

# Prospectus

## **Goldman Sachs Structured Investments SICAV**

***Société d'Investissement à Capital Variable***  
**organized under the laws of the Grand Duchy of Luxembourg**

**Goldman Sachs Structured Investments SICAV** (the "Umbrella Fund") is a Luxembourg *Société d'Investissement à Capital Variable* composed of several separate sub-funds (each, a "Portfolio").

The Umbrella Fund's objective is to provide investors access to a range of Portfolios, each having its own investment objective and policy.

The present Prospectus with its Supplement XV relates to the Goldman Sachs Commodity ALPHA-BETA Portfolio (the "Portfolio"). The Portfolio does not constitute a separate legal entity, but there exist other portfolios which together with the Portfolio form a single entity, the Umbrella Fund. For the purposes of the relationship between shareholders, each portfolio is considered a separate entity with its own funding, capital gains and losses, expenses, etc. Third party liabilities attributable to a portfolio are segregated and will be met only from the assets of that portfolio. The present Prospectus with its Supplements I, II, III, IV, V, VI, VII, VIII, IX, X, XI, XII, XIII and XIV and its Addenda dated May 2010, June 2010, September 2010, October 2010, November 2010, December 2010 and January 2011 describing all the Portfolios of the Umbrella Fund is available at the registered office of the Umbrella Fund.

January 2011

## IMPORTANT INFORMATION

### **SHARES ARE NOT BEING OFFERED OR SOLD IN ANY JURISDICTION WHERE THE OFFER OR SALE IS PROHIBITED BY LAW OR TO ANY PERSON WHO IS NOT QUALIFIED TO PARTICIPATE IN THE PURCHASE OF SHARES**

The Umbrella Fund is an investment company with variable capital (SICAV) incorporated under the 2002 Law and listed on the official list of UCITS, authorized under Part I of the 2002 Law in accordance with the provisions of the UCITS Directive.

However, this listing does not require an approval or disapproval of a Luxembourg authority as to the suitability of the investment or to the accuracy of this Prospectus, its Supplements or any Simplified Prospectus generally relating to the Umbrella Fund or specifically relating to any Portfolio. Any declaration to the contrary should be considered as unauthorized and illegal.

The members of the Board of Directors of the Umbrella Fund, whose names appear under the heading "*Directory*" accept joint responsibility for the information and statements contained in this Prospectus, in its Supplements and in the Simplified Prospectus issued for each Portfolio. To the best of the knowledge and belief of the Directors (who have taken all reasonable care possible to ensure that such is the case), the information and statements contained in this Prospectus, in its Supplements and in the Simplified Prospectuses are accurate at the date indicated on this Prospectus, on its Supplements and on the Simplified Prospectuses and there are no material omissions which would render any such statements or information inaccurate as at that date.

The Prospectus, its Supplements and the Simplified Prospectuses will be updated from time to time to take into account any material changes in the characteristics of the Umbrella Fund (including, but not limited to the issue of new Portfolios and new classes of Shares). Therefore, prospective investors should inquire as to whether a new version of this Prospectus and its Supplements has been prepared and whether Simplified Prospectuses are available.

For defined terms used in this Prospectus, if not defined herein, please refer to the "*Glossary of Terms*".

### ***Investor Responsibility***

Prospective investors should review this Prospectus and each relevant Supplement and Simplified Prospectus carefully in its entirety and consult with their legal, tax and financial advisors in relation to (i) the legal requirements within their own countries for the subscription, holding, redemption or disposal of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the subscription, holding, redemption or disposal of Shares; (iii) the legal, tax, financial or other consequences of subscribing for, holding, redeeming or disposing of Shares; and (iv) the suitability for them of an investment in Shares. Prospective investors should seek the advice of their legal, tax and financial advisors if they have any doubts regarding the contents of this Prospectus and each relevant Supplement and Simplified Prospectus.

**You are reminded that this Prospectus and its Supplements have been delivered to you on the basis that you are a person into whose possession of this Prospectus and its Supplements may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Prospectus and its Supplements to any other person.**

### ***Availability of the Umbrella Fund***

The Umbrella Fund is available to both retail or natural persons and Institutional Investors. The profile of the typical investor for each Portfolio is described in each of the Simplified Prospectuses and in the description of each relevant Portfolio in the relevant Supplement.

