

## About Goldman Sachs

Goldman Sachs is a leading global investment banking, securities and investment management firm that provides a wide range of financial services worldwide to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals.

The Goldman Sachs Group, Inc., listed on the New York Stock Exchange, is a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System. Our U.S. depository institution subsidiary, Goldman Sachs Bank USA (GS Bank USA), is a New York State-chartered bank. Many principal subsidiaries of The Goldman Sachs Group, Inc. are subject to regulation in the United States and/or elsewhere, including Goldman Sachs International which is regulated by the UK Prudential Regulatory Authority and Financial Conduct Authority. See [www.gs.com](http://www.gs.com) for additional information on Goldman Sachs.

The Goldman Sachs businesses within the Investing and Lending reporting segment invest in projects and organizations in need of capital using capital provided by third-party investors, Goldman Sachs and its employees. The Merchant Banking Division invests on behalf of Goldman Sachs as well as on behalf of advisory accounts (fund vehicles and/or accounts managed or advised by affiliates of Goldman Sachs using capital provided by external investors). In the case of advisory accounts, affiliates of The Goldman Sachs Group, Inc. may act as the general partner and/or investment manager of such accounts. The Goldman Sachs Special Situations Group (SSG) is a global multi-asset class business specialising in principal investing and lending on behalf of Goldman Sachs. SSG does not advise or invest funds provided by third-party investors.

The Merchant Banking Division primarily invests in the following asset types:

- **Corporate:** Corporate equity investing. The typical investment holding period is 4-6 years (representative case study below). UK management: Andrew Wolff.
- **Real Estate:** Equity and credit real estate and real estate related investments. The typical investment holding period is 3-5 years. UK management: Jim Garman.
- **Infrastructure:** Investments in infrastructure and infrastructure related assets and companies. There is no track record for a typical holding period. UK management: Philippe Camu.

SSG is the primary center for Goldman Sachs' middle-market financing and investing activity and lends and invests Goldman's capital directly to mid-sized companies. It is a global, multi-asset class business, specializing in principal investing and lending in all levels of capital structures on a risk-adjusted return basis. UK management: Greg Olafson.

See <http://www.goldmansachs.com/what-we-do/investing-and-lending/index.html> for additional information.

## Direct Private Investing Case Study

- In February 2006, GS Capital Partners V funds (corporate private equity fund family advised by affiliates of Goldman Sachs, "GSCPV"), along with Cinven (Fund III) and management, acquired Ahlsell from Nordic Capital for SEK11.8 billion (€1.2 billion).
- Founded in 1877, Ahlsell is the leading Nordic trading company in installation products and tools & machinery, offering products and services to users in the segments of Heating & Plumbing, Electrical Items, Tools & Machinery, Refrigeration and DIY. The Company is headquartered in Stockholm, Sweden and has c 4,500 employees. For the financial year

ended 31st December, 2011, Ahlsell generated pro-forma revenues of SEK20.9 billion and EBITDA of SEK1.8 billion.

- Ahlsell's growth and value creation strategy focused on building scale and strengthening the breadth and depth of its operations. Its strategy relies on building a strong national logistics and distribution platform in each of the countries where it operates, and then expanding its product and local coverage through organic growth or by acquiring and integrating other smaller wholesalers in the region. After its acquisition by the GSCPV funds and Cinven, the company successfully moved from a Swedish heating and plumbing business into a multi-product leader across the Nordic region. This was achieved through both organic growth and successful add-on acquisitions.
- In May 2012, the GSCPV funds and Cinven fully exited their investment by selling their stake in the company to funds advised by CVC Capital Partners.

### **Guidelines for Disclosure and Transparency in Private Equity**

Goldman Sachs' Merchant Banking Division and SSG comply with Sir David Walker's Guidelines for Disclosure and Transparency in Private Equity published in November 2007 (the "Guidelines") and work with their relevant UK portfolio companies, as well as the other investors in those companies, to promote conformity by those UK portfolio companies. Goldman Sachs' Merchant Banking Division and SSG also intend to work with their UK portfolio companies to facilitate communication with employees of such UK portfolio companies during times of significant strategic change.

Goldman Sachs has arrangements in place to deal appropriately with any conflicts of interest that may arise. Please refer to the firm's Business Standards Committee Report and Business Standards Committee Impact Report for additional information:

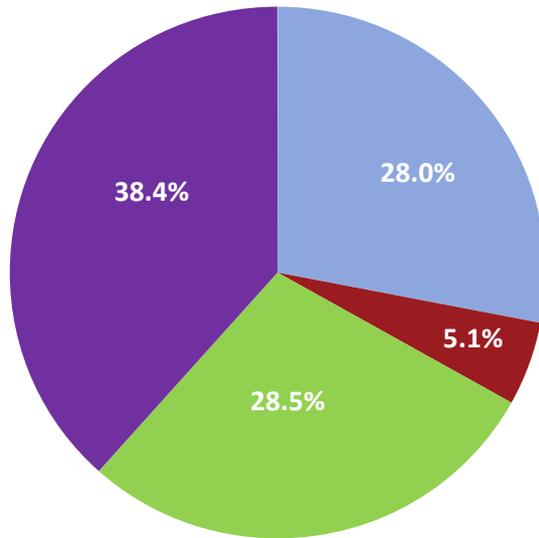
<http://www.goldmansachs.com/who-we-are/business-standards/index.html>

The UK portfolio companies in Goldman Sachs' Merchant Banking Division and SSG that qualify under the Guidelines are:

- Travelodge [www.travelodge.co.uk](http://www.travelodge.co.uk)
- Cityfibre [www.cityfibre.com](http://www.cityfibre.com)

While each of our products has a different set of investors, the chart below shows the investor type for an aggregate sample of our advisory accounts.

**GS Private Equity Funds<sup>1</sup>**  
**(Percentage equity committed by investor type)**  
**As of July 2016**



Note: Investors domiciled in the UK represent 8.6% of the funds' commitments.

<sup>1</sup> Sample represents equity funds closed since 2006.

<sup>2</sup> Institutions include, for example: financial institutions, corporations, pension funds and other organisations.

■ Goldman Sachs   ■ GS Employees   ■ High Net Worth Individuals   ■ Institutions<sup>2</sup>