



Goldman Sachs Asset Management International

# IFPR: MIFIDPRU Disclosures

For the period ended December 31, 2022

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## Introduction

### Overview

Goldman Sachs Asset Management International (the company or GSAMI) is an asset management company principally operating in the Europe, the Middle East and Africa (EMEA) region.

The company is authorised and regulated by the Financial Conduct Authority.

The company's ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. (Group Inc. or parent company), a Delaware corporation, together with its consolidated subsidiaries (collectively, the firm), is a leading global financial institution that delivers a broad range of financial services across investment banking, securities, investment management and consumer banking to a large and diversified client base that includes corporations, financial institutions, governments and individuals. When we use the terms "Goldman Sachs" and "the firm", we mean Group Inc. and its consolidated subsidiaries and when we use the terms "GSAMI", "the company", "we", "us", and "our", we mean Goldman Sachs Asset Management International.

The Board of Governors of the Federal Reserve System (FRB) is the primary regulator of Group Inc., a bank holding company (BHC) under the U.S. Bank Holding Company Act of 1956 and a financial holding company under amendments to this Act. The firm is subject to consolidated regulatory capital requirements which are calculated in accordance with the regulations of the FRB (Capital Framework).

For information on Group Inc.'s financial statements and regulatory capital ratios, please refer to the firm's annual Pillar 3 Disclosures and Annual Report on Form 10-K. References to the "2022 Form 10-K" are to the firm's Annual Report on Form 10-K for the year ended December 31, 2022. All reference to December 2022 refer to the period ended, or the date, as the context requires, December 31, 2022.

<https://www.goldmansachs.com/investor-relations/financials/other-information/2022/4q-pillar3-2022.pdf>

<https://www.goldmansachs.com/investor-relations/financials/10k/2022/2022-10-k.pdf>

The FCA's Investment Firms Prudential Regime (IFPR)

came into effect on 1 January 2022. The IFPR is a new framework governing prudential requirements for investment firms tailored to smaller, non-systemically important investment firms, such as the company. The IFPR comprises revised rules on capital requirements, internal capital and risk assessment, liquidity requirements, governance, remuneration, and reporting and disclosure requirements.

As a UK investment firm undertaking activities within the scope of the UK Markets in Financial Instruments Directive ("MIFID"), GSAMI is subject to the prudential requirements of the Investment Firms Prudential Regime ("IFPR") contained in the MIFIDPRU Prudential sourcebook for MIFID investment firms of the FCA Handbook. GSAMI is categorised as a non-small non-interconnected ("non-SNI") MIFIDPRU investment firm.

The company seeks to be a leading participant in the asset management industry and continues to develop its business having regard to the broader strategy defined by GS Group.

The company primarily operates in a U.S. dollar environment as part of GS Group. Accordingly, the company's functional currency is the U.S. dollar and these disclosures have been prepared in that currency.

The annual IFPR-MIFIDPRU disclosures set out qualitative and quantitative elements for which more frequent disclosure is appropriate, if business undergoes a significant change to its business model.

### Future Outlook

The directors consider that the year end financial position of the company was satisfactory.

In April 2023, subject to approvals, certain asset management activities and employees will be transferred to the company from Goldman Sachs International. This will combine GS Group's U.K. asset management businesses in the company, consistent with GS Group's resolution planning and the commercial objectives of its asset management business. In respect of these activities, Goldman Sachs International has recorded three year average annual net revenues of US\$436 million and immaterial assets and liabilities as of 31 December 2022. Approximately 300 employees are expected to be transferred to the company.

## **Business environment**

In 2022, the global economy was impacted by persistent broad macroeconomic and geopolitical concerns, including Russia's invasion of Ukraine and the ongoing war, and inflationary and labour market pressures. Governments around the world responded to Russia's invasion of Ukraine by imposing economic sanctions, and global central banks addressed inflation by increasing policy interest rates several times over the course of the year. These factors contributed to increased market volatility during the year, as well as a decrease in global equity prices and bond prices and wider corporate credit spreads compared with the end of 2021.

The economic outlook remains uncertain, reflecting concerns about the continuation or escalation of the war between Russia and Ukraine and other geopolitical risks, inflation, and supply chain complications.

## **Impact of Russian Invasion of Ukraine**

The Russian invasion of Ukraine continues to negatively affect the global economy and has resulted in significant disruptions in financial markets and increased macroeconomic uncertainty.

Funds and separate accounts which the company manages do not have material exposures to Russia and Ukraine, and therefore there has been no material adverse impact on the company's management fees at the time of publication.

## **Date of authorisation of publication**

The IFPR-MIFIDPRU disclosures were authorised for publication by Board of Directors on March 31, 2023.

## Risk Management

### Overview

GSAMI is incorporated as a separate legal entity with its own management, governance and risk management focus. The risk philosophy and approach to risk appetite within GSAMI is, however, consistent with that of GS Group to the extent applicable to GSAMI's activities. This includes GS Group's risk preferences with respect to reputational risk management, operational risk management, tail-risk management, and model risk management, amongst others. GSAMI additionally has practices that are tailored to the specifics of GSAMI's business as a legal entity and which are incorporated into GSAMI's risk appetite and risk management approach.

GSAMI is in the business of serving our clients across multiple business areas and geographies. In the normal course of activities in serving such clients, GSAMI commits capital in support of its activities, engages in transactions on behalf of our clients, and otherwise incurs risk as an inherent part of its business. Consistent with the GS Group risk philosophy, GSAMI endeavours, however, not to undertake risk in form or amount that could potentially materially impair either the entity's capital and liquidity position, or the entity's ability to generate revenues, even in a stressed environment, or damage the entity's reputation.

GSAMI believes that effective risk management is critical to success of the company. Accordingly, GSAMI has established a risk management framework that employs a comprehensive, integrated approach to risk management, and is designed to enable comprehensive risk management processes through which the risks associated with the company's business are identified, assessed, monitored and managed, which is built around three core components: governance, processes and people.

The implementation of the company's risk governance structure and core risk management processes are overseen by the Global Asset Management Global Risk team, which operates independently of the portfolio managers and reports to the company's Chief Risk Officer. The Asset Management Global Risk team is responsible for ensuring that the company's risk management framework provides the Board of directors of GSAMI, the Executive Risk Committee and senior management with a consistent and integrated approach to managing the various risks in a manner consistent with the

company's risk appetite.

### Governance

The company has its own governance framework which complements Firmwide and EMEA organisation and governance. In addition, investment funds are also governed by their respective Fund Boards and regulators. The governance of GSAMI is distinct and separate from the governance of investment funds, for which GSAMI has been appointed as investment advisor.

Risk management governance starts with the Board of Directors of the company (the Board), which both directly and through its committees, including its Risk Committee, oversees the risk management policies and practices. The Board is also responsible for the annual review and approval of the company's risk appetite statement. The risk appetite statement describes the levels and types of risk the company is willing to accept or to avoid, in order to achieve strategic business objectives included in the strategic business plan, while remaining in compliance with regulatory requirements. The Board reviews the strategic business plan and is ultimately responsible for overseeing and providing direction about strategy and risk appetite.

In addition, GSAMI has an Executive Risk Committee which reports to the company's Management Committee and the Board and has responsibility for the directing and overseeing GSAMI's management in implementing appropriate risk guidelines/policies and risk management strategy for the legal entity, including but not limited to taking steps reasonably designed to ensure adherence to risk tolerance levels and establishing an appropriate risk limit framework. This committee convenes monthly to review key financial and risk metrics for the company including, but not limited to, financial performance, eligible regulatory capital and liquidity requirements (including the annual Internal Capital Adequacy and Risk Assessment "ICARA" exercise), credit risk, market risk, operational risk, including conduct risk, and stress tests. The Executive Risk Committee also monitors the performance and risk governance framework relevant to GSAMI's funds and separately managed accounts.

### Risk Culture

Our culture, as it relates to risk management, is the set of

shared norms and traditions of behaviour of individuals and of groups that determine the way in which we identify, understand, discuss and act on the risks we confront and choose to take. Core aspects of our culture, as fully articulated in the GS Group Business Principles, include integrity, teamwork, excellence, risk management, philanthropy and service, and above all, a deep commitment to the goals and needs of our clients.

As a legal entity of GS Group, GSAMI is committed to maintaining a culture that encourages and expects ethical conduct, as reflected in the firm's Business Principles, Core Values, and Code of Business Conduct and Ethics. We spend considerable time and effort establishing and maintaining an appropriate culture of compliance and ensuring that all employees are aware of their responsibilities in this regard. The independence and stature of our control functions, accountability, escalation and communication, and disciplined marking and accounting practices, are all integral components of our risk management approach.

The GSAMI Board, similar to the GS Group Board, oversees everything GSAMI does as an entity. The firmwide "Three Lines of Defence" framework empowers and drives accountability to first line risk takers, provides a construct for effective challenge by the second line, and ensures independent risk assurance from the third line.

The company's revenue-producing units, as well as, Engineering, Human Capital Management, Operations, and Corporate and Workplace Solutions, are considered the first line of defence and are accountable for the outcomes of the risk-generating activities, as well as for assessing and managing those risks within the company's risk appetite.

The independent risk oversight and control functions are considered the second line of defence and provide independent assessment, oversight and challenge of the risks taken by the first line of defence, as well as lead and participate in the Executive Risk Committee. Independent risk oversight and control functions include Compliance, Conflicts Resolution, Controllers, Legal, Risk and Tax.

Internal Audit is considered the third line of defence and reports directly to the GSAMI Board and administratively to the chief executive officer. Internal Audit includes professionals with a broad range of audit and industry experience, including risk management expertise. Internal Audit is responsible for independently assessing and

validating the effectiveness of key controls, including those within the risk management framework, and providing timely reporting to the GSAMI Board, senior management and regulators.

The company maintains strong and proactive communication about risk and it has a culture of collaboration in decision-making among the first and second lines of defence, committees and senior management. While the first line of defence is responsible for management of their risk, the company dedicates extensive resources to the second line of defence in order to ensure a strong oversight structure and an appropriate segregation of duties. The company regularly reinforces its strong culture of escalation and accountability across all functions.

### **Processes**

GSAMI maintains various processes that are critical components of its risk management framework, including (i) risk identification and assessment, (ii) risk appetite, limit and threshold setting, (iii) risk reporting and monitoring, and (iv) risk decision-making.

