subscription Tax").

The Fund may incur a liability for tax in Belgium to the extent that there are net Shares outstanding as of 31 December of the previous year subscribed through Belgian intermediaries. The Subscription Tax is calculated, pursuant to Article 161 bis § 2 of the Belgian Code of Estate Taxes by applying the relevant tax rate to the Fund's taxable basis. The tax amounts to 0.0925% as from 1 January 2014. The Fund's taxable base is determined by multiplying the net asset value per Share as on 31 December of the previous year, by the number of Shares outstanding on that date that had been subscribed through Belgian intermediaries. Any liability to the Subscription Tax is payable by 31 March in each year, provided that the Fund remains registered to publicly distribute Shares in Belgium.

A tax exemption is provided for under Article 161bis, §3 of the Belgian Code of Estate taxes, in the event that economic double taxation under the Subscription Tax would arise (because the Fund subject to the Subscription

Tax is holding participations in other entities that are also subject to the Subscription Tax and which included these participations in its taxable basis).

22.5. Organisation for Economic Cooperation and Development Common Reporting Standard

The Fund may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the “Standard”) and its Common Reporting Standard (the “CRS”) as set out in the Law of 18th December 2015 on the Common Reporting Standard (the “CRS Law”).

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution.

As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Fund will be required to annually report to the Luxembourg tax authority (the “LTA”) personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain investors as per the CRS Law (the “Reportable Persons”) and (ii) Controlling Persons of certain non-financial entities (“NFEs”) which are themselves Reportable Persons. This information, as exhaustively set out in the CRS Law (the “Information”), will include personal data related to the Reportable Persons and may be disclosed to the LTA, which in turn may, acting as data controller, disclose it to foreign tax authorities.

The Fund’s ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the Shareholders are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the CRS Law. The Shareholders undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Fund.

The Shareholders are further informed that the Information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the LTA annually for the purposes set out in the CRS Law. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the LTA.

Similarly, the Shareholders undertake to inform the Fund within thirty (30) days of receipt of these statements should any included personal data be not accurate. The Shareholders further undertake to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any Shareholder that fails to comply with the Fund’s Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such Shareholder’s failure to provide the Information or subject to disclosure of the Information by the Fund to the LTA.

22.6. Certain U.S. Tax Considerations

PURSUANT TO U.S. TREASURY DEPARTMENT CIRCULAR 230, THE FUND IS INFORMING PROSPECTIVE INVESTORS THAT (A) THE SUMMARY SET FORTH BELOW IS NOT INTENDED AND WAS NOT WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE U.S. FEDERAL TAX LAWS THAT MAY BE IMPOSED ON THE TAXPAYER, (B) THE SUMMARY SET FORTH BELOW WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE FUND AND THE DISTRIBUTION OF THE SHARES, AND (C) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following summary describes certain U.S. federal income tax consequences to a “U.S. Tax Person” (*i.e.*, a citizen or resident of the United States, a corporation or partnership created or organised in the United States or any state thereof, or an estate or trust, the income of which is includible in income for U.S. federal income tax purposes, regardless of its source) of owning Shares. The summary is based on the Code, the U.S. Treasury Regulations promulgated thereunder, rulings of the U.S. Internal Revenue Service (the “IRS”) and court decisions, all as in effect or in existence on the date of the Prospectus and all of which are subject to change, possibly with retroactive effect. This summary is necessarily general and does not address all of the tax consequences relevant to a particular investor or to certain investors subject to special treatment under the U.S. federal income tax laws.

The Fund

The Fund is expected to be operated in a manner that it will not be deemed to be engaged in a trade or business in the United States, and as a result, it is expected that the Fund will not be subject to U.S. federal income tax on a net basis on any of its trading profits. Moreover, it is expected that the Fund will not receive a significant amount of income that will be subject to U.S. federal withholding tax, except as described below in *U.S. Withholding Taxes Imposed Upon Foreign Financial Institutions* or as provided otherwise in a Supplement.

The Fund may invest in MLP related securities, including exchange traded funds and exchange traded notes, and intends to make investments that will not result in it being treated as a partner in a partnership for U.S. federal income tax purposes that is engaged in a U.S. trade or business. As a result, the Fund generally does not expect that it will be subject to U.S. federal income tax on a net basis on any of its income. However, if any Fund were to invest in a partnership for U.S. federal income tax purposes that was engaged in a U.S. trade or business, the Fund's income and gain from such investment that is effectively connected with such U.S. trade or business would be subject to U.S. federal income tax on a net basis (and the Fund would be subject to an additional 30% branch profits tax on all or some portion of this income, unless such rate of tax is reduced under the U.S.-Luxembourg income tax treaty) and could be subject to U.S. state and local income taxes. Moreover, the U.S. federal income tax treatment of exchange traded funds is uncertain and it is possible that the Fund would be subject to U.S. federal income tax (and the 30% branch profits tax) on a net basis on all or a portion of its income from such investments. In addition, while the Fund generally intends to make investments that would not result in it recognising income or gain in respect of "U.S. real property interests" (as defined in Section 897 of the Code), no assurances can be provided that the Fund will not recognise income and gain from U.S. real property interests, which income and gain would be subject to U.S. federal income tax on a net basis, whether or not the Fund is engaged in a U.S. trade or business.

Taxation of Shareholders that are U.S. Tax Persons

The Fund may be treated as a "passive foreign investment company" (a "PFIC") under the Code. As the Fund does not intend to provide information to the Shareholders that would permit U.S. Tax Persons to make a "qualified electing fund" election for United States federal income tax purposes, by investing in the Fund, taxable U.S. Tax Persons would likely subject themselves to certain material adverse tax consequences, including, (i) the treatment of gain recognised on a disposition (including a redemption) of Shares as ordinary income, rather than capital gain, (ii) the imposition of tax (at rates determined under the Code) on any such gain and any "excess distribution" (generally, the amount by which distributions in a taxable year exceed 125 per cent of the average distributions in the preceding three taxable years) as if such items had been earned ratably over each day in the taxable U.S. Tax Person's holding period for the Shares, (iii) the imposition of an interest charge (which in the case of individual U.S. Tax Persons would be non-deductible) on the tax liability attributable to income allocated to prior years as if such liability had been due with respect to such prior years, and (iv) the loss of the step-up in basis for individual Shareholders at death. Moreover, a U.S. Tax Person that is treated as an indirect shareholder of the Fund under the relevant Treasury Regulations relating to investments in PFICs, including as a result of being a beneficiary of a charitable remainder trust, may also be subject to the adverse U.S. federal income tax consequences described above on an investment in the Fund under the PFIC regime, notwithstanding that such investment may be held through a non-U.S. corporation or through a tax-exempt charitable remainder trust. The application of the PFIC rules is very complex and uncertain in many respects. Each prospective investor that is a U.S. Tax Person and each U.S. Tax Person that would be treated as indirectly owning Shares in the Fund is advised to consult with its own tax adviser with respect to the U.S. federal, state, local and non-U.S. tax consequences of the purchase, ownership and disposition of Shares.

Shareholders that are U.S. Tax-Exempt Persons

Dividends received with respect to stock of a corporation, and gain derived from the sale or redemption of such stock are generally not treated as unrelated business taxable income (the "UBTI"), except that a portion of any such gain or dividend income may be treated as UBTI if the stock is debt financed property. Moreover, while the Fund may be a PFIC within the meaning of Section 1297 of the Code, U.S. Tax Persons that are generally exempt from U.S. federal income tax ("U.S. Tax-Exempt Persons") that own Shares and do not debt-finance the acquisition of their Shares generally should not be subject to the interest charge for "deferred tax amounts" applicable to taxable U.S. Tax Persons owning PFIC stock. In connection with prior legislation, the U.S. Congress considered

whether income derived from ownership of stock of a non-U.S. corporation should, under certain circumstances, be treated as UBTI to the extent that it would be so treated if earned directly by a U.S. Tax-Exempt Person. Subject to a narrow exception (relating to insurance company income), the U.S. Congress did not adopt rules requiring such treatment. Under these principles, dividends and gains derived from an investment in Shares by a Shareholder that is a U.S. Tax-Exempt Person should not result in UBTI notwithstanding that the Fund may use debt financing, unless such Shareholder itself, directly or indirectly, debt finances the acquisition of its Shares. Notwithstanding the foregoing, some risk may exist that the Fund's activities would cause U.S. Tax-Exempt Persons to incur UBTI. Moreover, if a U.S. Tax-Exempt Person, directly or indirectly, debt finances the acquisition of its Shares, any redemption, disposition or "excess distribution" (as defined in Section 1291 of the Code) with respect to such Shares would, in the absence of an election to include in income currently its share of the Fund's earnings, be subject to the interest charge (treated as an addition to tax) for "deferred tax amounts" imposed under the PFIC rules. Additional tax considerations may be applicable to U.S. Tax-Exempt Persons that are charitable remainder trusts. Charitable remainder trusts and other U.S. Tax-Exempt Persons are urged to consult their own tax advisers concerning the U.S. tax consequences of an investment in the Shares.

U.S. Reporting Obligations

A U.S. Tax Person, including a U.S. Tax-Exempt Person, that transfers cash to the Fund in exchange for Shares, in a transfer described in Section 351 of the Code, will likely be required to file IRS Form 926 (Return by a U.S. Transferor of Property to a Foreign Corporation) if (1) immediately after the transfer, such U.S. Tax Person holds (directly, indirectly or by attribution) at least 10% of the total voting power or the total value of the Fund, or (2) the amount of cash transferred by such U.S. Tax Person (or any related person) to the Fund during the 12-month period ending on the date of the transfer exceeds USD100,000. In addition, any U.S. Tax Person that directly or indirectly owns 10% or more (taking certain attribution rules into account) of either the combined voting power or total value of the Shares of the Fund will likely be required to file IRS Form 5471 (Information Return of U.S. Persons with Respect to Certain Foreign Corporations). Such form requires certain disclosures concerning the filing Shareholder, other Shareholders, and the Fund. Upon request, the Fund will make reasonable efforts to provide all of the information about the Fund or its Shareholders needed to complete these forms. Under certain circumstances, a U.S. Tax Person may be subject to the disclosure requirements of the Treasury Regulations under Section 6011 of the Code directed at tax shelters (including the filing of IRS Form 8886 (Reportable Transaction Disclosure statement)) with respect to the Fund. Moreover, U.S. Tax Persons that are direct or indirect shareholders of the Fund will likely be required to file IRS Form 8621 (Information Return by a Shareholder of a Passive foreign Investment Company or Qualified Electing Fund), and individual US Tax Persons that own an interest of greater than USD50,000 in the Fund will likely be subject to reporting obligations with respect to such interest (including the filing of an IRS Form 8938 (Statement of Specified Foreign Financial Assets)) as a result of it being treated as a foreign financial asset under Section 6038D of the Code. An exemption from filing IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) is provided for most U.S. Tax-Exempt Persons, but such exemption would not apply to a U.S. Tax Exempt Person that recognises UBTI in respect of its investment in the Fund. Substantial penalties may be imposed for failure to make, on a timely basis, the filings referred to in this paragraph. Shareholders that are U.S. Tax Persons are urged to consult their own tax advisers concerning these and any other reporting requirements, including any reporting obligations relating to foreign financial accounts.

