

## Options for Your Cash Portfolio

As regulatory reform has been implemented in the US and is being rolled out in Europe, investors must now evaluate their cash investments.

Offering liquidity solutions for more than 35 years, our goal is to help our clients preserve capital, maintain liquidity<sup>1</sup> and seek competitive yields, while consistently managing risk.

With tailored products and services in money market and short duration strategies, we offer the insight you need to make better-informed decisions in your liquidity portfolios.

Our wide range of products enables us to offer targeted potential solutions from a strong team of portfolio managers, combining global market intelligence with independent risk analysis, research and quality control.

### Which vehicle is right for your cash portfolio?

1. Liquidity: An asset's ability to be easily converted through an act of buying or selling without causing a significant movement in the price and with minimum loss of value.

As of November 2016. This material is provided for informational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities.

Source: GSAM. Basel III: a comprehensive set of reform measures, developed by the Basel Committee on Banking Supervision, to strengthen the regulation, supervision and risk management of the banking sector. Liquidity fee: A fee taken against redemption proceeds and retained by the fund. Such fees are intended to be a disincentive for shareholders to redeem shares of a fund in distress, and also to help bolster the liquidity levels in a fund by infusing the fund with the cash withheld from redemption proceeds. Redemption Gate: A method that funds may use to stem redemptions by imposing a temporary suspension of a shareholder's right to redeem shares of the fund.

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# Liquidity Solutions

## Our Commitment to You

### Knowledge and Understanding

Maintaining deep knowledge of global markets is important. But, equally important is understanding your organization, investment objectives and needs. We aim to bring clarity through global research, and regional insight of local markets and regulatory issues, while providing access to specialists across our teams, portfolio managers, economists and the broader resources of the firm.

### Consultative Partnerships

Our approach centers around you, because we value long-term relationships. As partners, we offer you an inter-connected, collaborative global team at your disposal to deliver relevant, targeted solutions tailored to your goals. Open communication ensures everyone stays on point with your evolving needs, potential opportunities, risks and potential solutions.

### Services and Solutions

Our transparency with clients is under-pinned by proactive service. We offer a comprehensive range of investment offerings—cash, fixed income and opportunistic strategies. Our independent operational support and control teams offer a disciplined approach to product governance, risk assessment and credit analysis. In addition, our robust technology ensures detailed, efficient execution and reporting.

**Past performance does not guarantee future results, which may vary.** GSAM leverages the resources of Goldman, Sachs & Co. subject to legal, internal and regulatory restrictions. There is no guarantee that these objectives will be met. The portfolio risk management process includes an effort to monitor and manage risk, but does not imply low risk. Diversification does not protect an investor from market risk and does not ensure a profit.

## Money Market Funds

Mutual funds are pooled investment vehicles, where an investment company collects funds from multiple investors to purchase securities such as stocks, bonds and money market instruments.

**Money market funds** are mutual funds<sup>1</sup> that invest in a diversified portfolio of **high quality short-term instruments**, with a maturity of 397 days or less. Investors become shareholders who own units of the fund that are traded at a stable or variable Net Asset Value (NAV) per share. Money market funds provide an alternative to overnight cash deposits as a **diversified, scalable and highly liquid vehicle** with a primary **objective of capital preservation**.

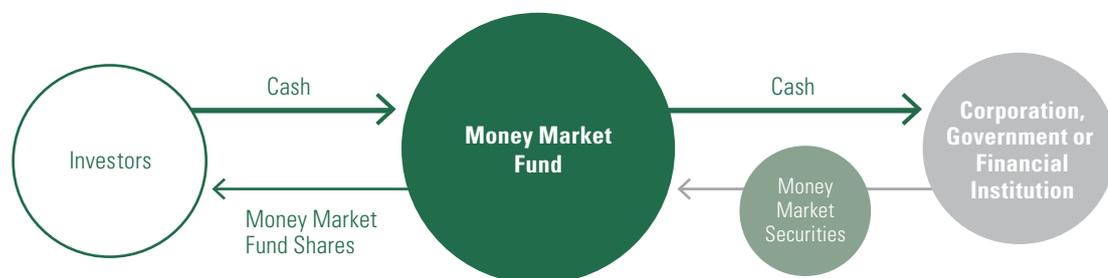
Money market funds follow strict quality, maturity, liquidity and diversification standards set within their prospectus. They follow local regulations including Securities Exchange Commission (SEC) Rule 2a-7 rules in the United States and European Securities and Markets Authority (ESMA) guidelines in the European Union (EU).

**Government money market funds** invest exclusively in highly-rated government and securities, held directly or through repurchase agreements, for investors seeking a more conservative approach. **Prime money market funds** invest in short-term instruments such as certificates of deposit, commercial paper, floating rate instruments, repurchase agreements (repos), government securities and time deposits.