The company's approach for risk identification and assessment is comprehensive across all risk types, is dynamic and forward-looking to reflect and adapt to the company's changing risk profile and business environment, leverages subject matter expertise, and allows for prioritisation of the company's most critical risks. The company also recognises that climate change is an emerging risk that presents both challenges and opportunities for its business. Risk management functions continue to develop the company approach to identify and manage the risks to its assets and counterparties arising from climate change.

To effectively assess and monitor risks, GSAMI maintains a rigorous framework of limits and thresholds to control and monitor risk across the principal risk types, consistent with the company's risk appetite. The risk appetite and associated metrics of the company are reassessed at least annually, or more frequently in response to a material change to the nature of the business or its strategy. Credit Risk for GSAMI arises from cash at bank, asset management fees owed and intercompany loans. Market Risk for GSAMI arises from fluctuations in foreign exchange rates related to non-USD denominated balance sheet exposures and interest rate risk from intercompany loans. For Compliance and Operational Risk we strive to identify and address material adverse impact

form incidents that may arise. In addition, we evaluate our capabilities to manage and respond to these risks in line with the firm's standards. Also see "Own Funds Requirements", "Concentration Risk", and "Liquidity Risk" sections of this document for further information.

The company's risk reporting and monitoring processes are designed to take into account information about both existing and emerging risks, thereby enabling the company's risk committees and senior management to perform their responsibilities with the appropriate level of insight into risk exposures. Furthermore, the company's limit and threshold breach processes provide means for timely escalation. The company further evaluates changes in its risk profile and businesses, including changes in business mix and jurisdictions in which it operates.

An important part of GSAMI's risk management process is reverse stress testing of the company, as required as part of the annual ICARA process. This allows the company to identify and quantify its exposure to potential tail risks, assess and mitigate identified vulnerabilities, including to financial and non-financial risks, and quantify the potential impacts of such events on the company's capital adequacy and available liquidity.

## People

Even the best technology serves only as a tool for helping to make informed decisions in real time about the risks the company is taking. Ultimately, effective risk management requires people to interpret risk data on an ongoing and timely basis and adjust risk positions accordingly. The experience of the company's professionals, and their understanding of the nuances and limitations of each risk measure, guides the company in assessing exposures and maintaining them within prudent levels.

The company reinforces a culture of effective risk management, consistent with its risk appetite, in its training and development programmes, as well as in the way it evaluates performance, and recognises and rewards people. The company's training and development programmes, including certain sessions led by the most senior leaders, are focused on the importance of risk management, client relationships and reputational excellence.

As part of the company's annual performance review process, the company assesses reputational excellence, including how

an employee exercises good risk management and reputational judgement, and adheres to the company's code of conduct and compliance policies. GSAMI's review and reward processes are designed to discourage imprudent risk taking and to communicate and reinforce to its professionals the link between behaviour and how people are recognised, the need to focus on clients and reputation, and the need to always act in accordance with the highest standards of the company.

## Structure

Oversight of GSAMI's risk appetite and strategy, as set by senior management, is ultimately the responsibility of GSAMI's Board of Directors, who oversee risk both directly and through its various committees, most notably the Board Risk Committee. A series of executive committees and working groups within Asset Management with specific risk-management mandates covering important aspects of the company's businesses also have oversight or decision-making responsibilities for key areas of risk.

The three GSAMI Board committees authorised by the GSAMI Board are described below:

**GSAMI Board Risk Committee.** The Board Risk Committee is responsible for providing advice to the Board on the overall current and future risk appetite and strategy and assisting the Board in overseeing the implementation of that risk appetite and strategy by senior management. The Board Risk Committee endeavours to meet on a quarterly basis.

**GSAMI Remuneration Committee.** The Compensation Committee of the Board of Directors of GSAMI oversees the remuneration policies and practices of the company generally applicable to all its employees. The Board Remuneration Committee oversees the development and implementation of those remuneration policies and practices of the company that are required to supplement the Firm Remuneration Policies in accordance with the relevant provisions of the FCA Handbook and other applicable law and regulation.

**GSAMI Board Nominations Committee.** The Board Nominations Committee is responsible for assisting and providing guidance and recommendations to the Board and shareholders of the Company in relation to new appointments to the Board, and assessing the performance of the Board and Board Committees.



The two GSAMI Executive Committees are described below:

**GSAMI Management Committee.** The duties and responsibilities of the Committee include receiving regular updates on GSAMI's businesses and reviewing business and operational performance. It has the GSAMI Chief Executive Officer as its chairperson. The Committee also receives reports on significant regulatory matters and reviews GSAMI's financial condition and performance, as well as regular updates from the Chairperson of the GSAMI Executive Risk Committee, with reference to the current Board-approved GSAMI Risk Appetite Statement.

**GSAMI Executive Risk Committee.** The Committee is responsible for directing and overseeing GSAMI's management in implementing the appropriate risk guidelines, policies and risk management strategy for the legal entity, including but not limited to taking steps reasonably designed to ensure adherence to risk tolerance levels and establishing an appropriate risk limit framework. Its membership includes the GSAMI Chief Financial Officer and Chief Compliance Officer, as well as other senior managers from the Asset Management business and relevant independent control and support functions. It has the GSAMI Chief Risk Officer as its chairperson. The Executive Risk Committee endeavours to meet at least on a monthly basis.

Goldman Sachs and Goldman Sachs Asset Management are governed primarily on a global basis. However, given GSAMI's materiality to the Goldman Sachs business, regional and entity-specific governance arrangements are required and in place. There are a number of global firmwide governance structures, committees and working groups in place that also provide governance over the activities of GSAMI, the most significant of which are the GS Group Board of Directors, the Firmwide Audit Committee, the Firmwide Management Committee, the Firmwide Client and Business Standards Committee, the Firmwide Risk Committee and Firmwide Enterprise Risk Committee.

There is representation from GSAMI senior management and executive directors on the key global Asset Management forums and on certain of the European regional sub-committees of key firmwide committees. As examples, the GSAMI Chief Executive Officer is a member of the European Management Committee (EMC) and the European Conduct Committee (ECC) and the GSAMI Chief Risk Officer is a member on the Asset Management Risk Working Group and

the EMEA Operational Risk and Resilience Committee (EORRC).

The key committees and working groups which operate for the benefit of the GS Group as a whole and are not dedicated to individual GS Group legal entities, as well as those acting for the benefit of the global business of Asset Management, are described below:

**European Management Committee (EMC).** The Committee is accountable for business standards and practices, including reputational risk management and client services and conduct risk. Its membership includes senior managers from the revenue-producing divisions, including the Chief Executive Officer of GSAMI, and from the independent control and support functions. The EMC reports to Firmwide Client and Business Standards Committee. Items discussed at the EMC that are relevant to GSAMI are reported to the GSAMI Board or its committees, as appropriate.

**EMEA Conduct Committee (ECC).** The EMEA Conduct Committee has oversight responsibility for conduct risk, as well as with assisting senior management in overseeing the integrity of company personnel. Its membership includes senior managers from the revenue-producing divisions, including the Chief Executive Officer of GSAMI, and from the independent control and support functions. The EMEA Conduct Committee reports to the European Management Committee, GS Group's Firmwide Client and Business Standards Committee, and GSAMI Board or its committees, as appropriate.

**EMEA Operational Risk and Resilience Committee (EORRC).** The Committee provides oversight of the ongoing development and implementation of operational risk policies, framework and methodologies in the EMEA region, and monitors the effectiveness of operational risk and resilience management. The Committee is accountable for business standards and practices, including reputational risk management, client service and conduct risk, within the scope of its mission. Membership includes representation from Operational Risk, Credit, Market Risk, Legal, Compliance, Operations, Controllers and Technology, including the Chief Risk Officer for GSAMI. The EORRC reports to the EMEA Risk Committee. Items discussed at EORRC that are relevant to GSAMI are reported to the GSAMI Board or its committees, as appropriate.

**Asset Management Risk Working Group (AM Risk**

**Working Group).** AM Risk Working Group provides global oversight for the monitoring and control of financial risks associated with the activities of Asset Management. The Working Group reviews market, counterparty credit, operational, liquidity and reputational risks and establishes governance standards as appropriate. The Working Group is chaired by the global Chief Risk Officer of the Asset Management public markets business and the membership includes senior members from Independent Risk, including the Chief Risk Officer of GSAMI, Portfolio Management, Trading, Engineering, Legal, Compliance, Controllers, Operations and Internal Audit.

### **Risk Profile and Strategy**

In evaluating our risk appetite, GSAMI recognizes that our ability to safely incur risk can only be evaluated in the context of our overall control environment. This control environment is supported by the Board and its associated Committees, the company's Executive Risk Committee and Management Committee, our senior management, and the various committees and operating groups relevant to GSAMI and the Asset Management business as a whole. Our control environment is also supported by the relevant lines of defence which include our business units and our independent risk and control functions, which work together to identify, manage and provide oversight for the risks incurred in the conduct of the entity's business. Finally, this overall control environment is subject to independent reviews by our internal audit department, our third line of defence, and by our external auditors.

The company's overall risk appetite is established through an assessment of opportunities relative to potential loss, and is calibrated to GSAM's respective capital, liquidity and earnings capability. The primary means of evaluating opportunities relative to potential loss is through the ICARA. The key aspects of risk management documented through the ICARA process also forms part of GSAMI's day-to-day decision making process and culture.

GSAMI's Risk Appetite Statement (RAS) operates under, and complements the GS Group RAS, with respect to GSAMI's specific activities. The GSAMI RAS articulates the risk philosophy, the identification of risks generated by its business activities, as well as the tolerance and limits set in order to manage effectively those risks. Consistent with this objective, we pay particular attention to evaluating risks that are concentrated, correlated, illiquid, or have other adverse

characteristics. The intention is to mitigate or eliminate these risks, limiting them to such an extent that they could not, individually or collectively, materially and adversely affect GSAMI. GSAMI's management and Board regularly reviews risk exposures and risk appetite, and takes into consideration the key external constituencies, in particular GSAMI's clients, shareholders, creditors, rating agencies, and regulators. The long-term success of our business model is directly linked to the preservation of strong relationships with each of these key constituents.