U.S. Withholding Taxes Imposed Upon Foreign Financial Institutions

Pursuant to U.S. withholding provisions commonly referred to as the Foreign Account Tax Compliance Act ("FATCA"), certain payments of fixed or determinable annual or periodic gains, profits and income, including dividends, interest and gains attributable to original issue discount, from sources within the United States, made after 30 June 2014, certain payments attributable to gross proceeds from the sale or other disposition of property that could produce U.S. source interest or dividends made after 31 December 2016, and certain payments (or a portion thereof) by a foreign financial institution made after 31 December 2016, to each Portfolio will be subject to a withholding tax of 30% unless the applicable Portfolio complies with various reporting requirements. The United States has entered into an intergovernmental agreement with the Government of Luxembourg regarding the implementation of FATCA by Luxembourg financial institutions (the "Luxembourg IGA"). Under FATCA and the Luxembourg IGA, the Fund and each Portfolio will be treated as a "foreign financial institution" for this purpose. As a foreign financial institution, in order to be compliant with FATCA, either each Portfolio or the Fund will be required to register with the IRS or the Fund or each Portfolio can appoint a sponsoring entity and either the Portfolio, Fund

or sponsoring entity will need to, among other requirements: (i) obtain and verify information on all of its Shareholders to determine which Shareholders are "Specified U.S. Persons" (i.e., U.S. Tax Persons other than tax-exempt entities and certain other persons) and in certain cases, non-U.S. persons whose owners are Specified U.S. Persons ("U.S. Owned Foreign Entities"); and (ii) annually report information on its Shareholders that are non-compliant with FATCA, Specified U.S. Persons and U.S. Owned Foreign Entities to the Government of Luxembourg or to the IRS. In addition, each non-U.S. entity in which the Fund invests, such as an offshore Permitted Fund (each an "Offshore Entity") may be required to obtain and provide similar information to the IRS and its local tax authority under the terms of an intergovernmental agreement in order to be compliant with FATCA. No assurances can be provided that each Portfolio, and each Offshore entity will be exempt from this 30% withholding tax.

Any Shareholder that fails to provide the required information or that is otherwise not compliant with FATCA could become subject to this withholding tax in respect of all or a portion of any redemption or dividend payments from the Fund made by the applicable Portfolio after 31 December 2016. Moreover, each Shareholder should be aware that as a result of an investment in a Portfolio, the tax authorities in the Shareholder's jurisdiction of tax residence may be provided information relating to such Shareholder, pursuant to the provision of a treaty, an intergovernmental agreement or otherwise, directly or indirectly by the applicable Portfolio.

Shareholders should consult their own tax advisers regarding the potential implications of this withholding tax.

U.S. Source Income

If any Portfolio which invests in U.S. securities is owned, directly or indirectly, 50% or more, by voting power or value, by U.S. Persons, income distributed to Shareholders of that Portfolio would be treated as U.S. source income for foreign tax credit limitation purposes. It is intended that direct and indirect ownership by U.S. persons will be less than 50% of each Portfolio so that distributions will be foreign source income but it is possible that the direct and indirect U.S. ownership of any Portfolio will be 50% or greater so that such Portfolio's distributions will be characterised as U.S. source income. Certain Shareholders may be entitled to the benefits of a tax treaty with the U.S. and should consult their tax advisers about the ability under the relevant treaty and Section 904(h) of the Code to resource any U.S. source income as foreign source income.

The tax and other matters described in this Prospectus do not constitute, and should not be considered as, legal or tax advice to prospective shareholders.

Appendix A: UCITS Investment Restrictions

In making its investments as described elsewhere in the Prospectus, each Portfolio is subject to the investment restrictions described below. The following restrictions have been adopted by the Board of Directors in compliance with Luxembourg law, although they may be amended by the Board of Directors without a vote of the Shareholders.

In order to achieve the Fund's investment objectives and the investment objectives and policies of each Portfolio, the following investment powers and restrictions shall apply to all investments by each Portfolio of the Fund.

- 1) Investments of each Portfolio shall consist of:
 - a) Transferable Securities and Money Market Instruments admitted to or dealt in a Regulated Market;
 - b) Transferable Securities and Money Market Instruments dealt in on another regulated market in a Member State which operates regularly and is recognised and open to the public;
 - c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-Member State or dealt in another regulated market in a non-Member State which operates regularly and is recognised and open to the public;
 - d) Recently issued Transferable Securities and Money Market Instruments provided that:
 - i) the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market referred to under a) to c) above; and
 - ii) such admission is secured within one year of the issue.
 - e) In so far as the Articles provide therefore, shares or units of UCITS authorised according to the UCITS Directive and/or other UCI within the meaning of Article 1(2) (a) and (b) of the UCITS Directive, including shares or units of a master fund qualifying as a UCITS should they be situated in a Member State or not, provided that:
 - i) such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Luxembourg Supervisory Authority to be equivalent to that laid down in Community law and that cooperation between authorities is sufficiently ensured;
 - ii) the level of protection for share- or unit-holders in such other UCIs is equivalent to that provided for share- or unit-holders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
 - iii) the business of the other UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
 - iv) no more than 10% of the UCITS or the other UCI assets, whose acquisition is contemplated, can be, according to its instruments of incorporation, invested in aggregate in shares or units of other UCITS or other UCIs. This restriction does not apply where a Portfolio is investing in shares or units of a master fund qualifying as a UCITS.

For the purposes of this subparagraph (e), each portfolio of a UCI with several portfolios within the meaning of Article 181 of the Law of 17 December 2010 must be considered as a separate issuer, provided that each portfolio may be held severally liable for its own debts and obligations.

- f) Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or if the registered office of the credit institution is situated in a non-Member State,

provided that it is subject to prudential rules considered by the Luxembourg Supervisory Authority as equivalent to those laid down in Community law.

g) Financial derivative instruments, including equivalent cash settled instruments, dealt in on a regulated market referred to under in a), b) and c) above, and/or financial derivative instruments dealt over-the-counter, provided that:

- i) the underlying consist of instruments covered by Section 1), financial indices, interest rates, foreign exchange rates or currencies, in which the Portfolio may invest in accordance with its investment objectives as stated in its Articles and in the Prospectus;
- ii) the counterparties to over-the-counter financial derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg Supervisory Authority; and
- iii) Over-the-counter financial derivative transactions are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair market value at the Portfolio's initiative.

h) Money market instruments other than those dealt in regulated markets, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:

- i) issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
- ii) issued by an undertaking any securities of which are dealt in a regulated market referred to under (a), (b) or (c) above; or
- iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg Supervisory Authority as equivalent to those laid down in Community law; or
- iv) issued by other bodies belonging to the categories approved by the Luxembourg Supervisory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, second and third indent of this Section (h), and provided that the issuer (i) is a company whose capital and reserves amount at least to ten million Euro (EUR10,000,000) and (ii) which presents and publishes its annual accounts in accordance with Directive 2013/34/EU, (iii) is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group, or (iv) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

i) In so far as the Articles provide therefore, shares or units of a master fund qualifying as UCITS

2) Moreover each Portfolio may:

- a) invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to under Section 1) above;
- b) hold ancillary liquid assets (which restriction may exceptionally and temporarily be exceeded if the Board of Directors consider this to be in the best interests of the Shareholders);
- c) borrow the equivalent of up to 10% of its net assets provided that the borrowing is on a temporary basis; and

- d) acquire foreign currencies by means of back-to-back loans.
 - e) invest up to 10% of its net assets in loan participations and/or loan assignments provided such instruments are consistent with Money Market Instruments normally dealt in the money market (within the meaning of Article 1 item 23 of the Law of 17 December 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 17 December 2010), are liquid, have a value that may be accurately determined at any time and where they fulfil at least one of the following criteria:
 - i) a maturity at issuance of up to and including 397 days;
 - ii) a residual maturity of up to and including 397 days; or
 - iii) are structured in a way that allows for regular, at least every 397 days, yield adjustments in line with a reference interest rate.
- 3) Moreover, the following investment restrictions shall be observed by each Portfolio in respect of each issuer:

(a) Rules for risk spreading

For the calculation of the limits defined in points (1) to (5) and (8) below, companies belonging to the same Group of Companies shall be treated as a single issuer.

- Transferable Securities and Money Market Instruments

- (1) Each Portfolio may not invest more than 10% of its net assets in Transferable Securities or Money Market Instruments issued by the same body.

The total value of the Transferable Securities and Money Market Instruments held by each Portfolio in the issuing bodies in each of which it invests more than 5% of its net assets must not exceed 40% of the value of its net assets. This restriction does not apply to deposits with financial institutions that are governed by prudential regulations or to transactions in over-the-counter financial derivative instruments with these institutions.

For the purposes of this paragraph (3)(a)(1), a Portfolio will treat each mortgage-backed or asset-backed portfolio as a separate issue of a separate issuer, although such portfolios may be part of the same master trust, sponsored by the same sponsor, or serviced by the same service provider.

- (2) The 10% limit laid down in paragraph (1) is raised to 20% in the case of Transferable Securities and Money Market Instruments issued by the same Group of Companies.
- (3) The 10% limit laid down in paragraph (1) is raised to a maximum of 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State or by public international bodies to which one or more Member States are members.
- (4) The 10% limit laid down in paragraph (1) is raised to 25% for certain debt securities issued by a credit institution whose registered office is in a Member State and which is subject by law to special public supervision designed to protect the holders of debt securities. In particular, sums deriving from the issue of such debt securities must be invested pursuant to the law in assets which, during the whole period of validity of the debt securities, are capable of covering claims attaching to the debt securities and which, in event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of accrued interest. To the extent that a Portfolio invests more than 5% of its net assets in such debt securities, issued by the same issuer, the total value of such investments may not exceed 80% of the value of that Portfolio's net assets.

- (5) The Transferable Securities and Money Market Instruments referred to in paragraphs (3) and (4) above are not taken into account for the purpose of applying the 40% limit referred to under paragraph (1) above.
- (6) **Notwithstanding the limits indicated above, and in accordance with the principle of risk-spreading, each Portfolio is authorised to invest up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, its local authorities, a member state of the OECD or public international bodies of which one or more Member States are members, provided that (i) the securities of the whole Portfolio consist of at least six different issues and (ii) securities from any one issue may not account for more than 30% of the Portfolio's net assets. The provisions of this paragraph (6) shall also apply in respect of a Portfolio investing in securities issued by certain U.S. Government Agency Issuers, namely the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and the Federal Home Loan Banks.**
- (7) Without prejudice to the limits laid down in (b) below, the limits laid down in (1) above are raised to maximum 20% for investment in shares and/or debt securities issued by the same body and when the Portfolio's investment policy is aimed at duplicating the composition of a certain share or debt securities index, which is recognised by the Luxembourg Supervisory Authority and meets the following criteria:
- (i) the index's composition is sufficiently diversified;
 - (ii) the index represents an adequate benchmark for the market to which it refers;
 - (iii) the index is published in an appropriate manner.

The 20% limit is increased to 35% where that proves to be justified by exceptional conditions, in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for one single issuer.

- **Bank deposits**

- (8) Each Portfolio may not invest more than 20% of its net assets in deposits made with the same body.

- **Financial Derivative Instruments**

- (9) The risk exposure to a counterparty of the Portfolio in over-the-counter financial derivative transactions and efficient portfolio management techniques may not exceed 10% of the relevant Portfolio's net assets when the counterparty is a credit institution referred to in (f) in Section 1 above, or 5% of its net assets in the other cases.
- (10) Each Portfolio may invest in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in (1) to (5), (8), (9), (16) and (17). When a Portfolio invests in index based financial derivative instruments, these investments do not have to be combined to the limits laid down in (1) to (5), (8), (9), (16) and (17).
- (11) When a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account when applying the provisions laid down in (10) and (12) and when determining the risks arising on transactions in financial derivative instruments.
- (12) With regard to financial derivative instruments, the Fund, for each Portfolio, will ensure that its overall risk exposure relating to financial derivative instruments does not exceed the total net assets of the Portfolio. As a general rule, a Portfolio cannot have a Global Exposure greater than its net asset value and as a consequence there is a limit to a Portfolio's exposure of 100% of its net asset value. The total risk exposure may therefore not be greater than 210% of the net asset value, including the 10% of the net asset value that each Portfolio may borrow on a temporary basis.

The risks exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

- **Shares or units in open-ended funds**

- (13) Each Portfolio may not invest more than 20% of its net assets in shares or units of a single UCITS or other UCI referred to in 1) e) above.
- (14) Furthermore, for each Portfolio, investments made in UCIs other than UCITS, may not exceed, in aggregate, 30% of the net assets of the relevant Portfolio.
- (15) To the extent that a UCITS or UCI is composed of several sub-funds and provided that the principle of segregation of commitments of the different sub-funds is ensured in relation to third parties, each sub-fund shall be considered as a separate entity for the application of the limit laid down in (13) hereabove.