### ***Distribution and Selling Restrictions***

No persons receiving a copy of this Prospectus, its Supplements or the Simplified Prospectuses in any jurisdiction may treat this Prospectus, its Supplements or the Simplified Prospectuses as constituting an

invitation to them to consider subscribing for Shares unless the Shares are registered for distribution in the relevant jurisdiction or such an invitation can lawfully be made without compliance with any registration or other legal requirements.

Shares have not been and will not be registered under the Securities Act (as amended) or the securities laws of any of the States of the United States. Shares may not be offered, sold or delivered directly or indirectly in the United States, or to or for the account or benefit of any "U.S. Person". Any re-offer or resale of any Shares in the United States or to U.S. Persons may constitute a violation of United States law. The Umbrella Fund will not be registered under the United States Investment Company Act of 1940, as amended. Applicants for Shares will be required to certify that they are not U.S. Persons. All Shareholders are required to notify the Umbrella Fund of any change in their status as non-U.S. Person.

### ***Reliance on this Prospectus, its Supplements and on the Simplified Prospectuses***

**Shares in any Portfolio described in this Prospectus and its Supplements as well as in the Simplified Prospectuses are offered only on the basis of the information contained therein and (if applicable) any addendum hereto and the latest audited annual financial report and any subsequent semi-annual financial report of the Umbrella Fund.**

Any further information or representations given or made by any distributor, intermediary, dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorized to give any information or to make any representation in connection with the Umbrella Fund, any Portfolio or the offering of Shares other than those contained in this Prospectus, its Supplements and the Simplified Prospectuses and (if applicable) any addendum hereto and in any subsequent semi-annual or annual financial report for the Umbrella Fund and, if given or made, such information or representations must not be relied on as having been authorized by the Directors, the Management Company, the Investment Administrator, the Custodian or the Umbrella Fund Administrator. Statements in this Prospectus, in its Supplements and in the different Simplified Prospectuses are based on the law and practice currently in force in Luxembourg at the date hereof and are subject to change. Neither the delivery of this Prospectus, its Supplements or of the Simplified Prospectuses nor the issue of Shares shall, under any circumstances, create any implication or constitute any representation that the affairs of the Umbrella Fund have not changed since the date hereof.

Prospective investors are offered a free of charge copy of the Simplified Prospectuses before subscription and may obtain, free of charge, on request, a copy of this Prospectus, of its Supplements and of the Simplified Prospectuses relating to the Portfolios in which they invest, the annual and semi-annual financial reports of the Umbrella Fund and the Articles of Incorporation at the registered office of the Umbrella Fund or the Custodian.

### ***Investment Risks***

**Investment in any Portfolio carries with it a degree of financial risk, which varies between Portfolios. The value of Shares and the return generated from them may go up or down, and investors may not recover the amount initially invested. Investment risk factors for an investor to consider are set out under section "*What to Know Before You invest in a Portfolio*" and under the section "*Additional Overriding Risks*" of this Prospectus as well as in the description of each Portfolio in the relevant Supplement to this Prospectus.**

**Investors should however pay particular attention to the following risks.**

### **Investment and Trading Risks in General**

All securities investments (whether direct or indirect) involve a risk of loss of capital. The investment programme of the Portfolios may at times entail limited portfolio diversification of exposure to investments, which can, in certain circumstances, substantially increase the impact of adverse price movements in the investments on the value of Shares in the Portfolios. In addition, the value of assets comprised in the Portfolios is subject to the risk of broad market movements that may adversely affect the performance of the Portfolios. Factors that may influence the market price of assets comprised in the Portfolios include economic, military, financial, regulatory, political and terrorist events. No guarantee or representation can be made as to the future success of the investment programme of the Portfolios.

## **Index Tracking**

In case of Portfolios that are designed to track a particular index, the Investment Administrator will use a largely passive strategy to replicate a performance corresponding generally to the performance of a relevant index. This means that the Net Asset Value of the relevant Portfolios will generally track the relevant index when it is flat or declining as well as when it is rising. As a result, it is highly likely that the value of the Shares in those Portfolios will be adversely affected by a decline in the price of components of the relevant index. The Investment Administrator will not engage on behalf of any Portfolio in any activity designed to obtain a profit from, or to reduce losses caused by, changes in the value of the components of these indices.