The GSAMI Boards of Directors, and the Board Risk Committee, are actively engaged in reviewing and approving our overall risk appetite, as well as in reviewing GSAMI's risk profile. GSAMI's Risk Appetite Statement is reviewed in the first instance by the Board Risk Committees and subsequently approved by the Board at least annually. The Board Risk Committee also assesses and reviews any required amendments to the risk appetite statement outside of the annual approval process, to be approved by the Board. The Board of Directors receive quarterly updates on risk as well as ad-hoc risk-related updates, as appropriate.

The consideration of risk appetite and the underlying risk management framework ensures that GSAMI's businesses are congruent with our strategy under both normal and stressed environments. We believe that the risk management framework and the associated risk policies, procedures and systems in place are comprehensive and effective with regard to our risk profile and strategy. The framework is evaluated on an ongoing basis and subject to independent internal audit assessments to ensure our risk management framework, and the implementation thereof, remain effective.

### **Risk Measurement**

On a day-to-day basis, risk measurement plays an important role in articulating the risk appetite of GSAMI and in managing the risk profile as expressed in the Risk Appetite Statement. We measure risk using a suite of metrics, as relevant to each type of risk, including stress scenario analysis conducted periodically on the company itself, and regularly on the client portfolios contracted to the company. These risks are tracked systematically and they are monitored and reported to the relevant senior management Committees and the Board on a regular basis.

A number of specialist committees and governance bodies sit within the broader risk management framework with

responsibilities for the monitoring of specific risks against limits or tolerances and the escalation of any breaches. Specific governance bodies are in place for the management of credit, market, liquidity, model and operational risk.

GSAMI's risk management framework, which is subject to oversight from the Board of Directors, operates independently of revenue producing divisions and other non-revenue producing units such as compliance, finance, legal, internal audit and operations.

GSAMI is connected and integrated, where appropriate, into the broader firmwide organizational structure and risk governance framework, and applies a risk philosophy and risk management principles consistent with GS Group, to the extent applicable to GSAMI's activities. For an overview of GS Groups risk management framework, including Board governance, processes and committee structure, see "Risk Management – Overview and Structure of Risk Management" in Part II, Item 7 "Management's Discussion

and Analysis of Financial Condition and Results of Operations" in the firm's 2022 Form 10-K.

### **Adequacy of Risk Management Arrangements**

The company is satisfied that the risk management arrangements and systems, as described above, are appropriate given the strategy and risk profile of GSAMI. These elements are reviewed at least annually and, where appropriate, updated on an ongoing basis to reflect best practice, evolving business and market conditions and changing regulatory requirements.

## Own Funds Requirements

### K-Factor Requirement and Fixed Overheads Requirements

In accordance with MIFIDPRU 4.3.2, the Company is required to hold own funds in excess of the greater of the K-Factors, Fixed Overhead Requirements (“FOR”) or its Permanent Minimum Capital Requirement (“PMR”).

In accordance with MIFIDPRU 8.5, a company must disclose its K-Factor requirements and the amount of Fixed Overhead Requirements (“FOR”) as detailed in Table 1 below:

**Table 1: Own Funds Requirements**

Item		US\$'000
K-Factor	$\Sigma$ K-AUM + K-CMH + K-ASA	74,573
	$\Sigma$ K-DTF + K-COH	416
	$\Sigma$ K-NPR + K-CMG + K-TCD + K-CON	819
Fixed Overheads Requirement (“FOR”)		47,059
Permanent Minimum capital requirement		90

### Approach to assessing the adequacy of own funds

The objective of the Internal Capital Adequacy and Risk Assessment (ICARA) is to ensure that appropriate controls are in place to identify and manage potential harms that may arise from the ongoing operations of the company's and to ensure that the company holds sufficient financial resource for the business it undertakes.

GSAMI is required to disclose its approach to assessing the adequacy of its own funds in accordance with the Overall Financial Adequacy Rule (“OFAR”) as outlined in MIFIDPRU 7.4.7R. The ICARA reflects the new capital and liquid assets requirements laid out in MIFIDPRU which require two quantitative assessments to determine the overall capital and liquid asset threshold requirement:

- Assessment of capital and liquid assets required to support ongoing operations; and
- Assessment of capital and liquid assets required to execute an orderly wind-down.

The higher of these two assessments determines the overall capital and liquid asset threshold requirements.

### Risk Identification and associated harm analysis

In the ICARA we perform a comprehensive risk identification and assessment of potential harms to the company, clients and wider market that may arise through GSAMI’s business operations.

The risks and associated harms assessment comprises a five-step process which includes:

- identification of risks and their associated harms;
- an assessment of the harms and impacted stakeholders;
- assessment of likelihood and severity of each risk potentially resulting in harm;
- quantitative and non-quantitative mitigants for each risk and
- a conclusion of whether additional capital and liquid assets is required to mitigate any residual risk.

The results of this analysis is a key input to ICARA’s quantitative capital and liquid asset assessments.

### Assessment of Capital and Liquid Asset Threshold Requirement

#### Capital Threshold requirement

The capital threshold requirement is the amount of capital that GSAMI is required to hold to comply with the overall financial adequacy rule.

We calculate the capital threshold requirement as the higher of:

- **Assessment from ongoing operations:** the higher of the permanent minimum capital requirement, K-factors and our internal assessment of the capital required for

ongoing operations.

- **Assessment from wind-down:** the higher of the Fixed Overhead Requirement (“FOR”) and our internal assessment of capital required to execute an orderly wind-down.
- **Transitional provisions:** the average value of the Individual Capital Guidance (“ICG”) for 2021 continues to apply until the earlier of the FCA completing a Supervisory Review & Evaluation Process (“SREP”) or six months following the submission of this ICARA. This formed the binding capital requirement through 2022 and GSAMI had sufficient capital to meet this requirement. This transitional provision expired on 28 February 2023 following which GSAMI’s binding capital requirement is the Capital Threshold Amount quantified in the ICARA. GSAMI continues to hold sufficient capital in excess of its binding capital requirement.

### **Liquid Asset Threshold Requirement**

For information on Liquidity Asset Threshold Requirement, see “Liquidity Risk”.

### **UK Asset Management Business Transfer**

In connection with the planned transfer of the UK Private Asset Management Business to GSAMI, an update to the 2021 ICARA is in progress. Once this is concluded the company expects to recalibrate its capital and liquid asset threshold requirements. The company expects to be in a position to meet the recalibrated requirements from existing resources.

## Liquidity Risk

### Overview

Goldman Sachs Asset Management International (GSAMI or “the company”) is subject to the Prudential sourcebook for MIFID Investment Firms (MIFIDPRU regulation) with regards to liquid assets requirements for investment firms (the “liquidity standards”). The liquidity standards set forth minimum liquidity levels designed to ensure that investment companies maintain adequate liquid assets to cover ongoing business operations and wind down liquidity requirements, as well as mitigate harms that manifest as liquidity requirements.

### Liquidity Risk Management

Liquidity risk is the risk that the company will be unable to fund itself or meet its liquidity needs in the event of company-specific, broader industry or market liquidity stress events.

Liquidity is of critical importance to the company, and accordingly, the company has in place a comprehensive and conservative set of liquidity and funding policies. The principal objective of the company is to be able to fund the company and to enable its core businesses to continue to serve clients and generate revenues, even under adverse circumstances.

Liquidity Risk, which is independent of the First Line of Defense (“1LoD”), and reports to the Chief Risk Officer, has the primary responsibility for assessing, monitoring, and managing our liquidity risk through oversight and establishment of stress testing and limits frameworks.

The company uses liquidity thresholds and limits across relevant liquidity risk types to monitor and manage the size of its liquidity exposures. The purpose of the company’s Liquidity Risk Limits Framework is to assist senior management in monitoring and managing our overall liquidity profile and to ensure that the company always maintains appropriate levels of liquidity relative to established risk tolerance.

The company is considered to have minimal liquidity risk due to the nature of its business activity, the term of its funding sources (i.e., capital) and the amount of liquid assets held in the entity.

### Compliance with Liquidity Requirements

The company is subject to compliance with the liquidity regulations of the FCA’s MIFIDPRU regime which require the company to maintain core liquid assets in excess of the wind down threshold, and total liquid assets in excess of the liquidity threshold requirement. The company manages its liquidity across metrics in excess of the regulatory requirements and in excess of our established liquidity risk appetite threshold and limits. Monitoring of liquidity against these thresholds and limits is reported to the Company’s Risk Committee and the Board.

The FCA also requires the company to assess harms as detailed in MIFIDPRU 7 Annex 1 arising from insufficient liquid assets, and to quantify whether additional liquid assets are required to mitigate these harms. The company’s assessment concludes that the existing liquidity risk framework appropriately mitigates against the identified harms such that there is no requirement to hold additional liquid assets above the FCA’s threshold requirement (further detail in Potential for harm associated with the business strategy section).

### Threshold Requirement for Total Liquid Assets

Compliance with the FCA’s liquid asset threshold requirement ensures that the company holds sufficient liquid assets to fund its ongoing business operations during each quarter over the next 12 months, remain financially viable throughout the economic cycle, has the ability to address any material potential harm that may result from its ongoing activities, and account for relevant severe but plausible stresses that could affect the company’s business.

The company holds liquid assets as a mitigant to harms that may result in liquidity outflows i.e. operational expenses, errors and fails, intraday receipts and payments, and currency mismatch in asset-related and liability related outflows. To meet the company’s “basic liquid asset” requirements, a portion of the entity’s liquid assets is held in GBP to qualify as a “core liquid asset”. Remaining non-core liquid assets are maintained to meet the threshold requirement.

### **Wind Down Requirement for Core Liquid Assets**

The Wind Down requirement is sized as 1-month of fixed operating costs for the company, and a sufficient amount of GBP-denominated liquid assets (described in Threshold Requirement for Total Liquid Assets section) is held to meet this.

### **Potential for harm associated with business strategy**

For each potential harm assessed in line with the MIFIDPRU 7 regulation, the materiality for the company has been determined, and appropriate mitigants identified from the existing liquidity risk framework. Where relevant, liquid assets held as a mitigant for these harms have also been identified.

The company's balance sheet is composed primarily of short dated liquid assets and intercompany receivables, which are funded by its capital base, and intercompany payables, which results in minimal liquidity risk. The company's payment obligations are primarily operating expenses and intercompany payables.

The company maintains excess liquidity and various risk management methods in accordance with the liquidity risk appetite as approved by the Board. There is sufficient liquidity to enable the entity to continue to fund operating cash flows through periods of stress, quantified through the internal estimate of operating expenses, and in parallel the liquidity is in excess of the FCA MIFIDPRU liquidity requirements covering ongoing business operations and wind down liquidity requirements.