- **Combined limits**

- (16) Notwithstanding the individual limits laid down in (1), (8) and (9), each Portfolio may not combine:
 - (i) investments in Transferable Securities or Money Market Instruments issued by;
 - (ii) deposits made with; and/or
 - (iii) exposures arising from over-the-counter financial derivative transactions and efficient portfolio management techniques undertaken with;
 a single body, in excess of 20% of its net assets.
- (17) The limits set out in (1) to (5), (8) and (9) cannot be combined. Thus, investments by each Portfolio in Transferable Securities or Money Market Instruments issued by the same body or in deposits or financial derivative instruments and efficient portfolio management techniques made with this body in accordance with (1) to (5), (8) and (9) may not exceed a total of 35% of the net assets of that Portfolio.

(b) Restrictions with regard to control

- (18) A Portfolio may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- (19) Each Portfolio may acquire no more than:
 - (i) 10% of the outstanding non-voting shares of the same issuer;
 - (ii) 10% of the outstanding debt securities of the same issuer;
 - (iii) 25% of the shares or units of the same UCITS and/or other UCI;
 - (iv) 10% of the Money Market Instruments of the same issuer.

The limits set in points (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of debt securities or Money Market Instruments, or the net amount of the securities in issue, cannot be calculated.

- (20) The limits laid down in (18) and (19) are waived as regards:
 - (i) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;

- (ii) Transferable Securities and Money Market Instruments issued or guaranteed by a non-Member State;
 - (iii) Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;
 - (iv) Shares held in the capital of a company incorporated in a non-Member State which invests its assets mainly in securities of issuing bodies having their registered office in that State, where under the legislation of that State, such holding represents the only way in which the Fund, for each Portfolio, can invest in the securities of issuing bodies of that State and provided that the investment policy of the company complies with regulations governing risk diversification and restrictions with regard to control laid down herein;
 - (v) Shares held in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country/ state where the subsidiary is located, in regard to the repurchase of the Shares at the Shareholders' request exclusively on its or their behalf.
- 4) Furthermore, the following restrictions will have to be complied with:
- (1) Each Portfolio may not acquire either precious metals or certificates representing them.
 - (2) Each Portfolio may not acquire real estate, except when such acquisition is essential for the direct pursuit of its business.
 - (3) Each Portfolio may not issue warrants or other instruments giving holders the right to purchase Shares in such Portfolio.
 - (4) Without prejudice to the possibility of a Portfolio to acquire debt securities and to hold bank deposits, each Portfolio may not grant loans or act as guarantor on behalf of third parties. This restriction does not prohibit a Portfolio from acquiring Transferable Securities, Money Market Instruments or other financial instruments referred to in 1) e), g) and h) that are not fully paid-up.
 - (5) Each Portfolio may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments referred to in 1) e), g) and h).
- 5) Notwithstanding the above provisions:
- (1) Each Portfolio need not necessarily comply with the limits referred to herein when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of its assets;
 - (2) If the limits referred to above are exceeded for reasons beyond the control of a Portfolio or the Fund or as a result of the exercise of subscription rights, the relevant Portfolio must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- 6) The Management Company employs a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Portfolio. The Management Company employs a process allowing for accurate and independent assessment of the value of the over-the-counter financial derivative instruments.
- 7) Information relating to the quantitative limits that apply in the risk management of the Fund, to the methods chosen to this end and to the recent evolution of the main instrument categories' risks and yields may be provided to investors upon request.
- 8) The Fund may employ techniques and instruments in respect of Transferable Securities and Money Market Instruments subject always to the parameters published by the Luxembourg Supervisory Authority provided always that such techniques and instruments are employed for the purpose of efficient Portfolio

management for hedging and investment purposes. Where such operations concern the use of financial derivative instruments, these parameters shall conform to the Law of 17 December 2010. Under no circumstances shall these operations cause the Fund to diverge from its investment objectives as laid down in the Prospectus, the Supplements, the KIID, the Articles and in the Investment Advisory Agreement.

- 9) A Portfolio may subscribe, acquire and/or hold Shares of one or more Portfolios (the “Target Portfolio(s)”), without it being subject to the requirements of the Law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own Shares provided that:
- the Target Portfolio does not, in turn, invest in the Portfolio invested in such Target Portfolio; and
 - no more than 10% of the net assets of the Target Portfolios whose acquisition is contemplated may, pursuant to the Articles, be invested in aggregate in units of other UCIs; and
 - voting rights, if any, attaching to the relevant Shares of the Target Portfolio(s) are suspended for as long as they are held by the Portfolio concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
 - in any event, for as long as these Shares of the Target Portfolio(s) are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets of the Fund as imposed by law.

Appendix B: Overall Risk Exposure and Risk Management

Each Portfolio (unless specified in the Supplements) is authorised to use financial derivative instruments as part of its general investment policy, to generate returns and for hedging purposes. For the purpose of the UCITS Regulations, the Portfolios are classified according to the methodology adopted by the Management Company in order to calculate the global risk exposure of each Portfolio as set out in the relevant Supplement.

The Management Company has implemented a risk management process in relation to each Portfolio in order to comply with its obligations under applicable UCITS Regulations, as amended from time to time.

As part of the risk management process, each Portfolio uses either the commitment approach, the relative VaR approach or absolute VaR approach to monitor and measure its Global Exposure, as disclosed in the relevant Supplement.

Where VaR is used to calculate Global Exposure, Shareholders should refer to the relevant Supplement for the expected range of leverage and method used for the determination of the expected range of leverage.

Appendix C: Special Investment Techniques

The primary focus of each Portfolio will be on making investments that are intended to meet each Portfolio's respective investment objective.

In addition, and as part of the investment policy for each Portfolio, each Portfolio may employ investment management techniques, including the use of financial derivative instruments and certain currency strategies not only for the purpose of hedging or risk management but also in order to increase total return and for investment purposes. For financial derivative instruments the investment restrictions as outlined in Appendix A – "UCITS Investment Restrictions" will apply.

Currency Transactions

Each Portfolio may enter into spot and forward currency contracts in light of anticipated changes in currency exchange rates in an effort to increase total return as well as for hedging and risk management purposes.

To the extent that a Portfolio engages in currency transactions, the Portfolio may utilise a number of hedging techniques, including the use of traditional currency hedging transactions, such as selling a particular currency and purchasing the Base Currency of the Portfolio forward to hedge the Portfolio's investment in securities and other investments denominated in that particular currency.

The Portfolio may also use anticipatory hedging where the Portfolio expects to buy a security and other investments denominated in a particular currency. With respect to anticipatory hedging, fundamental factors may change, causing the Portfolio to decide not to invest in securities and other investments denominated in that currency.

Each Portfolio may also engage in proxy and cross-hedging by using forward contracts in one currency to hedge against fluctuations in a different currency. Each Portfolio may also use spot and forward currency contracts across two currencies if the Investment Adviser expects changes in the cross rate. A Portfolio may also engage in a number of cross-hedging transactions intended to manage the Portfolio's currency positions in light of the relationships of one currency to another. These transactions may be used to hedge liabilities as well as assets of the Portfolio.

Those Portfolios that invest in securities denominated in multiple currencies may enter into currency transactions to manage the currency risk associated with their Base Currencies and the overall currency position of the Portfolios. The Portfolios will take into account fundamental factors that influence changes in currency exchange rates, such as fiscal and monetary policies in the countries issuing the currencies and other economic factors, including expectations, which may affect these rates. The Investment Adviser's use of these transactions and techniques may vary over time, and there can be no assurance that the Investment Adviser will seek to manage the currency risks associated with securities or other investments denominated in currencies other than a Portfolio's Base Currency.

Each Portfolio may also utilise active currency management techniques which may involve speculative currency positions through the purchase and/or sale of forward currency contracts irrespective of the composition of a Portfolio's assets.

A Portfolio may hold currency received in connection with investments when, in the judgment of the Investment Adviser, it would be beneficial to convert such currency into the Base Currency of the Portfolio at a later date, based on anticipated changes in the relevant exchange rate.

A Portfolio may also enter into spot and forward currency contracts in connection with the purchase, redemption and exchange of Shares of a class priced in a currency other than the Portfolio's Base Currency.

Options on Currencies

Each Portfolio may purchase and write put and call options on either the Base Currency or other currencies as part of the implementation of its investment policy or in an effort to protect against relative movements between the currencies and the subsequent changes in the Base Currency equivalent value

or cost of investments. Each Portfolio may use currency options to cross-hedge, which involves writing or purchasing options on one currency to hedge against changes in exchange rates for a different currency with a pattern of correlation. A Portfolio may use cross-options on currency, which involves writing or purchasing options on one currency with a strike price in any other currency. As with other kinds of option transactions, however, the writing of an option as a hedge, will constitute only a partial hedge, up to the amount of the premium received. A Portfolio could be required to purchase or sell currencies at disadvantageous exchange rates, thereby incurring losses. The purchase of an option on currency may be profitable; however, in the event of exchange rate movements adverse to a Portfolio's position, the Portfolio may forfeit the entire amount of the premium plus related transaction costs.

A Portfolio may purchase and write call or put options on currencies, other than its Base Currency, to protect against an anticipated rise or fall in the Base Currency equivalent price of securities it either intends to purchase or may purchase in the future when securities denominated in that currency do not present attractive investment opportunities at the present time or are not held by the Portfolio. Options on currencies to be written or purchased by a Portfolio may be traded on exchanges or over-the-counter (and, in the case of over-the-counter options, will be with parties meeting the criteria set forth below under "Options on Securities and Securities Indices"). The risks set out below under "Options on Securities and Securities Indices" apply equally to options on currencies.

Options on Securities and Securities Indices

A Portfolio may write and purchase call and put options on any security, or index composed of securities.

There is no assurance that a liquid secondary market on an options exchange will exist for any particular exchange-traded option or at any particular time. If a Portfolio is unable to effect a closing purchase transaction with respect to covered options it has written, the Portfolio will not be able to sell the underlying investments or dispose of investments held in a segregated account until the options expire or are exercised. Similarly, if a Portfolio is unable to effect a closing sale transaction with respect to options it has purchased, it would have to exercise the options in order to realise any profit and will incur transaction costs upon the purchase or sale of the underlying investments. In a closing purchase or sale transaction, a Portfolio acquires a position that offsets and cancels an option position then held by the Portfolio.

The writing and purchase of options is a highly specialised activity which involves special investment risks. Options may be used for either hedging or cross-hedging purposes, or to seek to increase total return (which is considered a speculative activity). The successful use of options depends in part on the ability of the Investment Adviser to manage future price fluctuations and the degree of correlation between the options and securities markets. If the Investment Adviser is incorrect in its expectation of changes in market prices or determination of the correlation between the instruments or indices on which options are written and purchased and the instruments in a Fund's investment portfolio, the Fund may incur losses that it would not otherwise incur. Each Portfolio pays brokerage commissions or spreads in connection with their options transactions.

A Portfolio may purchase and write both options that are traded on options exchanges, and options traded over-the-counter with broker-dealers who make markets in these options and who are financial institutions and other eligible parties that are participants in the over-the-counter markets. The ability to terminate over-the-counter options is more limited than with exchange-traded options and may involve the risk that broker-dealers participating in such transactions will not fulfil their obligations.

Futures Contracts and Options on Futures Contracts

A Portfolio may purchase and sell various kinds of futures contracts, including single stock futures, and purchase and write call and put options on any of such futures contracts in order to seek to increase total return by exposure to, or, in order to seek to hedge against, changes in interest rates, securities prices, other investment prices, index prices, or, to the extent a Portfolio invests in foreign securities, currency exchange rates, or to otherwise manage its term structure, sector selection and duration in accordance with its investment objective and policies. A Portfolio may also enter into closing purchase and sale transactions with respect to any of such contracts and options. The futures contracts may be based on various investments.

These transactions involve brokerage costs and require margin deposits.

While transactions in futures contracts and options on futures may reduce certain risks, such transactions themselves entail certain other risks. Thus, while a Portfolio may benefit from the use of futures and options on futures, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the Portfolio than if it had not entered into any futures contracts or options transactions. Any loss incurred by a Portfolio in entering into futures contracts and in writing options on futures is potentially unlimited and may, in the case of the latter, exceed the amount of the premium received.

In the event of an imperfect correlation between a futures position and portfolio position which is intended to be protected, the desired protection may not be obtained and a Portfolio may be exposed to risk of loss. In addition, where the future contracts and options on futures are used for hedging purposes it may not be possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in different currencies because the value of such securities is also likely to fluctuate as a result of independent factors not related to currency fluctuations. Perfect correlation between a Portfolio's futures positions and portfolio positions may be impossible to achieve.