Funds created under an investment company **have many layers of oversight**, including Trustees, Auditors and a Board of Director.

GSAM offers **35 years of experience** managing money market funds with more than **\$300+ billion** in assets under management in various **global** currencies and locations.

## Money Market Funds



### SUITABLE FOR INVESTORS:

- Whose primary objective is capital preservation
- Seeking liquidity with T+0 or T+1 settlement
- Who have a minimum investment of \$1 million (or currency equivalent)
- Interested in or require AAA-rated investments
- Considering stable or floating NAV options
- Seeking a short term, risk averse, highly diversified portfolio as a cash alternative
- Requiring standardized, frequent reporting
- Seeking to categorize for accounting or balance sheet purposes, as cash or cash equivalents

1. Mutual funds are pooled investment vehicles, where an investment company collects funds from multiple investors to purchase securities such as stocks, bonds and money market instruments.

Source: GSAM. For illustrative purposes only. T+0, T+1 and T+3 refer to the settlement date of security transaction with the numbers denoting the number of days the settlement takes place. Credit ratings apply the underlying holdings of the fund, and not to the fund itself. S&P and Moody's study the financial condition of an entity to ascertain its creditworthiness. The credit ratings reflect the rating agency's opinion of the holdings financial condition and histories. The ratings shown are all considered investment grade and are listed by highest to lowest in percentage of what the fund holds.

## Short Duration Funds

Also available as a mutual fund, Short Duration Funds offer investors **potential higher income**, while maintaining a conservative approach when compared to the full fixed income mutual fund spectrum.

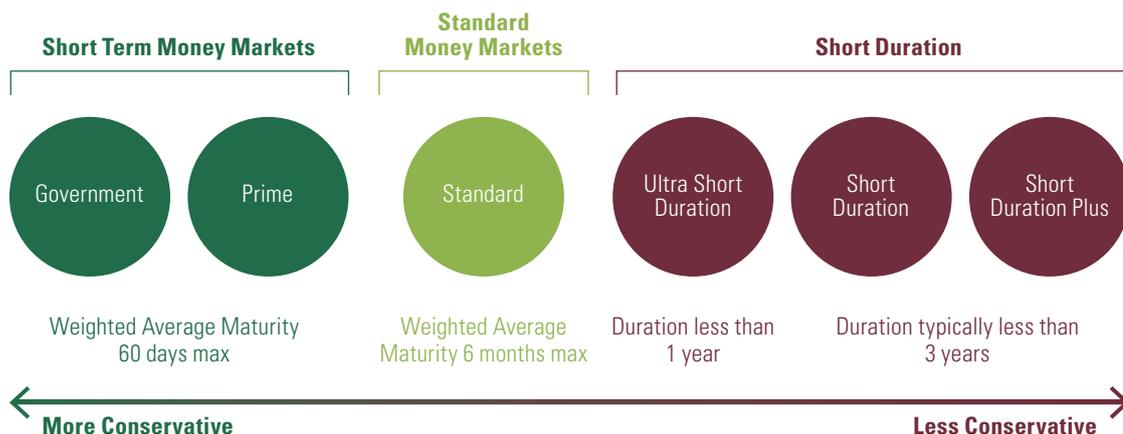
Short duration funds follow an investment policy set in a prospectus and will typically invest in longer-dated investment grade securities, **with a more flexible credit risk profile and longer duration constraints than Money Market Funds**. Investors become shareholders who own units of the fund that are traded at a variable Net Asset Value (NAV) per share.

Short Duration Funds also follow standards according to their operating region, including the Undertakings for Collective Investments in Transferable Securities (UCITS) guidelines.

Short Duration Funds created under an investment company have many layers of oversight, including Trustees, Auditors and a Board of Directors.

GSAM has **10 years of experience** managing Short Duration Funds with **\$50 billion** assets under management and accounts domiciled in **US and Europe** across three currencies, offered to global clients.

### The Liquidity Product Spectrum



#### SUITABLE FOR INVESTORS:

Seeking conservative income from a diversified portfolio of investment grade securities

Interested in liquidity of T+1, T+2 and T+3

Considering exposure to a fund with a variable (or floating) NAV

With minimum investment of \$1 million (or currency equivalent)

Requiring standardized, frequent reporting

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## Separately Managed Accounts (SMAs)