The company is also exposed to intraday risk through cash payment and securities settlement agents - and the liquidity held is significantly higher than the intraday need (supported by assessment of the average daily payments and receipts in the entity).

Where there are potential liquidity outflows related to other harms (detailed in MIFIDPRU 7 Annex 1), which are not already prefunded in the company's liquidity pool, liquidity is prefunded at the GS Group level (as in the case of franchise considerations) or may be met with the company's contingent liquidity options where harm-related outflows are longer-dated.

To ensure appropriate strategies and processes are in place to manage risk, the company has its own governance framework which complements the GS Group and EMEA organization and governance. Risk management is ultimately overseen by the company's Board of Directors, but the company also has an Executive Risk Committee, which reviews liquidity risk policy on an annual basis. The governance of the company is distinct and separate from the governance of investment funds, for which GSAMI has been appointed as investment advisor.

Senior management review the liquidity risk management framework on an ongoing basis. They ensure appropriate risk guidelines, policies and risk management strategy for the legal entity are implemented, and, among other things, review risk reports for the purpose of identifying significant harms or exposures at the entity level as well as harms that could impact the entity's clients and broader market.

## Concentration Risk

### Overview

Goldman Sachs Asset Management International (GSAMI or “the company”) is subject to the Prudential sourcebook for MIFID Investment Firms (MIFIDPRU regulation) with regards to the requirement to monitor concentration risk.

### Concentration Risk Management

Concentration risk is the over-reliance on an individual counterparty or a group of connected counterparties.

GSAMI generates revenues in the form of fees from funds and separate accounts. Fees from funds are settled either from the Assets under Management of the fund or through amounts due from affiliates, for which the credit risk is considered minimal. For separate accounts, the company manages its credit risk through periodic review and escalation of any amounts overdue. Separate account receivable exposures are generally well diversified. The company is also exposed to credit risk associated with balances held in its bank accounts, an unsecured term loan

with an Goldman Sachs International, and general intercompany balances held with affiliate entities. The credit risk associated with cash is mitigated through placement with highly-rated banks. The credit risk associated with amounts due from affiliates is considered minimal considering the credit quality of these entities.

Exposures to significant counterparties are also captured as part of monthly balance sheet reporting to the Executive Risk Committee. The company’s assets primarily comprise its liquid assets and its unsecured term loan with an affiliate, Goldman Sachs International. GSAMI’s liquid assets are ringfenced and held with a third party to mitigate concentration of GSAMI’s total assets.

Further, the liquidity of the entity is managed excluding any benefit of the recall of the unsecured term loan with the affiliate, Goldman Sachs International.



## Own Funds

GSAMI own funds comprise of CET 1 capital in the form of common shares, share premium, reserves and retained profits. Currently, GSAMI has no additional Tier 1 or Tier 2 capital but does have a Tier 2 eligible subordinated debt agreement with Goldman Sachs Group Inc. that is available to meet additional capital requirements if required.

The table below presents information on the detailed capital position as at December 31, 2022.

**Table 2: Composition of Regulatory Own Funds**

	Item	US\$'000	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	573,720	
2	TIER 1 CAPITAL	573,720	
3	COMMON EQUITY TIER 1 CAPITAL	573,720	
4	Fully paid up capital instruments	100,944	Item 8
5	Share premium	69,232	Item 9
6	Retained earnings	419,958	Item 10
7	Accumulated other comprehensive income	0	
8	Other reserves	0	
9	Adjustments to CET1 due to prudential filters	0	
10	Other funds	0	
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(16,414)	Item 2 and Item 5
19	CET1: Other capital elements, deductions and adjustments	0	
20	ADDITIONAL TIER 1 CAPITAL	0	
21	Fully paid up, directly issued capital instruments	0	
22	Share premium	0	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	0	
24	Additional Tier 1: Other capital elements, deductions and adjustments	0	
25	TIER 2 CAPITAL	0	
26	Fully paid up, directly issued capital instruments	0	
27	Share premium	0	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	0	
29	Tier 2: Other capital elements, deductions and adjustments	0	

**IFPR: MIFIDPRU Disclosures**

The following table provides a reconciliation of GSAMI balance sheet as of December 31, 2022 on accounting consolidation basis to the GSAMI balance sheet under regulatory scope of consolidation. The company is required to publish the disclosures on solo basis as per MIFIDPRU 8, hence column “Under regulatory scope of consolidation” is not applicable.

**Table 3: Reconciliation of regulatory own funds to balance sheet in the audited financial statements**

		Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross reference to template OF1
		As at period end	As at period end	US\$'000
<b>Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements</b>				
	<b>Fixed assets</b>			
1	Investments	58		
2	Intangible assets	14,559		Item 11
		<b>14,617</b>		
	<b>Current assets</b>			
3	Cash at bank and in hand	289,397		
4	Debtors	529,162		
5	Deferred tax assets	1,855		Item 11
		<b>820,414</b>		
<b>Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements</b>				
6	<b>Creditors: Amount falling due within one year</b>	<b>(241,303)</b>		
7	<b>Creditors: Amount falling due after more than one year</b>	<b>(3,594)</b>		
	<b>Net assets</b>	<b>590,134</b>	<b>0</b>	
<b>Shareholder's equity</b>				
	<b>Capital and reserves</b>			
8	Called up share capital	100,944		Item 4
9	Share premium account	69,232		Item 5
10	Profit and loss account	419,958		Item 6
	<b>Total shareholder's funds</b>	<b>590,134</b>	<b>0</b>	

**IFPR: MIFIDPRU Disclosures**

The following table summarises the main features of capital instruments issued by GSAMI as of December 2022.

**Table 4: Main features of own instruments issued by the company**

<b>US\$'000</b>	<b>As of December 2022</b>
Public or private placement	Private Placement
Instrument type	Ordinary shares
Amount recognised in regulatory capital	\$ 100,944
Nominal amount of instrument	\$ 100,944
Issue price	\$ 100,944
Redemption price	\$ 100,944
Accounting classification	Shareholder's Equity
Original date of issuance	27 February 1990
Perpetual or dated	Perpetual
Maturity date	No Maturity
Issuer call subject to prior supervisory approval	N/A
Optional call date, contingent call dates and redemption amount	N/A
Subsequent call dates, if applicable	N/A
Coupons/dividends	N/A
Fixed or floating dividend/coupon	N/A
Coupon rate and any related index	N/A
Existence of a dividend stopper	No
Convertible or non-convertible	N/A
Write-down features	N/A
Link to the terms and conditions of the instrument	See below

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

## **Governance Arrangements**

The board of directors of the company (the Board) has overall responsibility for the management of the company. As part of this role, the Board approves and oversees implementation of the company's strategic objectives, risk strategy and internal governance. The Board monitors the integrity of the company's accounting and financial reporting systems including financial and operational controls and regulatory compliance and has oversight of senior management.

As a subsidiary within GS Group, the company's strategy is aligned to that of the GS Group. The Executive Directors and senior management are responsible for implementing the company's strategy, risk management framework based on its risk appetite, oversight of controls and compliance and the company's business objectives, which are set and overseen by the Board. The Non-Executive Directors scrutinise and challenge the decisions of the Executive Directors and senior management who update the Board on the company's performance against its strategic objectives at Board meetings. The Board is supported by Risk, Nominations and Remuneration Board committees, whose membership includes non-executive directors to enable oversight and challenge to senior management. The chairs of these Board committees report to the Board on the proceedings and recommendations of the Board committees.

The Board and its Committees are supported by a Corporate Governance function that ensures the timely and accurate flow of information so that the company meets all its legal and regulatory obligations and that the Board is appropriately briefed at all times. The company's governance model fully incorporates the Senior Managers and Certification Regime.

The directors collectively possess a broad range of skills, backgrounds, experience and knowledge appropriate for the effective oversight of the company's business, as can be seen from their biographies below. The Board Nominations Committee oversees the effectiveness of the Board and its committees and their chairs and members, and evaluates this annually. It also reviews the size, structure and composition of the Board, and the company's diversity policy. The approach to directors' conflicts of interest and the anticipated time commitment required is discussed with each director on their joining the Board and

reviewed annually as part of the fitness and propriety assessment process.

## **Diversity Policy**

Directors of the company are selected based primarily on the following criteria: (i) judgement, character, expertise, skills and knowledge useful to the oversight of the companies' businesses; (ii) diversity of viewpoints, backgrounds, experiences, and other demographics; (iii) business or other relevant experience; and (iv) the extent to which the interplay of the candidate's expertise, skills, knowledge and experience with that of other Board members will build a Board that is effective, collegial and responsive to the needs of the company.

In selecting new directors, we consider a number of factors in seeking to develop a Board that, as a whole, reflects a range of skills, diversity, experience and expertise. It is our aim that at least 40% of the members of the boards of the regulated entities in the UK are women. As of December 31, 2022, 75.0% of the members of the GSAMI Board were women.

## **Directorships held by the Board**

We have set out below the biographies of the members of the Board of GSAMI as of December 31, 2022, together with the positions and number of directorships they held at that date, including those at Goldman Sachs. We have excluded appointments held with organisations which do not pursue predominantly commercial objectives, such as charitable, educational and religious community organisations and counted directorships held within the same group as a single directorship in accordance with the FCA's MIFIDPRU handbook at 8.3.2. No modification or waiver of SYSC 4.3A.6R(1)(a) or (b) in order to allow a member of the Board to hold additional directorships has been requested or granted.