Futures markets are highly volatile and the use of futures may increase the volatility of a Portfolio's net asset value. Futures contracts and options on futures may be illiquid, and exchanges may limit fluctuations in futures contract prices during a single day. In addition, as a result of the low margin deposits normally required in futures trading, a relatively small price movement in a futures contract may result in substantial losses to a Portfolio.

Interest Rate, Currency, Total Return Swaps, Credit Default Swaps and Interest Rate Swaptions

Each Portfolio may also enter into interest rate, currency, total return swaps, credit default swaps and interest rate swaptions agreements. Interest rate swaps involve the exchange by each Portfolio with another party of their respective commitments to pay or receive interest, such as an exchange of fixed rate payments for floating rate payments. Currency swaps may involve the exchange of rights to make or receive payments in specified currencies. Total return swaps involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments.

Where a Portfolio enters into interest rate or total return swaps on a net basis, the two payment streams are netted out, with each Portfolio receiving or paying, as the case may be, only the net amount of the two payments. Interest rate or total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to interest rate swaps is limited to the net amount of interest payments that each Portfolio is contractually obligated to make (or in the case of total return swaps, the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments). If the other party to an interest rate or total return swap defaults, in normal circumstances each Portfolio's risk of loss consists of the net amount of interest or total return payments that each Portfolio is contractually entitled to receive. In contrast, currency swaps usually involve the delivery of the entire principal value of one designated currency in exchange for the other designated currency. Therefore, the entire principal value of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations.

Each Portfolio may use credit default swaps. A credit default swap is a bilateral financial contract in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer for its par value (or some other designated reference or strike price) when a credit event (such as bankruptcy or insolvency) occurs or receive a cash settlement based on the difference between the market price and such reference price.

Each Portfolio may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection. In addition, each Portfolio may buy protection under credit default swaps without holding the underlying assets provided that the aggregate premiums paid together with the present value of the aggregate premiums still payable in connection with credit default swaps purchased may not, at any time, exceed the net assets of the relevant Portfolio.

Each Portfolio may also sell protection under credit default swaps in order to acquire a specific credit exposure. In addition, the aggregate commitments in connection with such credit default swaps may not, at any time, exceed the value of the net assets of the relevant Portfolio.

Each Portfolio may also purchase a receiver or payer interest rate swaption contract. These give the purchaser the right, but not the obligation to enter into an interest rate swap at a preset interest rate within a specified period of time. The interest rate swaption buyer pays a premium to the seller for this right. A receiver interest rate swaption gives the purchaser the right to receive fixed payments in return for paying a floating rate of interest. A payer interest rate swaption would give the purchaser the right to pay a fixed rate of interest in return for receiving a floating rate payment stream.

The use of interest rate, currency, total return swaps, credit default swaps and interest rate swaptions is a highly specialised activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the Investment Adviser is incorrect in its forecasts of market values, interest rates and currency exchange rates, the investment performance of the Portfolio would be less favourable than it would have been if these investment techniques were not used.

Contracts for differences

Each Portfolio may invest in contracts for differences. Contracts for differences are equity derivatives that allow users to speculate on share price movements and to benefit of trading shares or indices, without the need for ownership of the shares or indices at a small percentage of the cost of owning the shares or indices. Contracts for differences provide an opportunity for short term trading strategies. Contracts for differences are traded over-the-counter. As contracts for differences are directly linked to the value of the underlying assets they will fluctuate depending on the market of the assets represented in the contracts for differences.

Structured Securities

Each Portfolio may invest in structured securities. The value of the principal of and/or interest on such securities is determined by reference to changes in the value of specific currencies, interest rates, commodities, indices or other financial indicators (the "Reference") or the relative change in two or more References. The interest rate or the principal amount payable upon maturity or redemption may be increased or decreased depending upon changes in the applicable Reference. The terms of the structured securities may provide that in certain circumstances no principal is due at maturity and, therefore, result in the loss of a Portfolio's investment. Structured securities may be positively or negatively indexed, so that appreciation of the Reference may produce an increase or decrease in the interest rate or value of the security at maturity. In addition, changes in the interest rates or the value of the security at maturity may be a multiple of changes in the value of the Reference. Consequently, structured securities may entail a greater degree of market risk than other types of fixed income securities. Structured securities may also be more volatile, less liquid and more difficult to accurately price than less complex securities.

When-Issued and Forward Commitment Securities

Each Portfolio may purchase securities on a when-issued basis. When-issued transactions arise when securities are purchased by the Portfolio with payment and delivery taking place in the future in order to secure what is considered to be an advantageous price and yield to the Portfolio at the time of entering into the transaction. Each Portfolio may also purchase securities on a forward commitment basis. In a forward commitment transaction, the Portfolio contracts to purchase securities for a fixed price at a future date beyond customary settlement time.

Alternatively, a Portfolio may enter into offsetting contracts for the forward sale of other securities that it owns. The purchase of securities on a when-issued or forward commitment basis involves a risk of loss if the value of the security to be purchased declines prior to the settlement date. Although a Portfolio would generally purchase securities on a when-issued or forward commitment basis with the intention of actually acquiring securities for its portfolio, the Portfolio may dispose of a when-issued security or forward commitment prior to settlement if the Investment Adviser deems it appropriate to do so.

Efficient portfolio management (EPM) techniques and instruments

The Portfolios may employ techniques and instruments for EPM purposes which include hedging as well as investment purposes.

(1) *Repurchase and Reverse Repurchase Agreements*

In a reverse repurchase agreement, a Portfolio purchases an investment from a seller which undertakes to repurchase the security at a specified resale price on an agreed future date. The resale price generally exceeds the purchase price by an amount which reflects an agreed-upon market interest rate for the term of the reverse repurchase agreement.

Under a repurchase agreement, a Portfolio sells a security to a counterparty and simultaneously agrees to repurchase the security back from the counterparty at an agreed upon price and date, with the difference between the sale price and the repurchase price establishing the cost of the transaction to the Portfolio. Subject to the following rules, each Portfolio may enter into repurchase and reverse repurchase agreements such that.

- (i) Counterparties to repurchase agreements or reverse repurchase agreements must be eligible counterparties as provided by the applicable laws and regulations.
- (ii) Exposure to repurchase agreement and reverse repurchase agreement transactions should not compromise the Portfolio's ability to meet its redemption obligations at all times and that these transactions are consistent with its investment policy.
- (iii) A Portfolio is, at any time, able to terminate the repurchase or reverse repurchase agreement, as applicable, or recall any securities or the full amount of cash subject to the repurchase or reverse repurchase agreement respectively, unless the agreement is entered into for a fixed term not exceeding seven days.
- (iv) As part of repurchase and reverse repurchase transactions, a Portfolio must receive collateral which shall comply with the requirements set out below.

(2) *Securities Lending and Borrowing*

Each Portfolio may also lend or borrow portfolio securities. A Portfolio may enter into securities lending and borrowing transactions provided that it complies with the following rules (as applicable):

- (i) A Portfolio may only lend or borrow securities through a standardised system organised by a recognised clearing institution or through a financial institution specialising in this type of transaction that is subject to prudential supervision rules considered by the Luxembourg Supervisory Authority as equivalent to those prescribed by EU law.
- (ii) As part of lending transactions, a Portfolio must receive collateral which shall comply with the collateral requirements set out below.
- (iii) The Portfolios may only enter into securities lending transactions provided that it is entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement.

Risks Associated with EPM

The principal risk when engaging in securities lending, repurchase or reverse repurchase transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Fund as required by the terms of the transaction. Counterparty risk is mitigated by the transfer or pledge of collateral in favour of the Fund. However, securities lending, repurchase or reverse repurchase transactions may not be fully collateralised. Fees and returns due to the Fund under securities lending, repurchase or reverse repurchase transactions may not be collateralised. In addition, the value of collateral may decline in between collateral rebalancing dates or may be incorrectly determined or monitored. In such a case, if a counterparty defaults, the Fund may need to sell non-cash collateral received at prevailing market prices, thereby resulting in a loss to the Fund.

A Portfolio may also incur a loss in reinvesting cash collateral received. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Fund to the counterparty as required by the terms of the transaction. The Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Fund.

Securities lending, repurchase or reverse repurchase transactions also entail operational risks such as the non-settlement or delay in settlement of instructions and legal risks related to the documentation used in respect of such transactions.

A Portfolio may enter into securities lending, repurchase or reverse repurchase transactions with other companies in the same group of companies as the Management Company or the Investment Adviser. Affiliated counterparties, if any, will perform their obligations under any securities lending, repurchase or reverse repurchase transactions concluded with the Portfolio in a commercially reasonable manner. In addition, Investment Adviser will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the Portfolio and its Shareholders. However, Shareholders should be aware that the Management Company or the Investment Adviser may face conflicts between its role and its own interests or that of affiliated counterparties.

Fees and costs arising from EPM techniques

All the revenues arising from EPM techniques, net of direct or indirect operational costs, will be returned to the Fund.

The Fund may pay fees and costs to agents or other intermediaries for services in arranging repurchase, reverse repurchase or securities lending transactions. Such persons may or may not be affiliated with the Fund, the Management Company, the Administrator or the Investment Adviser, as permitted by applicable securities and banking law.

Permitted types of collateral

Collateral received by the Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the Luxembourg Supervisory Authority. In particular, collateral should comply with the following conditions:

- (i) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (ii) Collateral should be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Fund for each asset class based on its haircut policy. The policy takes into account, notably, the credit quality of the issuer of the collateral, price volatility and the result of liquidity stress tests carried out by the Fund under normal and exceptional liquidity conditions. This policy, established in accordance with the CSSF Circular 14/592, may take into account a variety of factors (depending on the nature of the collateral received), such as: price volatility, the credit quality of the issuer of the collateral, the maturity of the asset, the currency of the assets or outcome of stress tests. Refer to section entitled "Haircut Policy", below, for further details.
- (iii) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (iv) It should be sufficiently diversified in terms of country, markets and issuers; save that a Portfolio may, in accordance with the requirements of the Luxembourg Supervisory Authority or the European Securities and Markets Authority (the "ESMA") and section 3(a) (6) of Appendix A – "UCITS Investment Restrictions", be fully collateralised in securities issued or guaranteed by a Member State, one or more of its local authorities, a member state of the OECD or a public international body to which one or more Member States belong provided that (i) the securities of the whole Portfolio consist of at least six different issues and (ii) securities from any one issue may not account for more than 30% of the Portfolio's assets;
- (v) It should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

The level of collateral will be in line with applicable law regulations and the provisions set out in the Prospectus

In order to reduce the Fund's counterparty risk in accordance with applicable law and regulation in the context of over-the-counter financial derivative transactions and EPM techniques, the Fund will determine the required level of collateral for over-the-counter financial derivative transactions and EPM techniques whilst taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

Where there is a title transfer, collateral received will be held by the Depositary (or a sub-custodian thereof) on behalf of the relevant Portfolio. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Non-cash collateral received cannot be sold, reinvested or pledged. Cash collateral received will be:

- placed on deposit with eligible credit institutions;
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis; or
- invested in eligible short-term money market funds.

The above provisions apply subject to any further guidelines issued from time to time by the ESMA amending and/or supplementing ESMA Guidelines 2014/937 dated 1 August 2014 and/or any additional guidance issued from time to time by the Luxembourg Supervisory Authority in relation to the above.

Haircut policy

1. Over-the-counter financial derivative transactions:

Type of security	Haircut
Cash	0%
Money Market Funds	Minimum of 1%
US Treasury	Minimum of 0%
Agency Debentures and GNMA certificates	Minimum of 2%
US Treasury STRIPS	Minimum of 3%

Haircuts are agreed with each over-the-counter financial derivative transaction counterparty on a case by case basis. The above haircuts are for guidance purposes only and the Fund may decide to apply different haircuts or accept securities other than those listed above as collateral. The Prospectus will be updated should there be any material change to the above haircut policy.