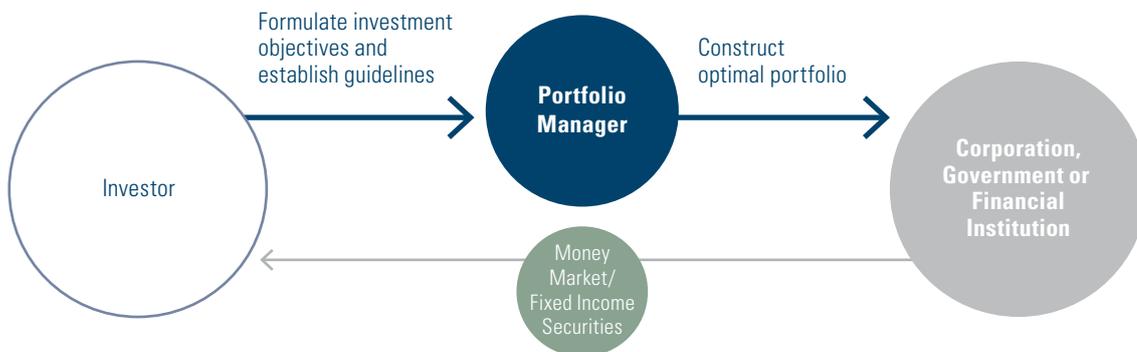
SMAs are managed portfolios **created for a single investor**. The investor determines the investment strategy (i.e. sectors, exposures, issuers, ratings and instruments can be specified or excluded), and owns the underlying assets in the portfolio.

Investors must own and manage **ancillary relationships**, such as custodians and auditors, for the functioning of the SMA.

This is a fully customizable product as the investor owns the underlying investments directly. This allows for optimization of the most important objectives such as **yield, stability or liquidity**.

GSAM offers **35 years of experience** managing Separately Managed Accounts with more than **\$50 billion** assets under management and accounts domiciled globally, across multiple currencies for global clients.

### Separately Managed Account Operation



#### UITABLE FOR INVESTORS:

- Seeking to customize their portfolio
- Requiring customized reports, portfolio risk monitoring and investment guidelines
- With investments of \$100 million or more (or currency equivalent)
- Able to take direct ownership of underlying securities
- With existing infrastructure to manage ancillary relationships
- Willing to assume complexity or cost for rating process

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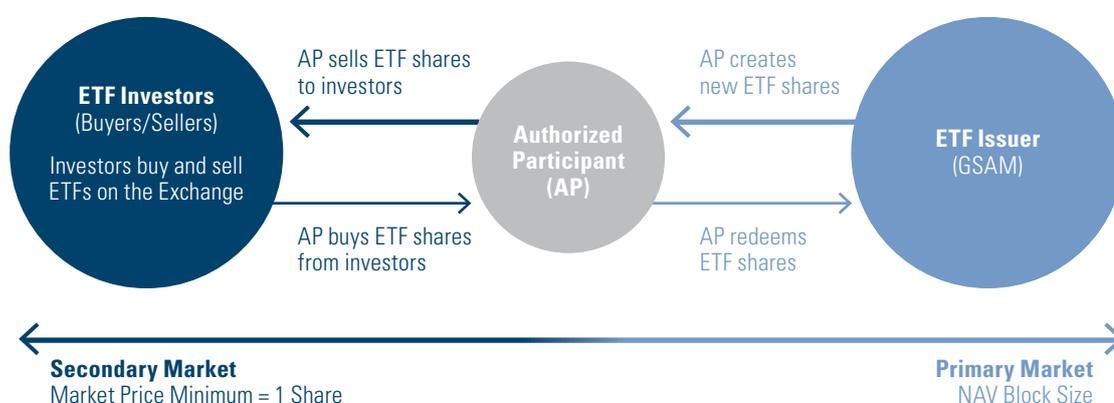
## Exchange-Traded Funds (ETFs)

ETFs are **investment funds traded on stock exchanges**, much like stocks. An ETF holds assets such as stocks or bonds and trades at approximately the same price as the net asset value of its underlying assets over the course of the trading day.

The Fund Manager ensures the fund adheres to the **specified 'basket' of securities that the fund is tracking** on behalf of investors, and charges a management fee for services, which may be competitive versus other cash management offerings.

GSAM recently launched a series of Exchange-Traded Funds<sup>1</sup> in the US with more than **\$2 billion** in assets under management.

### Exchange-Traded Fund Operation



#### SUITABLE FOR INVESTORS:

Seeking exposure to a short-term, diversified portfolio with an on-exchange tradable product

That have the capability to access an exchange on which the fund trades

Seeking low cost liquidity solution

Considering a passive product tracking an index as opposed to an actively traded portfolio

Seeking lower minimum initial investment

Pursuing potential tax efficiency<sup>2</sup> based on gains and losses in the portfolio that the client can process

1. ETFs may not be available in all EMEA and APAC jurisdictions.

2. Tax efficiency is an attempt to minimize tax liability when given many different financial decisions.

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## Fund Risk Considerations

The Goldman Sachs TreasuryAccess 0–1 Year ETF (the “Fund”) seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the Citi US Treasury 0–1 Year Composite Select Index (the “Index”), which is designed to measure the performance of U.S. Treasury Obligations with a maximum remaining maturity of 12 months. The Fund’s investments are subject to the risks associated with debt securities generally, including **credit, liquidity and interest rate risk**. Any guarantee on **U.S. Treasury Obligations** applies only to the underlying securities of the Fund if held to maturity and not to the value of the Fund’s shares. The Fund is **not actively managed**, and therefore the Fund will not generally dispose of a security unless the security is removed from the Index.