Table 5: GSAMI Board of Directors<sup>1</sup>

Name	Role	Background	Directorships
Katherine Uniacke	Chair	Katherine (Kaysie) is the Chair of the company, chair of its Board Remuneration Committee and an advisory director to Goldman Sachs. She also serves on the boards of Goldman Sachs BDC, Inc. and the Goldman Sachs Luxembourg and Dublin family of funds. Kaysie was global chief operating officer of Goldman Sachs Asset Management's portfolio management business until 2012 and served on the Investment Management Division Client and Business Standards Committee. Prior to that, she was president of Goldman Sachs Trust, the mutual fund family, and was head of the Fiduciary Management business within Global Manager Strategies, responsible for business development and client service globally. Earlier in her career, Kaysie managed Goldman Sachs Asset Management's US and Canadian Distribution groups and was head of the Global Cash Services business. Kaysie joined Goldman Sachs in 1983 and was named managing director in 1997 and partner in 2002. Kaysie earned a BA in Economics from Gettysburg College in 1983 and an MBA from New York University's Stern School of Business in 1988.	1
Fadi Abuali	Chief Executive Officer	Fadi is chief executive officer of the company, co-chief executive officer of Goldman Sachs for the Middle East and North Africa region and head of Asset Management EMEA Client Business. He is a member of the European Management Committee and the EMEA Conduct Committee and is chair of the EMEA Asset Management Public Management Committee. Fadi joined Goldman Sachs in 1997 as an associate and rejoined the firm in 2001 as an executive director. He was named managing director in 2006 and partner in 2014. Fadi serves on the Board of Directors of the Walkabout Foundation and is a member of The Investment Association's Advisory Council in the United Kingdom. He earned a BA from the University of Pennsylvania and a BSc from the Wharton School of the University of Pennsylvania.	1
Kristy Jago	Executive Director	Kristy is an executive director of the company. Within Asset Management at Goldman Sachs she is global head of Investment Operations and regional head of Public Markets Operations for EMEA and Asia Pacific. She is a member of the Operations Leadership Group and the Goldman Sachs Asset Management Risk Committee. Previously, Kristy was regional head of Consumer and Investment Management Division (CIMD) Operations in EMEA and Asia Pacific, the global CIMD Operations Regulatory Middle Office and the Goldman Sachs Asset Management Request for Proposal team. Prior to that, she was global head of Bank Relations and Operations Vendor Management, head of European Trading Operations and an embedded risk manager for Securities Operations. Kristy joined Goldman Sachs in 1998 as an analyst and was named managing director in 2015. Kristy earned an MSc in Environmental Science from the University of Sheffield in 1994.	1
Karen Sharpe	Independent Non-Executive Director	Karen is an independent non-executive director of the company and chair of its Board Risk and Nominations Committees. She is also a non-executive director of State Street Global Advisors Limited, with a key focus on technology, compliance, risk and audit. Karen is also a director and trustee of the Suffolk Agricultural Association, where she serves as Chair of the Audit, Risk and Investment Committees. Previously, Karen led a team at PwC, providing third party assurance services to UK Asset Managers. In her earlier career, Karen has held senior positions at Norwich Union General Insurance, Deloitte & Touche, British Aerospace plc and the National Audit Office. Karen has also previously served as the president and treasurer of the board of the London Chapter of ISACA, a global professional association for IT auditors. Karen earned a BA(Hons) in business studies from the University of Central Lancashire. She is a Chartered Accountant and a fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), and serves on the ICAEW's East Region Committee. She is also a member of the Women on Boards network and a member of PwC's Women in Risk network.	3, non-executive
Carinne Withey <sup>2</sup>	Independent Non-Executive Director	Carinne was a non-executive director of the company during 2022, but retired at the end of that year. Carinne also chairs the Audit and Risk Committee of Hayfin Capital Management LLP, as well as their Diversity and Inclusion Committee, and is an independent adviser to the partnership. Previously, Carinne was chair of the board of Freedog Ltd. Carinne was head of Compliance in the Securities Division of Goldman Sachs International until 2009 and was on the board of GS Equity Services Limited. Prior to that she led Fixed Income, Commodities and Currencies Compliance in Europe, Middle East and Africa, sat on the Audit and Compliance Committee of Goldman Sachs International and the Audit and Risk Committee of Goldman Sachs Paris Bank. Carinne was named a Goldman Sachs Managing Director in 2006. Carinne has a Bachelor of Laws degree from King's College London and a Maitrise de Droit Prive from Pantheon-Sorbonne Paris. She has a Diplôme d'Etudes Universitaires Generales in Philosophy from La Sorbonne, Paris.	0

<sup>1</sup> Michael Holmes retired as an executive director on 31 March 2022;

Petra Monteiro was approved as an executive director on 26 April 2022, subject to regulatory approval which is still pending;

Satish Bapat was approved as an executive director on 7 December 2022, subject to regulatory approval which is still pending;

Glenn Thorpe retired as an executive director on 14 December 2022;

James Garman was approved as an executive director on 14 December 2022 to join the Board on 3 April 2023 as Co-CEO with Fadi Abuali; and

Rebecca Fuller was approved as a non-executive director on 31 January 2023, subject to regulatory notification which is still pending.

<sup>2</sup> Carinne Withey retired as a non-executive director on 31 December 2022.

## Investment Policy

The following templates includes information on voting rights and behaviour in respect of certain investments held by the company or on behalf of client where the aggregate holdings controlled by the company exceeds 5% of total voting rights at the time of the company annual general meeting and only to investments in shares listed on regulated markets.

All of Goldman Sachs Asset Management's proxy voting records are disclosed on a quarterly basis and can be found [here](#), as well as our Global Proxy Voting Policy which can be accessed [here](#).

Table 6 provides a breakdown of Proportion of Voting Rights as at the date of the relevant annual meeting.

**Table 6: Template on Proportion of Voting Rights**

Company Name	LEI	Proportion of voting rights attached to shares held directly or indirectly in accordance with MIFIDPRU 8.7.4R
Nova Ljubljanska Banka d.d	5493001BABFV7P27OW30	2,534,940

Table 7 provides a description of Voting Behaviour as at the date of the relevant annual meeting.

**Table 7: Table on the Description of Voting Behaviour**

Row	Item	Value
1	Number of relevant companies in the scope of disclosure	1
2	Number of general meetings in the scope of disclosure during the past year	1
3	Number of general meetings in the scope of disclosure in which the firm has voted during the past year	1
4	Does the investment firm inform the company of negative votes prior to the general meeting? (Yes/No/Other – please explain)  <b>Reason:</b> Global Stewardship Team regularly engages on proxy and shareholder relations topics, and through these engagements we often provide feedback on our proxy voting decisions and approach. Additionally, we outline in our <a href="#">Global Proxy Voting Policy</a> the factors we generally consider when making voting decisions and disclose our global voting records on a quarterly basis for proxies voted in accordance with our policy. The rationale is included at constituents of the S&P500 and FTSE 350 where we voted against the recommendation of management and/or the item is a shareholder proposal.	No
5	On a consolidated basis, does the investment firm group possess a policy regarding conflicts of interests between relevant entities of the group? (Yes/No)	Yes
6	If yes, summary of this policy	See below

### Summary of the policy regarding conflicts of interests

We have implemented processes designed to prevent conflicts of interest from influencing our stewardship activities.

The arrangements put in place by Goldman Sachs Asset Management to seek to manage its conflicts of interests include:

#### Information barriers / separation of function

Both Group Inc. among its various divisions, and Goldman Sachs Asset Management between certain businesses, have established certain physical, procedural and electronic information barriers. These barriers are designed to restrict the flow of information and to achieve arms-length interaction among different parts of Group Inc. and Goldman Sachs Asset Management. This enables business to be carried out within the firm while minimizing the possibility of that business being influenced by any conflicts that may exist.

#### Policies and procedures (building on regulatory requirements)

There are many different laws and regulations to which Group Inc. and Goldman Sachs Asset Management are subject around the world that prohibit, or require Group Inc. / Goldman Sachs Asset Management to manage situations where a conflict of interest

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may arise. Goldman Sachs Asset Management has policies and procedures, including escalation protocols, designed to ensure compliance with these laws and regulations and, in Goldman Sachs Asset Management's case as an investment management agent or advisor, designed to ensure that it manages its conflicts in a way that is compatible with its duty to act as trusted agent or advisor of the client.

**Governance and control oversight**

Through compliance monitoring, review oversight and targeted testing, as well as governance oversight by relevant committees and management bodies including boards, and internal audit reviews of key areas on a rolling basis Goldman Sachs Asset Management seeks to ensure that the practice of its business operations are carried out in line with its information barriers, policies and procedures, and duties to clients.

**Compensation / rewards structure**

Goldman Sachs Asset Management's compensation policy seeks to align employee, shareholder and Goldman Sachs Asset Management client interests to the extent appropriate while not encouraging excessive risk-taking by employees.

**Disclosure / client understanding:**

Whilst disclosure is not itself a substitute for the appropriate management of conflicts in all respects, it is important that in deciding to partner with Goldman Sachs Asset Management, clients understand the potential conflicts to which Goldman Sachs Asset Management is subject and why, so that they understand the context in which Goldman Sachs Asset Management operates its business.

For additional information on Conflicts of Interest, please see section D of our [Proxy Voting Policy](#) as well as [Our Approach to Stewardship](#).

**Table 8: Template on Voting Behaviour**

Row	Item	Value	Percentage (of all resolutions)
1	General meetings resolutions:	16	100%
2	the firm has approved management's recommendation	15	94%
3	the firm has opposed management's recommendation	1	6%
4	in which the firm has abstained	0	0%
5	General meetings in which the firm has opposed at least one resolution	1	56%

Table 9 provides a description of Voting Behaviour in Resolutions by Theme as at the date of the relevant annual meeting.

**Table 9: Template on Voting Behaviour in Resolutions by Theme**

Row	Item	Voted for	Voted against	Abstained	Total
1	Voted resolutions by theme during the past year:	7	9	0	16
2	Board structure	0	0	0	0
3	Executive remuneration	0	1	0	1
4	Auditors	1	0	0	1
5	Environment, social, governance not covered by rows 2-4	1	0	0	1
6	Capital transactions	1	0	0	1
7	External resolutions (eg shareholder proposals)	0	8	0	8
8	Other	4	0	0	4
9	Percentage of all resolutions put forward by the administrative or management body that are approved by the firm	44%	56%	0%	100%

### **IP3- Table on the use of Proxy Advisor Firms**

Goldman Sachs Asset Management has developed a customized Global Proxy Voting Policy and guidelines in order to execute our voting responsibilities where clients have delegated proxy voting responsibility to us.

We have retained a third-party proxy voting service, Institutional Shareholder Services (“ISS”), to assist in the implementation of certain proxy voting-related functions including, without limitation, operational, recordkeeping and reporting services. Among its responsibilities, the proxy service prepares a written analysis and recommendation of each proxy vote that reflects the proxy service’s application of our guidelines to the particular proxy issues. In addition, in order to facilitate the casting of votes in an efficient manner, the proxy service generally prepopulates and automatically submits votes for all proxy matters in accordance with such recommendations, subject to our ability to recall such automatically submitted votes. We also have a contract with Glass Lewis to obtain additional analysis on proxy issues.