Tracking risk is the risk that the performance of a Portfolio, the objective of which is to track a specific index, will diverge from that of the relevant index. Portfolio expenses will tend to reduce the relevant Portfolio's performance to below the return of the index so giving rise to tracking risk.

## **Investment in derivatives transactions and in OTC derivative transactions**

In so far as is permitted by the Luxembourg law, the Portfolios will enter into derivative transactions with a view to achieving their investment objectives. This might include instruments such as futures, options, contracts for differences, forwards and swaps. In particular, the Portfolios will use OTC swaps.

Derivative instruments can be highly volatile and their market value may be subject to wide fluctuations.

Some of the derivative instruments used by the Portfolios are highly specialized and there may be only a limited number of or no other counterparties that provide them. The valuation of the swaps is subject to independent annual audit.

## **Counterparty risk**

Where cash comprised in a Portfolio is held by a counterparty, it may not be treated as client money subject to the protection conferred by any rules in the relevant jurisdictions as to the holding of clients' cash and accordingly may not be segregated; in these cases, it could be used by the counterparty in the course of its investment business and the relevant Portfolio may therefore rank as an unsecured creditor in relation to that cash.

The Portfolios will be exposed to a credit risk on the counterparties with which they trade in relation to non-exchange traded futures, options, contracts for differences and swaps. Non-exchange traded futures, options, contracts for differences and swaps are agreements specifically tailored to the needs of an individual investor that enable the user to structure precisely the date, market level and amount of a given position. Non-exchange traded futures, options, contracts for differences and swaps are not afforded the same protection as may apply to participants trading futures, options, contracts for differences or swaps on organized exchanges, such as the performance guarantee of an exchange clearing house. The counterparty for these agreements will be the specific company or firm involved in the transaction, rather than a recognized exchange and accordingly the insolvency, bankruptcy or default of a counterparty with which the Portfolio trades such non-exchange traded futures, options, contracts for differences and swaps could result in substantial losses to the Portfolio.

The counterparty to the OTC derivative transactions is expected to be Goldman Sachs International (the "Counterparty"). Accordingly, the ability of the Portfolios to meet their investment objectives is, amongst other factors, significantly dependant upon the ability of the Counterparty to meet its obligations under the OTC derivative transactions it enters into in respect of the Portfolios, which will usually be swaps. In the event of the insolvency or default of Goldman Sachs, the Counterparty or any other relevant counterparty, the Portfolios could suffer a loss.

Portfolios will be exposed to a credit risk on counterparties with whom they deal in securities, and may bear the risk of settlement default.

## ***What to Know Before You Invest in a Portfolio***

### **Goldman Sachs International as Investment Administrator**

Goldman Sachs International is the promoter of the Umbrella Fund as well as the Investment Administrator of the Portfolios. The role of Goldman Sachs International as Investment Administrator is to identify and enter into investment transactions that it considers are appropriate in seeking to meet the investment objectives of the relevant Portfolios. The extent to which it will do this may be limited depending on the investment policy of the relevant Portfolio. To the extent the investment objective of a Portfolio is to track the performance of an index, that Portfolio will operate on a largely passive basis as there will be no active selection of particular assets. In these cases, the Investment Administrator will enter into an OTC derivative transaction in order to

meet the investment objective of the relevant Portfolios. The Investment Administrator will conclude a reverse repurchase agreement for which the relevant Portfolio will receive an interbank offered rate to fund its OTC derivative transaction.

The staff carrying on the activities of Goldman Sachs International as Investment Administrator (including committing the Portfolios to transactions with the derivatives division of Goldman Sachs International) is different to that from the Goldman Sachs International derivatives trading desk entering into such OTC derivative transactions.