2. Securities lending and Repurchase Agreements:

Transactions are collateralised at a minimum of 102% to 105%. The Fund or securities lending agent may apply higher discount taking into account the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests. For the level of haircuts, please refer to paragraph "1. Over-the-counter financial derivative transactions" above. These haircut rates may vary as a result of prevailing market conditions, characteristics of asset classes, currency exposures and terms of applicable collateral agreement. Exceptions to the above policy may apply and the Management Company may vary its practice at any time, always taking into account the interests of the Fund, which may also include not applying any haircut to the received collateral.

Appendix D: Certain ERISA Considerations

PURSUANT TO U.S. TREASURY DEPARTMENT CIRCULAR 230, THE FUND IS INFORMING PROSPECTIVE INVESTORS THAT (A) THE SUMMARY SET FORTH BELOW IS NOT INTENDED AND WAS NOT WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE U.S. FEDERAL TAX LAWS THAT MAY BE IMPOSED ON THE TAXPAYER, (B) THE SUMMARY SET FORTH BELOW WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE FUND AND THE PLACEMENT AGENTS OF THE SHARES, AND (C) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

ERISA and the Code impose certain requirements on employee benefit plans to which Title I of ERISA applies, certain other plans (such as individual retirement accounts and Keogh plans) that, although not subject to ERISA, are subject to certain similar rules of the Code and entities whose assets are treated as “plan assets” of any such plans or accounts under ERISA (such plans, entities and accounts collectively, “Benefit Plan Investors”). ERISA and the Code also impose certain requirements on those persons who are fiduciaries with respect to such Benefit Plan Investors (each a “Fiduciary” and collectively “Fiduciaries”).

In accordance with ERISA’s general fiduciary standards, before investing in a Portfolio, a Fiduciary should determine whether such an investment is permitted under the instruments governing the Benefit Plan Investor and is appropriate for the Benefit Plan Investor in view of its overall investment policy and the composition and diversification of its portfolio. Moreover, ERISA and the Code require that certain reporting and disclosure be made with respect to “plan assets,” that “plan assets” be held in trust, and that the indicia of ownership of “plan assets” be maintained within the jurisdiction of district courts of the United States. Thus, a Fiduciary considering an investment in a Portfolio should consult with its legal counsel concerning all the legal implications of investing in the Portfolio, especially the issues discussed in the following paragraphs. In addition, a Fiduciary should consider whether an investment in a Portfolio will result in any “unrelated business taxable income” to the Benefit Plan Investor.

Unless statutory or administrative exemptions are available, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving “plan assets” and persons who have certain specified relationships to a Benefit Plan Investor (“parties in interest” within the meaning of ERISA and “disqualified persons” within the meaning of the Code) and impose additional prohibitions on parties in interest and disqualified persons who are Fiduciaries. Certain prospective Benefit Plan Investors may currently maintain relationships with the Investment Adviser and/or other entities that are affiliated with the Fund, and, as a result, one or more of such entities may be deemed to be a “party in interest” or “disqualified person” with respect to (including a Fiduciary of) any such prospective Benefit Plan Investor.

Section 3(42) of ERISA provides that the underlying assets of an entity will not be treated as “plan assets” subject to Title I of ERISA or Section 4975 of the Code if, immediately after the most recent acquisition of any equity interest in the entity, whether or not from the entity, less than 25% of the total value of each class of equity interests in the entity is held by Benefit Plan Investors (disregarding for this purpose any equity interests held by any person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the entity or any person who provides investment advice for a fee with respect to the entity’s assets, or any Affiliate of such a person other than a Benefit Plan Investor). In addition, under section 3(42) of ERISA, an entity in which Benefit Plan Investors exceed the 25% limit is considered to hold “plan assets”, but only to the extent of the percentage of the equity interests in the entity held by such Benefit Plan Investors.

Although it is generally expected that a Portfolio will not be treated as “plan assets,” it is possible that an investment in or more of the Portfolios by Benefit Plan Investors may exceed the 25% limit described above and that the assets of one or more of the Portfolios may therefore consist of “plan assets” subject to Title I of ERISA or Section 4975 of the Code. To the extent that the assets of any of the Portfolios do not consist of “plan assets” at any time, the Fund reserves the right, in its sole discretion, to not operate such Portfolios in accordance with the fiduciary or prohibited transaction rules of ERISA or Section 4975 of the Code during such time.

Notwithstanding the foregoing, the Fund reserves the right to exclude Benefit Plan Investors and other employee benefit plan investors from, or limit investments by such investors in, any of the Portfolios (including, without limitation, by rejecting subscriptions for Shares by, or transfers of any Shares to, any such investors or by requiring any such investors to terminate their interests in any of the Portfolios in whole or in part at any time) if the Fund determines that participation or continued participation by any such investors causes or could cause the assets of any of the Portfolios to be or continue to consist of “plan assets” subject to Title I of ERISA, Section 4975 of the Code similar laws or regulations, or for any other reason in their sole discretion.

In the event that the assets of any of the Portfolios at any time consist of “plan assets”, it would mean (among other things) that such assets would be subject to the reporting and disclosure rules of Title I of ERISA and Section 4975 of the Code, might mean that the Fiduciary who decided to invest in that Portfolio had improperly delegated asset management responsibility and might mean that certain aspects related to the investment in the Fund (including, without limitation, the operation of the Fund, the holding of the assets of the Fund and the functions of the Investment Adviser) could result in prohibited transactions under Title I of ERISA and Section 4975 of the Code.

For so long as the assets of any of the Portfolios consist of “plan assets” subject to Title I of ERISA or Section 4975 of the Code, the operations of that Portfolio and the functions of the Investment Adviser may involve contact with potential parties in interest or disqualified persons with respect to investing Benefit Plan Investors, thus raising the possibility of the occurrence of prohibited transactions under ERISA and the Code. For this reason, the Investment Adviser currently meets the requirements of Part VI(a) of Prohibited Transaction Class Exemption 84-14 (“PTE 84-14”) issued by the U.S. Department of Labor, is eligible to act as a “qualified professional asset manager” thereunder and, for so long as the assets of any of the Portfolios consist of “plan assets” subject to Title I of ERISA or Section 4975 of the Code, acknowledges its fiduciary status with respect to the investing Benefit Plan Investors. Accordingly, assuming the other requirements of PTE 84-14 are met and for so long as the assets of one or more Portfolios consist of “plan assets” subject to Title I of ERISA or Section 4975 of the Code, the Investment Adviser may rely on PTE 84-14 with regard to transactions eligible for exemption thereunder.

Under ERISA, a Fiduciary may generally not use its fiduciary authority or responsibility so that it or any of its Affiliates perform additional services for additional compensation. However, Prohibited Transaction Class Exemption 86-128 (“PTE 86-128”) issued by the U.S. Department of Labor permits a fiduciary, such as the Investment Adviser, to use its authority to cause a Benefit Plan Investor to pay a fee to the fiduciary or its Affiliate for effecting or executing securities transactions in respect of the Fund provided certain conditions are met. Among other things, a Fiduciary must authorize the implementation of the arrangement. In addition, the Fiduciary must receive notice of any material changes to the arrangement. If the Fiduciary objects to the implementation or continuation of the arrangement, or to a change in the arrangement, then, unless the arrangement is terminated or the change is not implemented (as applicable), the objecting Benefit Plan Investor must be given the opportunity to terminate its investment in the Portfolio within such time as may be necessary to effect the withdrawal in an orderly manner that is equitable to the withdrawing Benefit Plan Investor and to the non-withdrawing Benefit Plan Investors. These requirements do not apply to certain individual retirement accounts. Assuming that the other requirements of PTE 86-128 are met, the Investment Adviser may rely on PTE 86-128 with regard to transactions covered thereunder in respect of any of the Portfolios for so long as the assets of any of the Portfolios consist of “plan assets.”

For so long as the assets of a Portfolio are treated as “plan assets” subject to ERISA, the use of an electronic communication network, alternative trading system, or similar execution or trading system or venue (“ECN”) to execute trades on behalf of the Portfolio may, absent an exemption, be treated as a prohibited transaction under ERISA. However, an exemption under Section 408(b)(16) of ERISA permits the Investment Adviser to use ECNs in transactions involving the purchase or sale of securities (or other property as may be determined by the U.S. Department of Labor), so long as, among other things: (a) the transactions are “blind”—that is, the parties to the trade (and the ECN) do not take into account the identity of each other when executing the trade, or (b) the transaction is effected pursuant to rules that are designed to provide execution at the best price available through the ECN. The Investment Adviser is required to identify the ECNs and give Benefit Plan Investors notice that transactions may be executed through these ECNs in order to rely on Section 408(b)(16) of ERISA. In addition, under Section 408(b)(16) of ERISA, where the Investment Adviser or certain Affiliates have an ownership interest in an ECN, the Investment Adviser is required to obtain authorization from Benefit Plan Investors to use the ECN to execute transactions.

For purposes of complying with Section 408(b)(16) of ERISA, included below is a current list of the ECNs described in Section 408(b)(16) that the Investment Adviser may use. This list will be updated from time to time; the updated version will be available at <http://www2.goldmansachs.com/disclosures/ecns-disclosure.html>. By entering into the Original Account Agreement or Subscription Form, as applicable, each Benefit Plan Investor authorizes the use of any or all of the ECNs listed below, as well as any ECNs that may be added to the list from time to time, and will check the website for any such updates. Each Benefit Plan Investor, by entering into the Original Account Agreement or Subscription Form, as applicable, also agrees, unless it otherwise notifies the Investment Adviser in writing, that it does not require and will not request paper copies of the information provided on the website or any updates thereto. Benefit Plan Investors should note that while the use of the ECNs on the list may be permissible under the prohibited transaction rules of ERISA, there may be limitations and restrictions placed on the use of these ECNs by the Investment Adviser and/or its Affiliates (including, without limitation, for purposes of complying with other applicable law and otherwise). As a result, there is no assurance that the Investment Adviser or its Affiliates will use such ECNs at any given time.

If the assets of a Portfolio consist of “plan assets,” regulations under Section 408(b)(2) of ERISA require the Investment Adviser to provide written disclosures regarding its services and compensation to authorizing Fiduciaries of Benefit Plan Investors that are pension plans subject to Title I of ERISA (“Covered Plans”) before those Fiduciaries authorize an investment in such Portfolio on behalf of such Covered Plans. The Investment Adviser intends to provide such Fiduciaries with a separate document that will serve as a guide to the information required by the regulations under Section 408(b)(2) of ERISA (the “Necessary Services Disclosure”). Before investing in any such Portfolio, authorizing Fiduciaries of Covered Plans should ensure that they have reviewed the Necessary Services Disclosure and any documents referenced therein.

The availability of a prohibited transaction exemption issued by the U.S. Department of Labor to a transaction involving a Portfolio does not necessarily mean that all related requirements of ERISA or the Code are met with respect to the Fund and its operations or the Investment Adviser and its functions.

Employee benefit plan investors that are not subject to requirements of ERISA and the Code discussed above, such as governmental plans (as defined in Section 3(32) of ERISA), may be subject to materially similar provisions of other applicable U.S. federal or state law or may be subject to other legal restrictions on their ability to invest in a Portfolio. Accordingly, any such plans and the fiduciaries of such plans should consult with their legal counsel concerning all the legal implications of investing in a Portfolio.

The Fund’s sale of Shares to Benefit Plan Investors and other employee plan investors is in no respect a representation or warranty by the Fund, the Investment Adviser or any of their Affiliates (including, without limitation, Goldman, Sachs & Co.), or by any other person associated with the sale of the Shares, that the investment by such investors meets all relevant legal requirements applicable to such investors generally or to any particular investor, or that the investment is otherwise appropriate for such investors generally or for any particular investor.