We retain the responsibility for proxy voting decisions, and we set our own proxy voting policy and do not rely on the proxy voting service house policy.

We conduct an annual due diligence meeting with the proxy voting service to review the processes and procedures the proxy voting service follows when making proxy voting recommendations based on the Guidelines and to discuss any material changes in the services, operations, staffing or processes. To ensure the proxy voting service has appropriately implemented the Policy, the Global Stewardship Team and Operations monitor a representative sample of the recommendations.

### **IP4- Table on Voting Guidelines**

Our guiding principles in performing proxy voting are to make decisions that favor proposals that in our view maximize a company’s shareholder value and are not influenced by conflicts of interest. To implement these guiding principles for investments in publicly traded equities for which we have voting power on any record date, we follow customized proxy voting guidelines that have been developed by our investment and our Global Stewardship teams.

The below summarizes some of our expectations of our

portfolio companies as it relates to proxy voting. Please refer to our full [Global Proxy Voting Policy](#) for further details.

### **Approach to Governance**

We generally believe companies should seek to comply with generally accepted corporate governance best practices as well as the corporate governance standards that are applicable in their country of incorporation. This includes recognition of the impact of business decisions on the environment, as well as recognition of the positive and negative impacts of their business decisions on social and human rights issues in the regions in which they operate.

### **Shareholder Rights**

All shareholders should be given the opportunity to participate effectively and on an informed basis in shareholder meetings. Companies should facilitate the exercise of ownership rights by all shareholders, including by giving shareholders timely and adequate notice of all matters proposed for a shareholder vote. Generally, “one-share-one-vote” structures are preferable.

### **The Board of Directors**

We seek to hold the Board of Directors accountable for actions and results related to their responsibilities. The Board of Directors should be accountable to shareholders and stakeholders and should base their decisions on what is in the best long term interests of the company, its shareholders and its stakeholders. To support the shareholder’s ability to hold our directors to account, the Board of Directors should generally adopt an unclassified structure to allow shareholders to vote on the appointment of directors annually.

Boards should be made up of a majority of independent directors or meet local market best practices. We generally believe diverse teams have the potential to outperform and we expect the directors of public companies to have diverse skill sets and experiences. Diversity of ethnicity, gender and experience are important considerations in Board composition. Boards should generally consist of directors with varied tenures and focus on succession planning for refreshment of directors over time.

Boards should establish committees to oversee areas such as audit, executive and non-executive compensation, director nominations and risk oversight as required by their local market best practices or as is appropriate for the company’s



circumstances and operations. The responsibilities and membership of these committees should be publicly disclosed.

Board members should ensure that they have sufficient time available to discharge their duties and should attend Board and committee meetings regularly.

### **Executive Compensation**

Executive compensation plan structures are an important element of the corporate governance framework. Good compensation plans have characteristics which seek to attract and retain key executives and align management's compensation with long-term shareholder value creation and shareholder's best interests. We generally believe that compensation committees are best placed to know what is needed for the plans they are responsible for and will generally be supportive of plans that broadly meet the characteristics we consider important.

### **Reporting and Audit**

Companies should provide high quality, reliable and transparent financial and non-financial reporting. An independent, high quality audit is important for shareholders. Auditors should be independent and any non-audit related fees paid to the audit firm should therefore not be excessive. The Board or its appropriate committee should take steps to ensure that company reporting is reliable, fair balanced and understandable and that the external auditor delivers a robust and high quality audit.

## Remuneration Disclosures

### Introduction

The following disclosures are made by Goldman Sachs Asset Management International in accordance with Article 8.6 of the Markets in Financial Instruments Directive Prudential Regulation (MIFIDPRU) in respect of Goldman Sachs Asset Management International (“GSAMI”), applicable in the UK pursuant to the European Union (Withdrawal) Act in 2018 and in accordance with the Prudential Sourcebooks of the Financial Conduct Authority (“FCA”) in respect of Goldman Sachs Asset Management International. The Investment Firms Prudential Regime (“IFPR”) is the Financial Conduct Authority’s (“FCA”) new prudential regime for MiFID investment firms which aims to streamline and simplify the prudential requirements for UK investment firms. IFPR came into force on 1 January 2022 and its provisions apply to GSAMI as an FCA-authorized and regulated MIFIDPRU firm.

### Remuneration Programme Philosophy

Retention of talented employees is critical to executing the firm’s business strategy successfully. Remuneration is, therefore, a key component of the costs the firm incurs to generate revenues, similar to cost of goods sold or manufacturing costs in other industries.

The remuneration philosophy and the objectives of the remuneration programme for the firm are reflected in the Compensation Principles for The Goldman Sachs Group, Inc. (“GS Group”), as posted on the Goldman Sachs public website:

<http://www.goldmansachs.com/investor-relations/corporate-governance/corporate-governance-documents/compensation-principles.pdf>

In particular, effective remuneration practices should:

- (i) Encourage a real sense of teamwork and communication, binding individual short-term interests to the institution’s long-term interests;
- (ii) Evaluate performance on a multi-year basis;
- (iii) Discourage excessive or concentrated risk-taking;
- (iv) Allow an institution to attract and retain proven talent;
- (v) Align aggregate remuneration for the Firm with performance over the cycle;

- (vi) Promote a strong risk management & control environment.

### Compensation Frameworks

The Amended and Restated Firmwide Performance Assessment & Variable Compensation Framework (“Firmwide Compensation Framework”) formalises the variable compensation practices of the firm.

The primary purpose of the Firmwide Compensation Framework is to assist the firm in assuring that its variable compensation program does not provide “covered employees” (i.e., senior executives as well as other employees of the firm, who, either individually or as part of a group, have the ability to expose the firm to material amounts of risk) with incentives to take imprudent risks and is consistent with the safety and soundness of the firm. Each business (e.g., Asset & Wealth Management) maintains a Performance Assessment & Variable Compensation Framework that is specific to the business and consistent with the Firmwide Compensation Framework (collectively, the “Compensation Frameworks”). Goldman Sachs Remuneration and Compensation Policies are gender neutral and are based on equal remuneration of male and female employees for equal or equivalent work Remuneration Governance.

### Remuneration Governance

#### The Compensation Committee

The Board of Directors of GS Group (the “Group Board”) oversees the development, implementation and effectiveness of the firm’s global remuneration practices, which it generally exercises directly or through delegation to the Compensation Committee of the Group Board (the “Compensation Committee”). The responsibilities of the Compensation Committee include:

- Review and approval of (or recommendation to the Group Board to approve) the firm’s variable remuneration structure, including the portion to be paid as share-based awards, all year-end share-based grants for eligible employees (including those employed by GSAMI), and the terms and conditions of such awards.

**IFPR: MIFIDPRU Disclosures**

- Assisting the Group Board in its oversight of the development, implementation and effectiveness of policies and strategies relating to the Human Capital Management (“HCM”) function, including recruiting, retention, career development and progression, management succession (other than that within the purview of the Corporate Governance and Nominating Committee) and diversity.

The members of the Compensation Committee at the end of 2022 were Mark O. Winkelman (Chair), M. Michele Burns, Drew G. Faust, Kimberley D. Harris, Kevin Johnson, Ellen J. Kullman, Lakshmi N. Mittal and Adebayo O. Ogunlesi (ex-officio). None of the members of the Compensation Committee was an employee of the firm. All members of the Compensation Committee were “independent” within the meaning of the New York Stock Exchange Rules and the Group Board Policy on Director Independence.

**External Consultants**

The Compensation Committee recognises the importance of using a remuneration consultant that is appropriately qualified and is determined to be independent.

During 2022, the Compensation Committee received the advice of a remuneration consultant from Meridian.

**Other Stakeholders**

In carrying out the responsibilities of the Compensation Committee, the Chair of the Compensation Committee met multiple times with senior management during the year, including the firm’s Chief Operating Officer (“COO”), the Global Head of HCM and other members of senior management.

**The GSAMI Remuneration Committee**

The Board Remuneration Committee of GSAMI (the “Remuneration Committee”) was established in 2022. The responsibilities of the Remuneration Committee include:

- Overseeing the development and implementation of the remuneration policies of GSAMI insofar as they relate to employees of GSAMI whose remuneration is subject to the relevant provisions of the FCA Handbook.
- Taking steps to satisfy itself that the remuneration policies of GSAMI are in accordance with the relevant provisions of the FCA Handbook (“Remuneration Code”), including in particular that:

- the remuneration policies of GSAMI appropriately take into account the long-term interests of shareholders, investors and other stakeholders in GSAMI; and
- the remuneration policies of GSAMI are consistent with and promote sound and effective risk management and do not encourage risk-taking that exceeds the level of tolerated risk of GSAMI.

- Making recommendations to the GSAMI Board for approval and adoption of the remuneration policies of GSAMI once satisfied that the policies are in accordance with the Remuneration Code.

At the end of 2022 the members of the GSAMI Remuneration Committee were Kaysie Uniacke (Chair), Carinne Withey, Karen Sharpe and Fadi Abuali.

**Compensation-related Risk Assessment**

The firm’s Chief Risk Officer (“CRO”) presented an annual compensation-related risk assessment to the Compensation Committee, meeting jointly with the Risk Committee of the Group Board, to assist the Compensation Committee in its assessment of the effectiveness of the firm’s remuneration programme, and particularly, whether the programme is consistent with the principle that variable remuneration does not encourage employees to expose the firm to imprudent risk. This assessment most recently occurred in December 2022.

The CRO for GSAMI also provided a compensation-related risk assessment to the Remuneration Committee.

In addition, the firm’s EMEA Conduct Committee assists senior management of GSAMI in the oversight of conduct risk and business standards.

**Global Remuneration Determination Process**

The firm’s global process for setting variable remuneration (including the requirement to consider risk and compliance issues) applies to employees of GSAMI in the same way as to employees in other regions and is subject to oversight by the senior management of the firm in the region. The firm uses a highly disciplined and robust process for setting variable remuneration across all regions following the processes outlined in the Compensation Frameworks.

This process involves compensation managers and

compensation committees at various levels in the firm, along with the business and business unit heads, HCM and the Firmwide Management Committee (the firm's most senior leaders), as appropriate.

In addition, as part of the remuneration determination process, members of the firm's Compliance, Risk, Employment Law Group and Employee Relations functions make arrangements for business and business unit management to take into consideration certain compliance, risk or control matters when determining remuneration of individuals.