### **No duty of Best Execution**

The Directors of the Umbrella Fund are required to ensure that the transactions entered into by the Umbrella Fund are priced on an arm's length basis. However, transactions effected on behalf of the Portfolios will not always be executed at the best available price or commission. Goldman Sachs International, acting as Investment Administrator, has agreed with the Umbrella Fund to use reasonable skill and care to ensure that all transactions to which it commits the Umbrella Fund shall be on a reasonable arm's length basis as required by Luxembourg law and Goldman Sachs International will always act in the best interests of the shareholders. However, the Umbrella Fund has agreed that Goldman Sachs International does not owe any duty of best execution that may otherwise apply under the rules of the UK Financial Services Authority or otherwise under English law. This is because the question of whether or not best execution has been provided falls to be assessed by reference to similar trades carried on in the market whereas the derivative transactions that Goldman Sachs International will enter into with the Umbrella Fund are specific to the Umbrella Fund and there may therefore be a limited market by reference to which best execution can be judged.

### **Limitation of Fiduciary Duties**

As Investment Administrator, Goldman Sachs International has a limited role which is defined by its contractual obligations. As such, it is not carrying out active stock selection and other functions that might be conducted by an investment manager that was subject to overriding fiduciary duties by operation of law. Therefore, Goldman Sachs International is limiting its fiduciary duties owed to the Umbrella Fund to such duties as are defined by the arrangements agreed between the parties as set out in the Investment Administrator Agreement.

### **The role of Goldman Sachs International as Investment Administrator and Counterparty and the management of potential conflicts of interest**

Goldman Sachs International as Investment Administrator (and each individual acting on its behalf in that capacity) is acting on behalf of the Umbrella Fund, which is not the case for the derivatives trading desk of Goldman Sachs International. As Goldman Sachs International will also act as the Counterparty to OTC derivative transactions within the Portfolios and the Calculation Agent in respect of those OTC derivative transactions, investors should be aware that their investment in a Portfolio may be subject to conflicts of interest.

Potential conflicts of interest that may arise in relation to the above mentioned situation are set out under the section "*Additional Overriding Risks*" of this Prospectus.

In particular, investors should be aware that to the extent the Umbrella Fund trades with Goldman Sachs International operating as the Counterparty, Goldman Sachs International will make a profit from the price of the OTC derivative instruments, which may not be the best price available in the market.

However, Goldman Sachs International operates arrangements in order to mitigate such conflicts of interests and/or to facilitate that they do not affect the interests of the Umbrella Fund. The investment administration and derivatives trading desk of Goldman Sachs International are functionally separate. In addition, Goldman Sachs International (acting as the Counterparty) has agreed that it will be able to demonstrate how the price of any OTC derivative instruments entered into with the Umbrella Fund has been set and can show why it believes the relevant contract has been entered into on reasonable arm's length terms.

In addition to that the Umbrella Fund operates arrangements to ensure that its interests are protected. First, a pricing committee, appointed by the Board of Directors of the Umbrella Fund, is responsible for overseeing the OTC derivative transactions price verification process, which in turn comprises verification of each of the following: (i) the Goldman Sachs models used for such valuations to ensure that they are reasonable and in line with what other dealers may be using, (ii) that those models have been verified and approved by another

independent division within Goldman Sachs, and (iii) that the market inputs to the models are verified to the extent possible. The pricing committee will confirm that the requirements of (i), (ii) and (iii) above are met.

### **Members of the Pricing Committee and Trading Committee**

The following are the current members of the pricing committee:

- Paul Young - Managing Director, Head of FICC and Equities Strategies Group, Goldman Sachs International,
- Robert Berry - Managing Director, Global Head of Market Risk Management and Analysis Group, Goldman Sachs International,
- Mark Allen - Managing Director, Head of European Controllers Group, Goldman Sachs International.

Secondly, in addition to the pricing committee, a trading committee has also been appointed by the Board of Directors of the Umbrella Fund to oversee the inception of the OTC derivative transactions process. Before any Portfolio enters into transactions, the trading committee will review the OTC derivative transactions to be entered into by each Portfolio (*i.e.* prior to the Portfolio trading), and will consider the commercial reasonableness of the OTC derivative transaction. It meets and opines on each OTC derivative transaction, which is expected to be one per Portfolio.