List of ECNs, Alternative Trading Systems, and Similar Execution or Trading Systems or Venues

Equities/Options

Exchanges:

- BATS Trading, Inc.
- BATS-Y exchange
- Boston Options Exchange
- Chicago Board Options Exchange*
- Chicago Stock Exchange*
- Direct Edge A*
- Direct Edge X*
- International Securities Exchange*
- The Nasdaq Stock Market LLC
- National Stock Exchange (formerly the Cincinnati Stock Exchange)
- NYSE Altermnext*
- NYSE Amex Options, LLC*
- NYSE Euronext*
- Nasdaq OMX BX
- Nasdaq BX (formerly Boston Stock Exchange)

NASDAQ OMX PSX (formerly the Philadelphia Stock Exchange)*
NYSE
Nasdaq
Nyse Arca

ECNs:

Bloomberg Tradebook LLC
LavaFlow ECN (formerly OnTrade & NexTrade)
Track ECN
MS Passport
CS LightPool

Other ATSs:

ATD
BIDS*
BNY Convergx
CITADEL
DB ATS
Fidelity CrossStream
Instinet
ITG/Posit
Level
LiquidNet
LIQUIDNETH20
MS Pool
Pipeline
Pulse BlockCross
SIG Rivercross SUSQUEHANNA RIVERCROSS
Sigma ATS*
UBS PIN
Barclays LX
Convergenx Millenium
Convergenx Vortex
Citi Match
Credit Suisse Crossfinder
GETCO execution
Knight Match
Sunguard Assent
NOMURA ATS
NYFIX
Nomura NX
Bank of America / Merrill Lynch Blockseeker
JP Morgan JPM-X
Bloomberg EMSX
Apogee
DB Super Cross

Fixed Income:

Bloomberg
BondDesk
KNIGHT LINK
KNIGHT MATCH
Hotspot
Lava
MarketAxess
TradeWeb*

* signifies that Goldman has an ownership interest

Appendix E: Definitions of U.S. Person and Non-U.S. Person

In addition to any other requirements contained in the Prospectus, the Articles or the Original Account Agreement, except at the sole discretion of the Board of Directors, a prospective investor (a) must not be a "U.S. Person" as defined under Regulation S promulgated under the 1933 Act, (b) must be a "Non-United States Person" as defined under the Commodity Exchange Act and (c) must not be a "U.S. Person" as defined in the Code and the Treasury Regulations promulgated thereunder. Each of such terms is defined below, which definitions shall include any amendments to the relevant legislation which may come into effect from time to time. A prospective investor who meets the requirements of clauses (a), (b) and (c) above is referred to as a "Non-U.S. Person" in the Prospectus.

A. Regulation S Definition of U.S. Person

(1) "U.S. Person" means:

- (a) any natural person resident in the United States;
- (b) any partnership or corporation organised or incorporated under the laws of the United States;
- (c) any estate of which any executor or administrator is a U.S. Person;
- (d) any trust of which any trustee is a U.S. Person;
- (e) any agency or branch of a foreign entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (h) any partnership or corporation if:
 - (i) organised or incorporated under the laws of any foreign jurisdiction; and
 - (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.

(2) Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a "U.S. Person."

(3) Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person shall not be deemed a "U.S. Person" if:

- (a) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate; and
- (b) the estate is governed by foreign law.

(4) Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a U.S. Person shall not be deemed a U.S. Person if a trustee who is not a U.S. Person has

sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a "U.S. Person".

- (5) Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a "U.S. Person".
- (6) Notwithstanding (1) above, any agency or branch of a U.S. Person located outside the United States shall not be deemed a "U.S. Person" if:
 - (a) the agency or branch operates for valid business reasons; and
 - (b) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
- (7) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, Affiliates and pension plans, and any other similar international organisations, their agencies, Affiliates and pension plans shall not be deemed "U.S. Persons".

B. Under the Commodity Exchange Act, a "Non-United States Person" is defined as:

- (1) a natural person who is not a resident of the United States;
- (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction;
- (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
- (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who do not qualify as Non-United States Persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States Persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-United States Persons; and
- (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

C. Under the Code and the Treasury Regulations promulgated thereunder, a "U.S. Person" is defined as:

- (1) an individual who is a U.S. citizen or a U.S. "resident alien." Currently, the term "resident alien" is defined to generally include an individual who (i) holds an Alien Registration Card (a

“green card”) issued by the U.S. Immigration and Naturalisation Service or (ii) meets a “substantial presence” test. The “substantial presence” test is generally met with respect to any current calendar year if (i) an individual is present in the U.S. on at least 31 days during such year and (ii) the sum of the number of days on which such individual is present in the U.S. during the current year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days;

- (2) a corporation or partnership created or organised in the United States or under the law of the United States or any state;
- (3) a trust where (i) a U.S. court is able to exercise primary jurisdiction over the trust and (ii) one or more U.S. Persons have the authority to control all substantial decisions of the trust; and
- (4) an estate that is subject to U.S. tax on its worldwide income from all sources.

Appendix F: Potential Conflicts of Interest

General Categories of Conflicts Associated with the Fund

The Fund has (directly, through the Management Company and its delegates) appointed Goldman Sachs (which, for purposes of this “Conflicts of Interest” Section, shall mean, collectively, The Goldman Sachs Group, Inc., the Management Company, the Investment Adviser and their Affiliates, directors, partners, trustees, managers, members, officers and employees) to provide a number of services to the Fund and relies on Goldman Sachs to act in accordance with the Management Company’s conflicts of interest policy. Goldman Sachs is a worldwide, full-service investment banking, broker-dealer, asset management and financial services organisation 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. In those and other capacities, Goldman Sachs advises clients in all markets and transactions and purchases, sells, holds and recommends a broad array of investments 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 (including the Fund), relationships and products collectively, the “Accounts”). Goldman Sachs has direct and indirect interests in the global fixed income, currency, commodity, equities, bank loan and other markets, and the securities and issuers, in which the Fund may directly and indirectly invest. As a result, Goldman Sachs’ activities and dealings may affect the Fund in ways that may disadvantage or restrict the Fund and/or benefit Goldman Sachs or other Accounts.

The following are descriptions of certain conflicts of interest and potential conflicts of interest that may be associated with the financial or other interests that the Management Company, the Investment Adviser and Goldman Sachs may have in transactions effected by, with, and on behalf of the Fund. They are not, and are not intended to be, a complete enumeration or explanation of all of the potential conflicts of interest that may arise. Additional information about potential conflicts of interest regarding the Management Company, the Investment Adviser and Goldman Sachs is set forth in the Investment Adviser’s Form ADV which prospective Shareholders should review prior to purchasing Shares. A copy of Part 1 and Part 2 of the Forms ADV is available on the SEC’s website (www.adviserinfo.sec.gov). By having made an investment in a Fund, a Shareholder is deemed to have assented to the potential conflicts of interest relating to Goldman Sachs and to the operations of the Fund in the face of such conflicts.

The Sale of Shares and the Allocation of Investment Opportunities

Goldman Sachs’ Financial and Other Interests May Incentivise Goldman Sachs to Promote the Sale of Shares

Goldman Sachs and its personnel have interests in promoting sales of Shares in the Fund, and the compensation from such sales may be greater than the compensation relating to sales of interests in other Accounts. Therefore, Goldman Sachs and its personnel may have a financial interest in promoting Shares in the Fund over interests in other Accounts.

The Management Company and the Investment Adviser may simultaneously manage Accounts for which the Management Company or the Investment Adviser receives greater fees or other compensation (including performance-based fees or allocations) than they receive in respect of the Fund. The simultaneous management of Accounts that pay greater fees or other compensation and the Fund may create a conflict of interest as the Management Company or the Investment Adviser may have an incentive to favour Accounts with the potential to receive greater fees. For instance, the Management Company or the Investment Adviser may be faced with a conflict of interest when allocating scarce investment opportunities given the possibly greater fees from Accounts that pay performance-based fees. To address these types of conflicts, the Management Company and the Investment Adviser have adopted policies and procedures under which they will allocate investment opportunities in a manner that they believe is consistent with their respective obligations as a management company and an investment adviser. See “Allocation of Investment Opportunities Among the Fund and Other Accounts” below. However, the amount, timing, structuring or terms of an investment by the Fund may differ from, and performance may be lower than, the investments and performance of other Accounts.

Sales Incentives and Related Conflicts Arising from Goldman Sachs’ Financial and Other Relationships with Intermediaries

Goldman Sachs and its personnel, including employees of the Management Company and the Investment Adviser, may have relationships (both involving and not involving the Fund, and including without

limitation placement, brokerage, advisory and board relationships) with distributors, consultants and others who recommend, or engage in transactions with or for, the Fund. Such distributors, consultants and other parties may receive compensation from Goldman Sachs or the Fund in connection with such relationships. As a result of these relationships, distributors, consultants and other parties may have conflicts that create incentives for them to promote the Fund.

Without prejudice to applicable inducement rules Goldman Sachs and the Fund may make payments to authorised dealers and other financial intermediaries and to salespersons to promote the Fund. These payments may be made out of Goldman Sachs' assets or amounts payable to Goldman Sachs. These payments may create an incentive for such persons to highlight, feature or recommend the Fund.

Allocation of Investment Opportunities Among the Fund and Other Accounts

The Management Company and the Investment Adviser may manage or advise multiple Accounts (including Accounts in which Goldman Sachs and its personnel have an interest) that have investment objectives that are similar to the Fund and that may seek to make investments or sell investments in the same securities or other instruments, sectors or strategies as the Fund. This may create potential conflicts, particularly in circumstances where the availability of such investment opportunities is limited (e.g., in local and emerging markets, high yield securities, fixed income securities, regulated industries, real estate assets, primary and secondary interests in alternative investment funds and initial public offerings/new issues) or where the liquidity of such investment opportunities is limited.

To address these potential conflicts, the Management Company and the Investment Adviser have developed allocation policies and procedures that provide that Goldman Sachs personnel making portfolio decisions for Accounts will make purchase and sale decisions for, and allocate investment opportunities among, Accounts consistent with the Management Company's and the Investment Adviser's fiduciary obligations. These policies and procedures may result in the pro rata allocation (on a basis determined by the Management Company or the Investment Adviser) of limited opportunities across eligible Accounts managed by a particular portfolio management team, but in many other cases the allocations reflect numerous other factors as described below. Accounts managed by different portfolio management teams may be viewed separately for allocation purposes. There will be cases where certain Accounts (including Accounts in which Goldman Sachs and Goldman Sachs personnel have an interest) receive an allocation of an investment opportunity when the Fund does not.

Allocation-related decisions for the Fund and other Accounts may be made by reference to one or more factors, including without limitation: the Account's portfolio and its investment horizons, objectives, guidelines and restrictions (including legal and regulatory restrictions affecting certain Accounts or affecting holdings across Accounts); strategic fit and other portfolio management considerations, including different desired levels of exposure to certain strategies; the expected future capacity of the Fund and the applicable Accounts; limits on the Investment Adviser's brokerage discretion; cash and liquidity considerations; and the availability of other appropriate investment opportunities. Suitability considerations, reputational matters and other considerations may also be considered. The application of these considerations may cause differences in the performance of Accounts that have strategies similar to those of the Fund. In addition, in some cases the Management Company or the Investment Adviser may make investment recommendations to Accounts where the Accounts make investments independently of the Management Company or the Investment Adviser. In circumstances in which there is limited availability of an investment opportunity, if such Accounts invest in the investment opportunity prior to the Fund, the availability of the investment opportunity for the Fund will be reduced irrespective of the Management Company's or the Investment Adviser's policies regarding allocation of investments. Additional information about the Investment Adviser's allocation policies is set forth in Item 6 ("PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT—Side-by-Side Management") of the Investment Adviser's Form ADV.

The Management Company or the Investment Adviser may, from time to time, develop and implement new trading strategies or seek to participate in new trading strategies and investment opportunities. These strategies and opportunities may not be employed in all Accounts or employed pro rata among Accounts where they are employed, even if the strategy or opportunity is consistent with the objectives of such Accounts.

During periods of unusual market conditions, the Management Company or the Investment Adviser may deviate from their normal trade allocation practices. For example, this may occur with respect to the management of unlevered and/or long-only Accounts that are typically managed on a side-by-side basis with levered and/or long-short Accounts.

The Management Company, the Investment Adviser and the Fund may receive notice of, or offers to participate in, investment opportunities. The Management Company or the Investment Adviser in its sole discretion will determine whether the Fund will participate in any such investment opportunities and investors should not expect that the Fund will participate in any such investment opportunities. Notwithstanding anything in the foregoing, the Fund may or may not receive, but in any event will have no rights with respect to, opportunities sourced by Goldman Sachs businesses and affiliates other than the Investment Adviser. Opportunities or any portion thereof that the Fund do not participate in may be offered to other Accounts, Goldman Sachs (including the Management Company and the Investment Adviser), all or certain investors in the Fund, or such other persons or entities as determined by Goldman Sachs in its sole discretion, and the Fund will not receive any compensation related to such opportunities.