Additionally, the Remuneration Committee oversees the development and implementation of the remuneration policies of GSAMI, and review remuneration-related information during the year, including an annual compensation-related risk assessment, an overview of the firm's remuneration programme and structure, and certain remuneration data.

### **Link Between Pay and Performance**

In 2022, annual remuneration for employees generally comprised fixed remuneration (including base salary) and variable remuneration. The firm's remuneration practices provide for variable remuneration determinations to be made on a discretionary basis. Variable remuneration is based on multiple factors and is not set as a fixed percentage of revenue or by reference to any other formula, consistent with the process outlined in the Compensation Frameworks. Firmwide performance is a key factor in determining variable remuneration.

The firm is committed to aligning variable remuneration with performance. In order to do so, the performance of the firm, relevant business and/or business unit, desk (if applicable) and individual over the past year, as well as over prior years, are taken into account.

The firm believes that the firm's senior leaders have responsibility for overall performance and, as a result, senior employees have experienced more volatility in their remuneration year-over-year, particularly in periods when the firm's performance declined significantly.

The firm believes that multi-year guarantees should be avoided as they risk misaligning remuneration and performance, and guaranteed variable remuneration should be awarded in exceptional circumstances only (for example,

for certain new hires).

### **Performance Measurement**

Variable remuneration determinations take into account firm, relevant business and/or business unit, desk (if applicable) and individual performance.

#### **Firmwide performance**

Certain firmwide financial metrics and year-on-year changes in those metrics are reviewed, including the following:

- Return on average common shareholders' equity;
- Return on average tangible common shareholders' equity;
- Efficiency ratio;
- Book value per common share growth;
- Pre-tax earnings;
- Net revenues; and
- Diluted earnings per common share

#### **Business, business unit, desk performance**

Additionally, at both the business and business unit level, quantitative and/or qualitative metrics specific to such levels, respectively, and below are used to evaluate the performance of the business/business unit and their respective employees.

#### **Individual performance**

Employees are evaluated annually as part of the performance review feedback process. This process reflects input from a number of employees, including supervisors, peers and those who are junior to the employee, regarding an array of performance measures. The performance evaluations for 2022 included assessments of Teamwork and Collaboration (One GS); Compliance, Risk Management, Code of Conduct, and firm Reputation; Sensitivity to Risk and Control (revenue-producing employees); Control Side Empowerment (control functions); and Culture. As part of the performance review feedback process, managers with three or more direct reports are assessed and receive feedback on their performance as a manager.

### **Risk Adjustment**

Prudent risk management is a hallmark of the firm's culture and sensitivity to risk and risk management are key elements

in assessing employee performance, including as part of the performance review feedback process noted above.

The firm takes risk, including conduct risk, into account both on an ex-ante and ex-post basis when setting the amount and form of variable remuneration for employees. As reflected in the Compensation Frameworks, different lines of business have different risk profiles and these are taken into account when determining remuneration. These include credit, market, liquidity, operational, reputational, legal, compliance and conduct risks.

Guidelines are provided to assist compensation managers when applying discretion during the remuneration process to promote consistent consideration of the different risks presented by the firm's lines of business. Further, to ensure the independence of control function employees, remuneration for those employees is not inappropriately influenced by the business unit(s) to which the control function employees provide support.

For 2022, certain employees generally receive a portion of their variable remuneration as a share-based award that is subject to a number of terms and conditions that could result in forfeiture or recapture. For further details, see "Structure of Remuneration" below.

In the 2022 annual compensation-related risk assessment presented to the Compensation Committee, meeting jointly with the Risk Committee of the Board, and separately to the Remuneration Committee, the CRO confirmed that the various components of the firm's remuneration programmes and policies (for example, process, structure and governance) balanced risk and incentives in a manner that does not encourage imprudent risk-taking. In addition, the CRO stated that the firm has a risk management process that, among other things, is consistent with the safety and soundness of the firm and focuses on our:

- (i) *Risk management culture*: the firm's culture emphasises continuous and prudent risk management;
- (ii) *Risk-taking authority*: there is a formal process for identifying employees who, individually or as part of a group, have the ability to expose the firm to material amounts of risk;
- (iii) *Upfront risk management*: the firm has tight controls on the allocation, utilisation and overall management of risk-taking, as well as comprehensive profit and loss and other management information which provide ongoing

performance feedback. In addition, in determining variable remuneration, the firm reviews performance metrics that incorporate ex-ante risk adjustments; and

- (iv) *Governance*: the oversight of the Group Board, management structure and the associated processes all contribute to a strong control environment and control functions have input into remuneration structure and design.

## Structure of Remuneration

### Fixed Remuneration

The firm has a global salary approach to ensure consistency in salary levels and to achieve an appropriate balance between fixed and variable remuneration.

For certain employees identified as Material Risk Takers in accordance with SYSC 19G.5 of the MIFIDPRU Remuneration Code, with regard to the identification of categories of staff whose professional activities have a material impact on an institution's risk profile additional fixed remuneration is awarded in the form of an allowance generally paid in cash. The selection of recipients and the value of allowances awarded are determined as a result of an evaluation of professional experience, role and level of organisational responsibility.

### Variable Remuneration

For employees with total remuneration and variable remuneration above specific thresholds, variable remuneration is generally paid in a combination of cash and share-based remuneration. In general, the portion paid in the form of a share-based award increases as variable remuneration increases and, for Material Risk Takers, is set to ensure compliance with the applicable rules of SYSC 19G of the MIFIDPRU Remuneration Code. If eligible for equity-based awards, employees generally receive their awards in the form of restricted stock units ("RSUs") that deliver in shares of common stock (shares) of Group Inc.

The variable remuneration programme is flexible to allow the firm to respond to changes in market conditions and to maintain its pay-for-performance approach. Variable remuneration is discretionary (even if paid consistently over a period of years).

### Share-Based Remuneration

The firm believes that remuneration should encourage a long-term, firmwide approach to performance and discourage imprudent risk-taking. Paying a significant portion of variable remuneration in the form of share-based remuneration that delivers over time, changes in value according to the price of shares of GS Group or underlying investment funds, and is subject to forfeiture or recapture encourages a long-term, firmwide focus because its value is realised through long-term responsible behaviour and the financial performance of the firm or underlying investment funds.

To ensure continued alignment to the investment activities of GSAMI, certain Material Risk Takers and portfolio managers within specified investment functions are generally awarded both GS Group Restricted Stock Units (“RSUs”) and Phantom Investment Units under The Amended and Restated Goldman Sachs Asset Management Performance Plan (“GSAM Phantom Stock Plan”), described further below.

The firm imposes transfer restrictions (in certain cases), retention requirements, and anti-hedging policies to further align the interests of the firm’s employees with those of the firm’s shareholders and investors. These policies, coupled with the practice of paying senior employees a significant portion of variable remuneration in the form of such share-based awards, ensures a high degree of alignment with the longer term financial performance of the firm and where appropriate with its funds under management.

- **Deferral Policy:** The deferred portion of fiscal year 2022 annual variable remuneration was generally awarded in the form of RSUs. An RSU is an unfunded, unsecured promise to deliver a share on a predetermined date. For certain individuals, a portion of their deferred variable remuneration was awarded in the form of GSAM Phantom Stock Plan units, which are tied to performance of funds managed by portfolio managers. RSUs awarded in respect of fiscal year 2022 generally deliver in three equal instalments on or about each of the first, second and third anniversaries of the grant date, and GSAM Phantom Stock Plan units generally deliver in three equal instalments on or about each of the second, third and fourth anniversaries of the grant date, assuming the employee has satisfied the terms and conditions of the award at each such date.

Where required under the MIFIDPRU Remuneration Code, RSUs and GSAM Phantom Stock Plan units awarded in respect of fiscal year 2022 for Material Risk Takers generally deliver in three or four equal instalments

on or about each of the first, second, third and, where applicable, fourth anniversaries of the grant date, assuming in each case, the employee has satisfied the terms and conditions of the award at each such date.

- **Transfer Restrictions:** The firm generally requires certain individuals to hold a material portion of the shares they receive in respect of RSUs granted as part of their year-end remuneration according to the firm’s global deferral table. These transfer restrictions apply to the lower of 50% of the shares delivered before reduction for tax withholding, or the number of shares received after reduction for tax withholding. Because combined tax and social security rates in the United Kingdom are close to 50%, transfer restrictions apply to substantially all net shares delivered to employees resident in the United Kingdom.

An employee generally cannot sell, exchange, transfer, assign, pledge, hedge or otherwise dispose of any RSUs or shares that are subject to transfer restrictions.

No transfer restrictions apply to the GSAM Phantom Stock Plan which is cash settled.

- **Retention Requirement:** All shares delivered to employees designated as Material Risk Takers in relation to their variable remuneration are subject to 12 months retention. No retention requirement applies to the GSAM Phantom Stock Plan which is cash settled.
- **Forfeiture and Recapture Provisions:** The RSUs, shares delivered thereunder and GSAM Phantom Stock Plan units in relation to variable remuneration are subject to forfeiture or recapture if the Compensation Committee or its delegate(s) determine(s) that during 2022 the employee participated (or otherwise oversaw or was responsible for, depending on the circumstances, another individual’s participation) in the structuring or marketing of any product or service, or participated on behalf of the firm or any of its clients in the purchase or sale of any security or other property, in any case without appropriate consideration of the risk to the firm or the broader financial system as a whole (for example, if the employee were to improperly analyse risk or fail sufficiently to raise concerns about such risk) and, as a result of such action or omission, the Compensation Committee or its delegate(s) determine(s) there has been, or reasonably could be expected to be, a material adverse impact on the firm, the employee’s business unit (or other relevant group structured under the business unit) or the broader financial system.

This provision is not limited to financial risks and is designed to encourage the consideration of the full range of risks associated with the activities (for example, legal, compliance or reputational). The provision also does not require that a material adverse impact actually occur, but rather may be triggered if the firm determines that there is a reasonable expectation of such an impact.

The Compensation Committee previously adopted guidelines that set forth a formal process regarding determinations to forfeit or recapture awards for failure to consider risk appropriately upon the occurrence of certain pre-determined events (for example, in the event of annual losses at the firmwide, business unit (or other relevant group structured under the business unit) or individual level). The review of whether forfeiture or recapture is appropriate includes input from the CRO, as well as representatives from Legal and Compliance, as appropriate. Determinations are made by the Compensation Committee or its delegates, with any determinations made by delegates reported to the Compensation Committee.