The following are members of the trading committee:

- Kent A. Clark - Managing Director, HFS Global Portfolio Management, Goldman Sachs,
- Ted Sotir - Managing Director and Co-head of Goldman Sachs Asset Management Europe,
- Paul Young - Managing Director, Head of FICC and Equities Strategies Group, Goldman Sachs International,
- Robert Berry - Managing Director, Global Head of Market Risk Management and Analysis Group, Goldman Sachs International,
- Mark Allen - Managing Director, Head of European Controllers Group, Goldman Sachs International.

All members of the pricing committee and the trading committee are independent from the trading desk and may be replaced by other individuals of Goldman Sachs International, or any other entity which is a member of the Goldman Sachs Group, Inc., who are independent from the trading desk.

Details of the proposed transaction are presented to the trading committee by the Investment Administrator, and a positive confirmation is required from (i) anyone member of the trading committee who should also be a member of the pricing committee and (ii) anyone of Kent A. Clark and Ted Sotir.

### **Data Protection**

In accordance with the provisions of the law of 2 August 2002 on the protection of persons, as amended, with regard to the processing of personal data, the Umbrella Fund has to inform Shareholders that their personal data is kept by means of a computer system.

The Umbrella Fund collects, stores and processes by electronic or other means the data supplied by Shareholders at the time of their subscription for the purpose of fulfilling the services required by the Shareholders and complying with its legal obligations.

The data processed includes the name, address and invested amount of each Shareholder (the "Personal Data").

The investor may, at his/her/its discretion, refuse to communicate the Personal Data to the Umbrella Fund. In this case however the Umbrella Fund may reject his/her/its request for subscription of Shares in the Umbrella Fund.

In particular, the data supplied by Shareholders is processed for the purpose of (i) maintaining the register of Shareholders, (ii) processing subscriptions, redemptions and conversions of Shares and payments of dividends to Shareholders, (iii) performing controls on late trading and market timing practices, (iv) complying with applicable anti-money laundering rules.

The Umbrella Fund can delegate to another entity (the "Processors") (the Umbrella Fund Administrator, the Registrar and Transfer Agent and the Management Company) the processing of the Personal Data, in compliance and within the limits of the applicable laws and regulations. The processing of personal data may be delegated also to the services providers appointed by the Umbrella Fund in the countries of registration of the Umbrella Fund.

Each Shareholder has a right to access his/her/its Personal Data and may ask for a rectification thereof in cases where such data is inaccurate and incomplete. In relation thereto, the Shareholder can ask for a rectification by letter addressed to the Umbrella Fund.

The Shareholder has a right of opposition regarding the use of its Personal Data for marketing purposes. This opposition can be made by letter addressed to the Umbrella Fund.

The Shareholder's personal data shall not be held for longer than necessary with regard to the purpose of data processing observing legal periods of limitation.

For additional copies of this Prospectus or its Supplements or copies of the Simplified Prospectus of each Portfolio or of most recent annual and semi-annual financial reports of the Umbrella Fund or the Articles of Incorporation or for any queries you may have on how to invest, please call The Bank of New York Mellon (Luxembourg) S.A. (+352) 24 524 1 or write to The Bank of New York Mellon (Luxembourg) S.A., Vertigo Building – Polaris, 2-4, rue Eugène Ruppert, L-2453 Luxembourg, Grand-Duchy of Luxembourg.

