

## Reporting to Institutional Investors under the Shareholder Rights Directive II

### 1. Introduction

This disclosure has been drawn up in accordance with the requirements of Directive (EU) 2017/828 and its implementing measures (collectively, the “**Shareholder Rights Directive II**”) and sets out how Goldman Sachs Private Wealth Management (“**PWM**”<sup>1</sup>)’s investment strategy complies with the discretionary management agreements it enters into with institutional investors and contributes to the medium-to-long-term performance of the assets the institutional investors and other PWM clients invest in.

This disclosure only applies in respect of PWM discretionary accounts which invest in listed equity instruments.

From time to time, PWM will also delegate the management of discretionary client accounts in scope of this disclosure to affiliates within the Goldman Sachs Asset Management division (“**GSAM**”). In those scenarios, GSAM will undertake its own shareholder engagement activities and implement its own investment strategies to promote the medium to long-term performance of the delegated accounts, however in accordance with the investment objectives and parameters agreed between PWM and the client. Further information on GSAM’s engagement activities and institutional investor disclosure is available [here](#).

### 2. How does PWM’s investment strategy and implementation of it for your portfolio contribute to the medium to long-term performance of your investments?

PWM does not undertake traditional shareholder engagement activities due to the nature of its client base and business offering. Where PWM acts in a discretionary capacity, it typically does so in the context of managing the assets of high net worth individuals or families, foundations, charities and other similar clients, including institutional investor clients. Each client’s circumstances are unique and so the investment strategies required by these clients are not uniform, varying widely depending on their nature, location, risk profile, experience and investment objectives. Consequently, based on these varied requirements, PWM creates, or advises on, personalised investment portfolios for clients and utilises a wide spectrum of investment approaches and asset classes in so doing. Additionally, the relevant positions held by PWM in listed companies are typically insignificant in size as a proportion of the investee company.

PWM therefore seeks to promote the medium to long term performance of each client’s discretionary account by using bespoke strategies, in line with the financial objectives, tolerances towards risk and investment parameters agreed between the client and PWM.

PWM’s discretionary investment decisions are guided by its proprietary investment process which is closely aligned with extensive data driven due diligence approaches undertaken by the PWM Investment Strategy Group (ISG) and by numerous other factors such as research recommendations from the Goldman Sachs Global Investment Research division (“**GIR**”), among others. PWM further

---

<sup>1</sup> For the purposes of this document, “PWM” refers collectively to the PWM business of the following legal entities: Goldman Sachs International, Goldman Sachs Bank Europe SE, and all branches of these two entities from time to time.

keeps its clients informed of the overall performance of their discretionary portfolios through MiFID II portfolio reports. These reports are delivered to PWM clients on a monthly basis, and show how the portfolio's performance is attributable to the overall investment strategy of the portfolio.

**3. How are investment decisions for your portfolio made on the basis of evaluating the medium to long-term performance of an underlying investee company, and does PWM take into account non-financial performance?**

Where PWM provides discretionary services in respect of listed equity instruments to clients, it will have regard to research recommendations from GIR and market sources such as Bloomberg Terminal to inform its decision-making around initial and ongoing portfolio composition. This research will include commentary on, among other things, factors such as financial and non-financial performance, risks, capital structure and corporate strategy of listed investee companies. PWM does not currently actively monitor ESG issues relating to listed investee companies. However, PWM may agree with clients to implement specific investment restrictions for their discretionary account that relate to ESG concerns, for example restricting investment in issuers conducting business in certain business sectors.

**4. How does PWM utilise the services of proxy advisors for the purpose of engagement activities? What is PWM's policy on securities lending and how is that policy applied to support the firm's engagement activities if applicable, particularly at the time of the general meeting of the investee companies?**

As noted above, PWM does not undertake traditional shareholder engagement activities due to the nature of its client base, business offering and typically insignificant holdings in listed companies. However, PWM does support the principle of collaborative engagement.

Accordingly, PWM does not have a proxy voting policy and does not utilise proxy advisors. Unless otherwise agreed, PWM will only exercise shareholder rights in accordance with its clients' instructions and will not recall shares within securities lending arrangement for voting purposes. PWM will not generally exercise discretion over its clients' voting rights.

Where PWM delegates the management of discretionary accounts to GSAM, GSAM will vote and utilise proxy advisors in accordance with its own proxy voting policies.

**5. How does PWM deal with conflicts of interest in its engagement activities?**

Any actual or potential conflict of interests that may arise in the context of PWM's discretionary services would be managed in line with the documented Goldman Sachs Private Wealth Management Conflicts of Interest Policy and Standard, which is updated on an annual basis. All employees are expected to adhere to the Group-Wide Conflicts of Interest Policy and Standard and receive training on this. Each business maintains a register of conflicts of interest, which is updated regularly.

As described above, PWM does not, however, currently undertake traditional shareholder engagement activities.

**6. How is certain other information disclosed to you? Particularly on:**

**(a) medium to long-term risks of your investment:**

The medium to long-term risks associated with listed equity investments include both financial risks (such as market or operational risks) and non-financial risks (in particular ESG risks which cover a broad spectrum of issues from climate change to corporate governance).

Please also refer to the PWM Product Information and Risks Booklet, which is available at [www.goldmansachs.com/disclosures/mifid](http://www.goldmansachs.com/disclosures/mifid) or from your Goldman Sachs team. This booklet sets out general descriptions of the nature and financial risks of instruments including equity instruments, in respect of which PWM may offer services.

PWM leverages GIR views or GSAM portfolio management specialists (among other sources) when monitoring and evaluating listed investee companies on an ongoing basis to identify, assess, manage and monitor these risks with a view to promoting long-term value creation for our clients.

- (b) **portfolio composition:** Please refer to the MiFID II portfolio report provided to you on a monthly basis. This report shows holdings in all instruments within your portfolio over a period of a month.
- (c) **turnover:** Please refer to the MiFID II portfolio report provided to you on a monthly basis. The scope of this report includes all instruments traded in your account and outlines transaction details of all securities bought and sold over a period of a month.
- (d) **turnover costs:** Please refer to the MiFID II ex-post costs and charges report sent to you on an ongoing basis. This report covers the transaction costs associated with all financial instruments held within your portfolio as well as any specific product costs or fees for relevant products and management fees levied on your account.

## 7. Contact

If you have any questions about this information, or require further information, please contact your Goldman Sachs team.