RSUs and GSAM Phantom Stock Plan units granted to all Material Risk Takers in relation to variable remuneration are generally subject to forfeiture until delivery of the underlying shares or cash settlement if GS Group is determined by US bank regulators to be “in default” or “in danger of default” as defined under the US Dodd-Frank Wall Street Reform and Consumer Protection Act 2010, or fails to maintain for 90 consecutive business days, the required “minimum tier 1 capital ratio” (as defined under Federal Reserve Board regulations). RSUs and GSAM Phantom Stock Plan units awarded in relation to variable remuneration are also subject to forfeiture if the firm or the relevant business unit or other group structured below the business unit suffers a “material downturn in financial performance”.

All variable remuneration granted to Material Risk Takers is generally subject to forfeiture or recapture in the event of a “material failure of risk management”, or in the event that the employee engages in “serious misconduct”, at any time during the seven year period after grant (share-based awards) or payment (cash).

Additionally, RSUs, shares delivered thereunder and GSAM Phantom Stock Plan units in relation to variable remuneration are generally subject to forfeiture or

recapture if it is appropriate to hold a Material Risk Taker accountable in whole or in part for “serious misconduct” related to compliance, control or risk that occurred during 2022 by an individual for whom the Material Risk Taker had supervisory responsibility as a result of direct or indirect reporting lines or management responsibility for an office or a business unit (or other relevant group structured under the business unit).

An employee’s RSUs and GSAM Phantom Stock Plan units may also be forfeited, and shares delivered thereunder recaptured if the employee engages in conduct constituting “cause” at any time before the RSUs are delivered and any applicable transfer restrictions lapse. Cause includes, among other things, any material violation of any firm policy, any act or statement that negatively reflects on the firm’s name, reputation or business interests and any conduct detrimental to the firm.

With respect to all of the forfeiture conditions, if the firm determines after delivery, payment or release of transfer restrictions that an RSU, share delivered thereunder or GSAM Phantom Stock Plan unit should have been forfeited or recaptured, the firm can require return of any shares delivered or repayment to the firm of the fair market value of the shares or GSAM Phantom Stock Plan units when delivered (including those withheld to pay taxes) or any other amounts paid or delivered in respect thereof.

- **Hedging:** The firm’s anti-hedging policy ensures employees maintain the intended exposure to the firm’s stock performance. In particular, all employees are prohibited from hedging RSUs, shares that are subject to transfer restrictions, and, to the extent applicable, retention shares. In addition, executive officers of GS Group (as defined under the Securities Exchange Act of 1934) are prohibited from hedging any shares that they can freely sell. Employees, other than executive officers, may hedge only shares that they can otherwise sell. However, no employee may enter into uncovered hedging transactions or sell short any shares. Employees may only enter into transactions or otherwise make investment decisions with respect to shares during applicable “window periods”.
- **Treatment upon Termination or Change-in-Control:** As a general matter, delivery schedules are not accelerated, and transfer restrictions are not removed, when an employee leaves the firm. The limited exceptions include death and “conflicted employment.” A change in control alone is not sufficient to trigger acceleration of any

**IFPR: MIFIDPRU Disclosures**

deliveries or payment or removal of transfer restrictions; only if the change in control is followed within 18 months by a termination of employment by the firm without “cause” or by the employee for “good reason” will delivery / payment and release of transfer restrictions be accelerated.

**Quantitative Disclosures**

The following tables show aggregate quantitative remuneration information for 31 individuals, categorised as Material Risk Takers for the purposes of the Remuneration Code in respect of their duties for GSAMI.

Material Risk Takers are also eligible to receive certain general non-discretionary ancillary payments and benefits on a similar basis to other employees. These payments and benefits are not included in the disclosures below.

***Aggregate remuneration: split between fixed and variable remuneration and forms of variable remuneration***

Remuneration paid or awarded for the financial year ended December 31, 2022 comprised fixed remuneration (salaries, allowances and director fees) and variable remuneration. The

figures are split showing “Senior Management” and “Other Material Risk Takers” according to the following definitions:

- **Senior Management:** members of the Boards of Directors of GSAMI.
- **Other Material Risk Takers:** other employees whose activities have a material impact on the risk profile of the firm, including heads of each business unit and heads of significant sub-business units who perform a significant management function corresponding to FCA Senior Managers of GSAMI.

As required by Article 8.6 of the MIFIDPRU Remuneration Code the quantitative information has been provided for GSAMI including detailed information for people within Senior Management and also for those identified as Material Risk Takers. In addition, the deferred remuneration shown in the table below includes remuneration subject to the disclosure requirements in Article 8.6 of the MIFIDPRU Remuneration Code. The amounts relate only to those employees who were Material Risk Takers at the end of the fiscal year, December 31, 2022.

**Table 10: Quantitative Disclosures**

*All figures in USD (\$) in millions*

	All Staff	Non-MRT Staff	Senior Management MRT	Other MRT
Number of Staff	364	333	7	24
2022 Fixed Remuneration awarded in cash	72.82	45.83	6.98	20.02
2022 Variable Remuneration awarded	49.54	33.49	2.04	14.01
of which awarded in upfront cash	31.86	26.78	0.39	4.68
of which awarded in upfront non-cash	1.36	-	0.24	1.12
of which awarded in deferred non-cash	16.32	6.71	1.41	8.20
Outstanding unvested as at 1 January 2022	-	-	8.91	28.30
Awarded during 2022	-	-	8.32	20.14
Paid out in 2022	-	-	3.34	11.37
Outstanding unvested as at 31 December 2022	-	-	13.90	37.51
of which deliver in 2023	-	-	3.95	9.86
of which deliver in 2024 and subsequent years	-	-	9.95	27.65

***Severance Payments & Guaranteed Variable Remuneration***

No severance payments were awarded during 2022. One guaranteed variable remuneration payment of \$1,140,000 was paid to an Other MRT in 2022.



## Cautionary Note on Forward-Looking Statements

We have included in these disclosures, and our management may make, statements that may constitute “forward-looking statements.” Forward-looking statements are not historical facts or statements of current conditions, but instead represent only our beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of our control. These statements may relate to, among other things, (i) our future plans and results, (ii) the objectives and effectiveness of our risk management and liquidity policies, and (iii) the effect of changes to the regulations, and our future status, activities or reporting under banking and

financial regulation.

It is possible that our actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition in these forward-looking statements. Important factors that could cause our actual results and financial condition to differ from those in these statements include, among others, those discussed in “Risk Factors” in Part I, Item 1A in the firm’s 2022 Form 10-K.

## Glossary

- **Assets Safeguarded and Administered (ASA).** the value of assets, as calculated in accordance with the rules in MIFIDPRU 4.9 (K-ASA requirement), belonging to a client that a firm holds in the course of MiFID business, irrespective of whether those assets appear on the firm's own balance sheet or are deposited into accounts opened with third parties.
- **Assets Under Management (AUM).** the value of assets, as calculated in accordance with the rules in MIFIDPRU 4.7 (K-AUM requirement), that a firm manages for its clients under the discretionary portfolio management and non- discretionary arrangements constituting investment advice of an ongoing nature.
- **Basic Liquid Assets Requirement.** the requirement in MIFIDPRU 6.2.1R for a MIFIDPRU investment firm to hold a minimum amount of core liquid assets.
- **Clearing Margin Given (CMG).** the total margin required by a clearing member or CCP, where the execution and settlement of transactions of a MIFIDPRU investment firm's dealing on own account take place under the responsibility of a clearing member or CCP.
- **Client Money Held (CMH).** the amount of MiFID client money that a firm holds.
- **Client Orders Handled (COH).** the value of orders, as calculated in accordance with the rules in MIFIDPRU 4.10 (K-COH requirement), that a firm handles for clients when providing the reception and transmission of client orders and execution of orders on behalf of clients.
- **CON own funds requirement.** the own funds requirement calculated in accordance with MIFIDPRU 5.7.2R, which relates to a concentrated exposure to a client or group of connected clients.
- **Concentration Risk.** the risks arising from the strength or extent of a firm's relationships with, or direct exposure to, a single client or group of connected clients.
- **Conduct Risk.** Conduct Risk is the risk that our people fail to act in a manner consistent with the firm's Business Principles, the Code of Business Conduct and Ethics, policies, codes, or applicable laws and regulations, thereby falling short of fulfilling their responsibilities to clients, colleagues, the firm, other market participants or the broader community.
- **Credit Risk.** The potential for loss due to the default or deterioration in credit quality of a counterparty (e.g., an OTC derivatives counterparty or a borrower) or an issuer of securities or other instruments we hold.
- **Daily Trading Flow (DTF).** the daily value of transactions that a MIFIDPRU investment firm enters through dealing on own account or the execution of orders on behalf of clients in the firm's own name.
- **K-Factor Requirement.** the part of the own funds requirement calculated in accordance with MIFIDPRU 4.6.
- **Market Risk.** The risk of loss in the value of our inventory, investments, loans and other financial assets and liabilities accounted for at fair value, due to changes in market conditions.
- **MIFIDPRU.** the Prudential sourcebook for MiFID Investment Firms.
- **Net Position Risk (NPR).** The value of the trading book positions and positions other than trading book positions where such positions give rise to foreign exchange risk or commodity risk.
- **Operational Risk.** The risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or from external events.
- **Own Funds Requirement.** the own funds requirement for exposures to a client or group of connected clients calculated in accordance with MIFIDPRU 5.7.3R(2).
- **Own Funds Threshold Requirement.** the amount of own funds that a firm needs to hold to comply with the overall financial adequacy rule.
- **Own Funds Winddown Trigger.** the amount of own funds that is equal to the firm's fixed overheads requirement or another amount specified by the FCA in a requirement applied to the firm.
- **Permanent Minimum Capital Requirement.** The part of the own funds requirement calculated in accordance with MIFIDPRU 4.4.
- **Stress Testing.** Stress testing is a method of determining the effect of various hypothetical stress scenarios.
- **Trading Counterparty Default (TCD).** the exposures in the trading book of a MIFIDPRU investment firm in instruments and transactions specified in MIFIDPRU 4.14.3R, and not otherwise excluded by MIFIDPRU 4.14.5R or MIFIDPRU 4.14.6R, giving rise to the risk of trading counterparty default.