## DIRECTORY

<p><b><i>Board of Directors of the Umbrella Fund:</i></b></p>	<p><b>Claude Kremer</b>  <b>Partner</b>  <b>Arendt &amp; Medernach Luxembourg</b>  14, rue Erasme  L-2082 Luxembourg</p> <p><b>Patrick Zurstrassen</b>  <b>Associate</b>  <b>The Directors' Office</b>  21<sup>st</sup> Century Building  19, rue de Bitbourg  L-1273 Luxembourg</p> <p><b>Andreas Koernlein</b>  <b>Managing Director of Goldman, Sachs &amp; Co oHG</b>  Messturm  Friedrich-Ebert-Anlage 49  60308 Frankfurt-am-Main  Germany</p> <p><b>Richard Taylor</b>  <b>Managing Director, Goldman Sachs International</b>  – <b>European Product Control</b>  Peterborough Court  133 Fleet Street  London, EC4A 2BB  United Kingdom</p> <p><b>Dr. Francesco Adilberti</b>  <b>Managing Director, Goldman Sachs International</b>  – <b>Responsible for Goldman Sachs International's</b>  <b>Representative Office Switzerland and Co-Head</b>  <b>Private Investor Product Group</b>  Claridenstrasse 25  8001 – Zurich  Switzerland</p>
<p><b><i>Management Company:</i></b></p>	<p><b>RBS (Luxembourg) S.A.</b>  33, rue de Gasperich  L-5826 Hesperange - Luxembourg</p>
<p><b><i>Board of Directors of the Management Company:</i></b></p>	<p><b>Ian Henley (Chairman)</b>  <b>Managing Director, Major Corporate Banking</b>  <b>The Royal Bank of Scotland</b>  280, Bishopsgate,  London, EC2M 4RB  England</p> <p><b>Peter Craft</b>  <b>Head of Trustee and Depositary Services</b>  <b>The Royal Bank of Scotland, Edinburgh</b>  The Broadstore  50 South Gyle Crescent,  Edinburgh EH12 9UZ  Scotland</p> <p><b>Antonio Thomas</b>  <b>Managing Director</b>  <b>RBS (Luxembourg) S.A., Luxembourg</b>  33, rue de Gasperich  L-5826 Hesperange – Luxembourg</p>



	<p><b>Lorna Cassidy</b>  <b>Director, Head of Finance,</b>  <b>RBS (Luxembourg) S.A.</b>  33, rue de Gasperich  L-5826 Hesperange – Luxembourg</p> <p><b>Thierry Logier</b>  <b>Director, Head of Sales and Marketing</b>  <b>RBS (Luxembourg) S.A., Luxembourg</b>  33, rue de Gasperich  L-5826 Hesperange – Luxembourg</p> <p><b>Mario Zardoni</b>  <b>Director, Head of Risk</b>  <b>RBS (Luxembourg) S.A., Luxembourg</b>  33, rue de Gasperich  L-5826 Hesperange – Luxembourg</p> <p><b>Özgül Gülbey</b>  <b>Director, Head of Legal &amp; Compliance</b>  <b>RBS (Luxembourg) S.A., Luxembourg</b>  33, rue de Gasperich  L-5826 Hesperange – Luxembourg</p> <p><b>Alisdair Stewart</b>  <b>Non Executive Director</b>  <b>RBS (Luxembourg) S.A., Luxembourg</b>  33, rue de Gasperich  L-5826 Hesperange – Luxembourg</p> <p><b>Henry Kelly</b>  <b>Director (Non–Executive Director),</b>  <b>Managing Director,</b>  <b>KellyConsult S.à r.l., Luxembourg</b>  33, rue de Gasperich  L-5826 Hesperange – Luxembourg</p>
<b>Promoter:</b>	<p><b>Goldman Sachs International</b>  Peterborough Court  133 Fleet Street  London EC4A 2BB</p>
<b>Global Distributor:</b>	<p><b>Goldman Sachs International</b>  Peterborough Court  133 Fleet Street  London EC4A 2BB</p>
<b>Custodian and Domiciliary and Corporate Agent:</b>	<p><b>The Bank of New York Mellon (Luxembourg) S.A.</b>  Vertigo Building - Polaris  2-4, rue Eugène Ruppert  L-2453 Luxembourg  Grand Duchy of Luxembourg</p>
<b>Umbrella Fund Administrator:</b>	<p><b>The Bank of New York Mellon (Luxembourg) S.A.</b>  Vertigo Building - Polaris  2-4, rue Eugène Ruppert  L-2453 Luxembourg  Grand Duchy of Luxembourg</p>
<b>Registrar and Transfer Agent:</b>	<p><b>RBC Dexia Investor Services Bank S.A.</b>  14, Porte de France  L-4360 Esch-sur-Alzette  Grand Duchy of Luxembourg</p>
<b>Hedging Agent:</b>	<p><b>The Bank of New York Mellon</b>  One Wall Street,  New York, 10286  United States of America</p>