Management of the Fund

Potential Restrictions and Issues 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. As a result of information barriers, neither the Management Company nor the Investment Adviser generally will have access, or they will have limited access, to information and personnel in other areas of Goldman Sachs, and generally will not be able to manage the Fund with the benefit of information held by such other areas. Such other areas, including without limitation, Goldman Sachs' prime brokerage and administration businesses, will have broad access to detailed information that is not available to either the Management Company or the Investment Adviser, including information in respect of markets and investments, which, if known to the Management Company or the Investment Adviser, might cause the Management Company or the Investment Adviser to seek to dispose of, retain or increase interests in investments held by the Fund or acquire certain positions on behalf of the Fund, or take other actions. Goldman Sachs will be under no obligation or fiduciary or other duty to make any such information available to the Management Company or the Investment Adviser or personnel of the Management Company or the Investment Adviser involved in decision-making for the Fund. In the absence of information barriers, there may be circumstances in which, as a result of information held by certain of the Investment Adviser's portfolio management teams, the Investment Adviser limits an activity or transaction for the Fund, including if the team holding such information is not managing the Fund. In addition, 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 the Fund. Different portfolio management teams within the Management Company or the Investment Adviser may make decisions based on information or take (or refrain from taking) actions with respect to Accounts they advise in a manner that may be adverse to the Fund. Such teams may not share information with the Fund's portfolio management team, including as a result of certain information barriers and other policies, and will not have any obligation to do so.

Valuation of the Fund's Investments

The Management Company has appointed the Valuer as its delegate to perform certain valuation services related to securities and assets in the Fund. To the extent the Valuer performs valuation services related to securities and assets in the Portfolios, the Valuer values securities and assets in the Fund according to the Management Company's valuation policies. The Valuer may value an identical asset differently than another division or unit within Goldman Sachs values the asset, including because such other division or unit has information regarding valuation techniques and models or other information that it does not share with the Management Company or the Valuer. This is particularly the case in respect of difficult-to-value assets. The Valuer may also value an identical asset differently in different Accounts (e.g., because different Accounts are subject to different valuation guidelines pursuant to their respective governing agreements, different third party vendors are hired to perform valuation functions for the Accounts or the Accounts are managed or advised by different portfolio management teams within the Management Company or the Investment Adviser). Investors should be aware that a possible conflict of interest may arise as the Valuer is an affiliate of the Management Company and the Investment Adviser and the higher the estimated probable realisation value of the securities or assets with respect to such valuations the higher are the fees payable to the Management Company or the Investment Adviser.

Goldman Sachs', the Management Company's and the Investment Adviser's Activities on Behalf of Other Accounts

The Management Company and the Investment Adviser will be responsible for the day-to-day portfolio management decisions in relation to the Fund. The Management Company's and the Investment Adviser's decisions and actions on behalf of the Fund may differ from those on behalf of other Accounts. Advice given to, or investment or voting decisions made for, one or more Accounts may compete with,

affect, differ from, conflict with, or involve timing different from, advice given to or investment decisions made for the Fund.

Goldman Sachs engages in a variety of activities in the global financial markets. The extent of Goldman Sachs' activities in the global financial markets, including without limitation in its capacity as an investment banker, market maker, lender, investor, broker, advisor and research provider, may have potential adverse effects on the Fund. Goldman Sachs, the clients it advises and its personnel have interests in and advise Accounts that have investment objectives or portfolios similar to, related to, or opposed to those of the Fund. In addition, Goldman Sachs, the clients it advises and its personnel may engage (or consider engaging) in commercial arrangements or transactions with the Fund, and/or may compete for commercial arrangements or transactions in the same types of companies, assets, securities and other assets as the Fund. Transactions by advice to and activities of such Accounts (including potentially Goldman Sachs acting on a proprietary basis), may involve the same or related companies securities or other assets or instruments as those in which the Fund invests, and may negatively affect the Fund (including its ability to engage in a transaction or other activities) or the prices or terms at which the Fund's transactions or other activities may be effected. For example, Goldman Sachs may be engaged to provide advice to an Account that is considering entering into a transaction with the Fund, and Goldman Sachs may advise the Account not to pursue the transaction with the Fund, or otherwise in connection with a potential transaction provide advice to the Account that would be adverse to the Fund. Additionally, Accounts may engage in a certain strategy while the Fund is undertaking the same or a differing strategy, any of which could directly or indirectly disadvantage the Fund or Investment. The Fund, on the one hand, and Goldman Sachs, acting on behalf of its own account or on behalf of other Accounts, on the other hand, may also vote differently on or take or refrain from taking different actions with respect to the same security or asset, which may be disadvantageous to the Fund or Investment. Goldman Sachs, on behalf of its own account or other Accounts, may invest in different classes of securities, in different parts of the capital structure, or in different instruments (including loans) of the same issuer. In addition, Goldman Sachs may advise Accounts with respect to different parts of the capital structure of the same issuer, or classes of securities that are subordinate or senior to securities, in which the Fund invests. As a result, Goldman Sachs may pursue activities or enforce rights, or refrain from pursuing activities or enforcing rights, on behalf of itself or other Accounts, or provide advice to other Accounts, with respect to a particular issuer or an investment in securities or instruments of such issuer, in which the Fund has invested, and such actions may have an adverse effect on the Fund. Goldman Sachs will act in the interests of the other Accounts (and, subject to its fiduciary duties to its clients, with respect to its own account, including in circumstances in which a Goldman Sachs account is managed by an investment team that is separated from the Fund's investment team by an information barrier), regardless of the Fund's holdings or interests in the same issuer, including in ways that may adversely affect the Fund.

For example, in the event that Goldman Sachs or other Accounts hold loans, securities or other positions in the capital structure of an issuer that rank senior to the holdings of the Fund in such issuer, and that issuer were to experience financial or operational difficulties, Goldman Sachs, acting on behalf of itself or the other Accounts, may seek a liquidation, reorganization or restructuring of the issuer that may have an adverse effect on the Fund's holdings in the same issuer. In addition, in the event that Goldman Sachs or other accounts hold voting securities of an issuer in which the Fund holds loans, bonds or other credit-related securities, Goldman Sachs or the other Accounts may have the right to vote on certain matters that may have an adverse effect on the positions held by the Fund.

The conflicts of interest arising out of investments in different securities or instruments of the same issuer by Goldman Sachs or Accounts, on the one hand, and the Fund on the other hand, and in situations in which Goldman Sachs may advise Accounts with respect to an issuer in which the Fund has an investment, also apply to actions that Goldman Sachs may take on behalf of the Fund. In such circumstances, Goldman Sachs will face a conflict arising from the securities or instruments held by Goldman Sachs or the other Accounts, or the interest of the other Accounts, in the issuer. Such conflict could incentivize Goldman Sachs in its capacity as investment manager of the Fund to take the interests of Goldman Sachs or the other Accounts into consideration in connection with actions it takes on behalf of the Fund, even though taking such interests into account could adversely affect the Fund.

In addition, to the extent Goldman Sachs has invested in a portfolio company for its own account, Goldman Sachs may limit the transactions engaged in by the Fund with respect to such portfolio company or issuer for reputational, legal or other reasons.

Further, even if Goldman Sachs, on a proprietary basis, or an Other Investment Vehicle, on the one hand, and the Fund, on the other hand, hold securities in the same portfolio company, no assurance can be

provided that the securities held by each of Goldman Sachs, the Other Investment Vehicles and the Fund in such portfolio company will be subject to the same terms, the same valuation or be purchased or sold at the same price.

Goldman Sachs may purchase or sell such securities on behalf of its own account at different times than Goldman Sachs purchases or sells such securities on behalf of the Fund. Goldman Sachs' proprietary investment in a portfolio company may produce different, including potentially higher, returns than those that the Fund achieves through its investment in the same portfolio company.

Goldman Sachs and its personnel may advise on transactions, make investment decisions or recommendations, provide differing investment views or have views with respect to research or valuations that are inconsistent with, or adverse to, the interests and activities of the Fund. Notwithstanding similarities among Accounts, different advisory businesses within Goldman Sachs manage such Accounts according to different strategies and may also apply different criteria to the same or similar strategies and may have differing investment views in respect of a portfolio company or a security. 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 the Fund any research or analysis prior to its public dissemination.

The Investment Manager has adopted a Code of Ethics (the "Code of Ethics") under Rule 204A-1 of the Advisers Act designed to provide that personnel of the Investment Manager, and certain additional Goldman Sachs personnel who support the Investment Manager, comply with applicable federal securities laws and place the interests of clients first in conducting personal securities transactions. The Code of Ethics 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 of Ethics, covered persons may buy and sell securities or other investments for their personal accounts, including investments in the Fund, and may also take positions that are the same as, different from, or made at different times than, positions taken directly or indirectly for the Fund. Additionally, Goldman Sachs personnel, including personnel of the Investment Manager, are subject to firm-wide policies and procedures regarding confidential and proprietary information, information barriers, private investments, outside business activities and personal trading.

As a result of the various conflicts and related issues described herein, the Fund could sustain losses during periods in which Goldman Sachs and other Accounts achieve profits generally or with respect to particular holdings, or could achieve lower profits or higher losses than would have been the case had the conflicts described above not existed. The negative effects described above may be more pronounced in connection with transactions in, or the Fund's use of, small capitalization, emerging market, distressed or less liquid strategies.

Goldman Sachs (including the Management Company and the Investment Adviser) and its personnel may advise on transactions, make investment decisions or recommendations, provide differing investment views or have views with respect to research or valuations that are inconsistent with, or adverse to, the interests and activities of the Fund. Similarly, the Management Company's or the Investment Adviser's investment teams may have differing investment views in respect of an issuer or a security, and the positions the Fund's investment team take in respect of the Fund may be inconsistent with, or adversely affected by, the interests and activities of the Accounts advised by other investment teams of the Management Company or the Investment Adviser. 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 the Fund any research or analysis prior to its public dissemination. The Investment Adviser is responsible for making investment decisions on behalf of the Fund and such investment decisions can differ from investment decisions or recommendations by Goldman Sachs on behalf of other Accounts. Goldman Sachs, on behalf of one or more Accounts and in accordance with its management of such Accounts, may implement an investment decision or strategy ahead of, or contemporaneously with, or behind similar investment decisions or strategies made for the Fund. The relative timing for the implementation of investment decisions or strategies for Accounts, on the one hand, and the Fund, on the other hand, may disadvantage the Fund. Certain factors, for example, market impact, liquidity constraints, or other circumstances, could result in the Fund receiving less favourable trading results or incurring increased costs associated with implementing such investment decisions or strategies, or being otherwise disadvantaged. Subject to applicable law, the Management Company or the Investment Adviser may cause the Fund to invest in securities, bank loans or other obligations of companies affiliated with or advised by Goldman Sachs or in which Goldman Sachs or Accounts have an equity, debt or other

interest, or to engage in investment transactions that may result in other Accounts being relieved of obligations or otherwise divested of investments, which may enhance the profitability of Goldman Sachs' or other Accounts' investment in and activities with respect to such companies.

Goldman Sachs May In-Source or Outsource

Subject to applicable law, Goldman Sachs, including the Management Company and/or the Investment Adviser, may from time to time and without notice to investors in-source or outsource certain processes or functions in connection with a variety of services that it provides to the Fund in its administrative or other capacities. Such in-sourcing or outsourcing may give rise to additional conflicts of interest.

Goldman Sachs May Act in a Capacity Other Than the Management Company and the Investment Adviser to the Fund

Principal and Cross Transactions

When permitted by applicable law and their respective policies, the Management Company and the Investment Adviser, acting on behalf of the Fund, may enter into transactions in securities and other instruments with or through Goldman Sachs or in Accounts managed by the Management Company or the Investment Adviser, and may cause the Fund to engage in transactions in which the Management Company or the Investment Adviser acts as principal on their own behalf (principal transactions), advises both sides of a transaction (cross transactions) and acts as broker for, and receives a commission from, the Fund on one side of a transaction and a brokerage account on the other side of the transaction (agency cross transactions). There may be potential conflicts of interest or regulatory issues relating to these transactions which could limit the Management Company or the Investment Adviser's decision to engage in these transactions for the Fund. Goldman Sachs may have a potentially conflicting division of loyalties and responsibilities to the parties in such transactions, and has developed policies and procedures in relation to such transactions and conflicts. Any principal, cross or agency cross transactions will be effected in accordance with fiduciary requirements and applicable law. By virtue of entering into the Original Account Agreement, a Shareholder consents to the Fund entering into principal transactions, cross transactions and agency cross transactions to the fullest extent permitted under applicable law.