**Performance may vary substantially from the performance of the Index** as a result of transaction costs, expenses and other factors. The Fund **is not a money market fund and does not attempt to maintain a stable net asset value. Individual shares of ETFs may only be purchased and sold in secondary market transactions through brokers; shares trade at market prices rather than NAV; shares may trade at a price greater than or less than NAV; and investors may incur commission costs when buying or selling shares.**

The GS TreasuryAccess 0–1 Year ETF is newly organized and does not have an operating history. **The GS Treasury Access 0–1 Year ETF is not a money market fund and does not attempt to maintain a stable net asset value.**

**There can be no assurance that any particular stable value fund will achieve its investment objective or, to the extent applicable, that it will be able to maintain a stable NAV of \$1.00 per Unit. The value of investments and the income derived from investments will fluctuate and can go down as well as up. A loss of principal may occur.**

Stable value funds typically invest in “stable value contracts”, under which the insurance company or other financial institution contract issuer agrees, subject to certain conditions, to make payments from the contract in connection with redemptions for plan participant-initiated benefit payments. Stable value contract risk includes credit risk with respect to the obligations of contract providers. Stable value contracts have terms that provide that contract withdrawals relating to certain redemptions may not be paid at full contract value, and also define certain termination events that permit the provider to terminate the contract in which case the fund could be exposed to losses. These types of provisions could limit a stable value fund’s ability to maintain a stable NAV of \$1.00 per Unit.

Participants in stable value funds are also exposed to risks associated with investing in the fixed income markets, including interest rate risk, credit risk and call/extension risk. For example, changes in interest rates will impact the return earned by the fund as well as the relative market value to book value ratio of a stable value fund.

**ETF shares are not individually redeemable and are issued and redeemed by the Fund at their net asset value (“NAV”) only in large, specified blocks of shares called creation units. Shares otherwise can be bought and sold only through exchange trading at market price (not NAV). Shares may trade at a premium or discount to their NAV in the secondary market. Brokerage commissions will reduce returns. Ordinary brokerage commissions apply.**

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**Prospective investors should inform themselves as to any applicable legal requirements and taxation and exchange control regulations in the countries of their citizenship, residence or domicile which might be relevant.**

**An investment in a money market portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market portfolio seeks to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in a money market portfolio. The Fund’s sponsor has no legal obligation to provide financial support to a money market portfolio, and you should not expect that the sponsor will provide financial support to the money market portfolio at any time.**

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**A summary prospectus, if available, or a Prospectus for the Fund containing more information may be obtained from your authorized dealer or from Goldman, Sachs & Co. by calling (retail – 1-800-526-7384) (institutional – 1-800-621-2550). Please consider a fund’s objectives, risks, and charges and expenses, and read the summary prospectus, if available, and the Prospectus carefully before**

**investing. The summary prospectus, if available, and the Prospectus contains this and other information about the Fund.**

Please note that 35 Years refers to Goldman Sachs’ cash management capability. Not all currencies were available or under management by Goldman Sachs during this entire period.

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## GSAM Liquidity Solutions

| GOVERNMENT LIQUID RESERVES FUNDS            | PRIME LIQUID RESERVES FUNDS      | VNAV LIQUID RESERVES FUNDS            | SHORT DURATION FUNDS                            |
|---|----------------------------------|---------------------------------------|---|
| GS Sterling Government Liquid Reserves Fund | GS Sterling Liquid Reserves Fund | GS Sterling Liquid Reserves Plus Fund | GS Sterling Ultra Short Duration Bond Portfolio |
| GS US\$ Treasury Liquid Reserves Fund       | GS Euro Liquid Reserves Fund     | GS Euro Liquid Reserves Plus Fund     | GS Euro Short Duration Bond Plus Portfolio      |
|   | GS US\$ Liquid Reserves Fund     | GS US\$ Liquid Reserves Plus Fund     | GS US\$ Short Duration Bond Portfolio           |
|   | GS Yen Liquid Reserves Fund      |                                       |   |

Contact the GSAM Liquidity Solutions team at [gs-ls-asia@gs.com](mailto:gs-ls-asia@gs.com) to evaluate which investment option is right for you or visit [GSAM.com/LiquiditySolutions](https://www.gs.com/LiquiditySolutions).

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### Liquidity Solutions

Knowledge and Understanding | Consultative Partnerships | Services and Solutions

Celebrating 35 Years \$ € £ ¥