Goldman Sachs May Act in Multiple Commercial Capacities

Goldman Sachs may act as broker, dealer, agent, lender or adviser or in other commercial capacities for the Fund or issuers of securities held by the Fund. Goldman Sachs may be entitled to compensation in connection with the provision of such services, and the Fund will not be entitled to any such compensation. Goldman Sachs will have an interest in obtaining fees and other compensation in connection with such services that are favourable to Goldman Sachs, and in connection with providing such services may take commercial steps in its own interests or may advise the parties to which it is providing such services to take actions or engage in transactions that negatively affect the Fund. For example, Goldman Sachs may advise a company to make changes to its capital structure the result of which would be a reduction in the value or priority of a security held by the Fund. Actions taken or advised to be taken by Goldman Sachs in connection with other types of transactions may also result in adverse consequences for the Fund. In addition, due to its access to and knowledge of funds, markets and securities based on its prime brokerage and other businesses, Goldman Sachs may make decisions based on information or take (or refrain from taking) actions with respect to interests in investments of the kind held directly or indirectly by the Fund in a manner that may be adverse to the Fund. Goldman Sachs may also provide various services to the Fund or to issuers of securities in which the Fund invest, which may result in fees, compensation and remuneration as well as other benefits to Goldman Sachs, enhance Goldman Sachs' relationships with various parties, facilitate additional business development and enable Goldman Sachs to obtain additional business and generate additional revenue.

In addition, Goldman Sachs may make loans to Shareholders or enter into similar transactions that are secured by a pledge of, or mortgage over, a Shareholder's Shares, which would provide Goldman Sachs with the right to redeem such Shares in the event that such Shareholder defaults on its obligations. These transactions and related redemptions may be significant and may be made without notice to the Shareholders.

Subject to applicable law, Goldman Sachs (including the Management Company and the Investment Adviser) and Accounts (including Accounts formed to facilitate investment by Goldman Sachs personnel) may also invest in or alongside the Fund. Such investments may be on terms more favourable than those of other Shareholders and may constitute substantial percentages of the Fund. Unless provided otherwise by agreement to the contrary, Goldman Sachs or Accounts may redeem interests in the Fund at any time without notice to Shareholders or regard to the effect on the Fund's portfolio, which may be adverse.

Goldman Sachs (including the Management Company and the Investment Adviser) may create, write, sell, issue, invest in or act as placement agent or distributor of derivative instruments related to the Fund, or with respect to underlying securities or assets of the Fund, or which may be otherwise based on or seek to replicate or hedge the performance of the Fund. Such derivative transactions, and any associated hedging activity, may differ from and be adverse to the interests of the Fund.

Goldman Sachs may make loans to clients or enter into asset-based or other credit facilities or similar transactions with clients that are secured by a client's assets or interests other than Shares in the Fund. In connection with its rights as lender, Goldman Sachs may take actions that adversely affect the borrower. The borrower's actions may in turn adversely affect the Fund (e.g., if the borrower rapidly liquidated a large position in a security that is held by the Fund, the value of such security may decline and the Fund may in turn decline in value or may be unable to liquidate its positions in such security at an advantageous price).

Proxy Voting by the Management Company and the Investment Adviser

The Management Company and the Investment Adviser have implemented processes designed to prevent conflicts of interest from influencing proxy voting decisions that they make on behalf of advisory clients, including the Fund, and to help ensure that such decisions are made in accordance with its fiduciary obligations to their clients. Notwithstanding such proxy voting processes, proxy voting decisions made by the Management Company or the Investment Adviser in respect of securities held by the Fund may benefit the interests of Goldman Sachs and Accounts other than the Fund. A summary description of these processes as well as the details of the actions taken under such policy is available upon request to the Management Company.

Potential Limitations and Restrictions on Investment Opportunities and Activities of Goldman Sachs and the Fund

The Investment Adviser may restrict its investment decisions and activities on behalf of the Fund in various circumstances, including as a result of applicable regulatory requirements, information held by Goldman Sachs, Goldman Sachs' roles in connection with other clients and in the capital markets (including in connection with advice it may give to such clients or commercial arrangements or transactions that may be undertaken by such clients or by Goldman Sachs), Goldman Sachs' internal policies and/or potential reputational risk or disadvantage to Accounts including the Fund, and Goldman Sachs. As a result, the Investment Adviser might not engage in transactions or other activities for the Fund in consideration of Goldman Sachs' activities outside the Fund (e.g., the Management Company or the Investment Adviser may refrain from making investments for the Fund that would cause Goldman Sachs to exceed position limits or cause Goldman Sachs to have additional disclosure obligations and may limit purchases or sales of securities in respect of which Goldman Sachs is engaged in an underwriting or other distribution). The Fund may also be subject to certain restrictions when considering investments in regulated industries, such as banking, insurance, energy or communications, because of the impact of these investments on Goldman Sachs. In addition, the Investment Adviser is not permitted to obtain or use material non-public information in effecting purchases and sales in public securities transactions for the Fund. The Investment Adviser may also limit the activities and transactions engaged in by the Fund, and may limit its exercise of rights on behalf of or in respect of the Fund, for reputational, legal or other reasons, including where Goldman Sachs is providing (or may provide) advice or services to a portfolio company or other entity involved in such activity or transaction, where Goldman Sachs or an Account is or may be engaged in the same or a related activity or transaction to that being considered on behalf of the Fund, where Goldman Sachs or an Account has an interest in an investment or other entity involved in such activity or transaction, or where such activity or transaction or the exercise of such rights on behalf of or in respect of the Fund could affect Goldman Sachs or the Investment Adviser. The Investment Adviser may restrict its investment decisions and activities on behalf of the Fund and not on behalf of other Accounts.

In order to engage in certain transactions on behalf of the Fund, the Management Company and/or the Investment Adviser will be subject to (or cause the Fund to become subject to) the rules, terms and/or conditions of any venues through which they trade securities, derivatives or other instruments. This includes, but is not limited to, where the Management Company and/or the Investment Adviser and/or the Fund may be required to comply with the rules of certain exchanges, execution platforms, trading facilities, clearinghouses and other venues, or may be required to consent to the jurisdiction of any such venues. The rules, terms and/or conditions of any such venue may result in the Management Company and/or the Investment Adviser (and/or the Fund) 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, the Fund, and the Management Company and/or the Investment Adviser or their affiliates and/or their service providers or agents may be required, or may determine that it is advisable, to disclose certain information about the Fund to third parties, including local governmental authorities, regulatory organisations, taxing authorities, markets, exchanges, clearing facilities, custodians, brokers and trading counterparties of, or service providers to, the Investment Adviser or the Fund. The Management Company and/or the Investment Adviser generally expect to comply with such requests to disclose such information; however, the Management Company and/or the Investment Adviser may determine to cause the sale of certain assets for the Fund rather than make certain required disclosures, and such sale may be at a time that is inopportune from a pricing standpoint.

Brokerage Transactions

The Investment Adviser may select broker-dealers (including affiliates of the Management Company) that furnish the Investment Adviser, the Fund, their affiliates and other Goldman Sachs personnel with proprietary or third-party brokerage and research services (collectively, “brokerage and research services”) that provide, in the Investment Adviser’s view, appropriate assistance to the Investment Adviser in the investment decision-making process. As a result, the Investment Adviser may pay for such brokerage and research services with “soft” or commission dollars, provided that the services received assist in the provision of investment services to the Fund generally and the receipt of the services, and payment for such, are in compliance with applicable law and regulation.

When the Investment Adviser uses client commissions to obtain brokerage and research services, the Investment Adviser receives a benefit because the Investment Adviser does not have to produce or pay for the brokerage and research services itself. Subject to the Investment Adviser’s obligation to determine in good faith that the “commissions” (as broadly defined by the applicable regulations to include a mark-up, mark-down, commission equivalent or other fee in certain circumstances) to be paid to broker-dealers, including their affiliates, are reasonable in relation to the value of the brokerage and research services they provide to the Investment Adviser, the Investment Adviser may cause the Fund to pay commissions higher than those charged by other broker-dealers in return for soft dollar benefits.

The Investment Adviser’s evaluation of the brokerage and research services provided by a broker-dealer may be a significant factor in selecting a broker-dealer to execute transactions. For this purpose, the Investment Adviser has established a voting process in which certain portfolio management teams participate under which the Investment Adviser’s personnel rate broker-dealers that supply them with brokerage and research services. Subject to the Investment Adviser’s duty to seek best execution and applicable law and without prejudice to applicable inducement rules, the Investment Adviser allocates trading among broker-dealers in accordance with the outcome of the voting process.

Brokerage and research services may be used to service other Accounts as well as the Fund. In cases where it may not be practicable for the Investment Adviser does not attempt to allocate soft dollar benefits proportionately among clients or to track the benefits of brokerage and research services to the commissions associated with a particular Account or group of Accounts brokerage and research services (including soft dollar benefits) may disproportionately benefit other Accounts relative to the Fund. A copy of the best execution policy of the Management Company and the Investment Adviser is available to investors upon request to the Management Company.

Aggregation of Trades by the Management Company or the Investment Adviser

The Management Company and the Investment Adviser follow policies and procedures pursuant to which they may combine or aggregate purchase or sale orders for the same security or other instruments for multiple Accounts (including Accounts in which Goldman Sachs has an interest) (sometimes called “bunching”), so that the orders can be executed at the same time and block trade treatment of any such orders can be elected when available. The Management Company and the Investment Adviser aggregate orders when the Management Company or the Investment Adviser considers doing so appropriate and in the interests of its clients generally may elect block trade treatment when available. In addition, under certain circumstances trades for the Fund may be aggregated with Accounts that contain Goldman Sachs assets.

When a bunched order or block trade is completely filled, the Management Company or the Investment Adviser generally will allocate the securities or other instruments purchased or the proceeds of any sale pro rata among the participating Accounts, based on the purchase or sale order. If the order at a particular broker-dealer or other counterparty is filled at several different prices, through multiple trades, generally all

participating Accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. There may be instances in which not all Accounts are charged the same commission or commission equivalent rates in a bunched or aggregated order.

Although it may do so in certain circumstances, the Management Company or the Investment Adviser generally does not bunch or aggregate orders for different Accounts (including the Fund), elect block trade treatment or net buy and sell orders for the Fund, if portfolio management decisions relating to the orders are made by separate portfolio management teams, if bunching, aggregating, electing block trade treatment or netting is not appropriate or practicable from the Management Company's or the Investment Adviser's operational or other perspective, or if doing so would not be appropriate in light of applicable regulatory considerations. The Management Company or the Investment Adviser may be able to negotiate a better price and lower commission rate on aggregated trades than on trades for Accounts that are not aggregated, and incur lower transaction costs on netted trades than trades that are not netted. Where transactions for the Fund are not aggregated with other orders, or not netted against orders for the Fund, the Fund may not benefit from a better price and lower commission rate or lower transaction cost.

Appointment of Service Providers

The Fund may engage service providers (including legal counsel and consultants) that may also provide services to other Goldman Sachs affiliates. The Management Company intends to select these service providers, for approval by the Fund's Board of Directors, based on a number of factors, including expertise and experience, knowledge of related or similar products, quality of service, reputation in the marketplace, and price. These service providers may have business, financial, or other relationships with Goldman Sachs, which may or may not influence the Management Company's selection of these service providers for the Fund. Notwithstanding the foregoing, the selection of service providers for the Fund will be conducted in accordance with the Management Company's good faith obligations to the Fund. The service providers selected by the Management Company may charge different rates to different recipients based on the specific services provided, the personnel providing the services, or other factors. As a result, the rates paid with respect to these service providers by the Fund, on the one hand, may be more or less favourable than the rates paid by Goldman Sachs, on the other hand.