<b><i>Investment Administrator:</i></b>	<b>Goldman Sachs International</b> Peterborough Court 133 Fleet Street London EC4A 2BB
<b><i>Auditors of the Umbrella Fund:</i></b>	<b>PriceWaterhouse Coopers S.à r.l.</b> 400, Route d'Esch B.P. 1443 L-1014 Luxembourg
<b><i>Auditors of the Management Company:</i></b>	<b>Deloitte S.A.</b> 560 rue de Neudorf L-2220 Luxembourg
<b><i>Luxembourg Legal Adviser:</i></b>	<b>Arendt &amp; Medernach</b> 14 rue Erasme L-2082 Luxembourg

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# INTRODUCTION

The Umbrella Fund is an "umbrella fund" divided into multiple Portfolios as set forth under the heading "*List of Available Portfolios*" and in each of the Supplements to this Prospectus, each representing different investment objectives and a separate pool of assets. Shares in any particular Portfolio will be further divided into different classes to accommodate different subscription, conversion and redemption provisions and/or fees and charges to which they are subject, as well as their availability to certain types of investors. All references to a Portfolio, shall, where the context requires, include any class of Shares that belongs to such Portfolio.

In each Portfolio, the Umbrella Fund may, but is not required to, issue one or more of the following classes of Shares:

- ✓ Class "A" Shares: class of Shares dedicated to retail investors.
- ✓ Class "A (Austria)" Shares: class of Shares dedicated to Austrian retail investors.
- ✓ Class "A (EUR Hedged)" Shares: class of Shares dedicated to retail investors.
- ✓ Class "A (GBP Hedged)" Shares: class of Shares dedicated to retail investors.
- ✓ Class "A (CHF Hedged)" Shares: class of Shares dedicated to retail investors.
- ✓ Class "A (USD Hedged)" Shares: class of Shares dedicated to retail investors.
- ✓ Class "A (CZK Hedged)" Shares: class of Shares dedicated to retail investors.
- ✓ Class "A (PLN Hedged)" Shares: class of Shares dedicated to retail investors.
- ✓ Class "I" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "I (EUR Hedged)" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "I (GBP Hedged)" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "I (USD Hedged)" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "I (CZK Hedged)" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "I (PLN Hedged)" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "I (CHF Hedged)" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "I (JPY Hedged)" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "I (2010)" Shares: class of Shares dedicated to Institutional Investors and having a predetermined maturity term; at the end of a maturity term, Shares will be compulsorily redeemed.
- ✓ Class "I (2012)" Shares: class of Shares dedicated to Institutional Investors and having a predetermined maturity term; at the end of a maturity term, Shares will be compulsorily redeemed.
- ✓ Class "I (2014)" Shares: class of Shares dedicated to Institutional Investors and having a predetermined maturity term; at the end of a maturity term, Shares will be compulsorily redeemed.
- ✓ Class "C" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "C (Austria)" Shares: class of Shares dedicated to Austrian Institutional Investors.
- ✓ Class "C (EUR Hedged)" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "C (GBP Hedged)" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "C (CHF Hedged)" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "C (USD Hedged)" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "C (CZK Hedged)" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "C (PLN Hedged)" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "M" Shares: class of Shares dedicated to private wealth management clients only.
- ✓ Class "M (USD Hedged)" Shares: class of Shares dedicated to private wealth management clients only.
- ✓ Class "X" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "X (EUR Hedged)" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "X (GBP Hedged)" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "X (CHF Hedged)" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "Y" Shares: class of Shares dedicated to Institutional Investors.
- ✓ Class "Y (EUR Hedged)" Shares: class of Shares dedicated to Institutional Investors;
- ✓ Class "Y (GBP Hedged)" Shares: class of Shares dedicated to Institutional Investors;
- ✓ Class "Y (CHF Hedged)" Shares: class of Shares dedicated to Institutional Investors.

Class I (2010) Shares, class I (2012) Shares and class I (2014) Shares have a maturity term as determined by the Board of Directors of the Umbrella Fund from time to time; at the end of a maturity term, the class I (2010) Shares, class I (2012) Shares and class I (2014) Shares will be compulsorily redeemed. The Board of Directors of the Umbrella Fund has the full discretion to shorten and extend previously set maturity terms.

## Hedging of classes of Shares

The Umbrella Fund will seek to hedge certain classes of Shares back from the Base Currency of the relevant Portfolio to the currency denomination of such classes Hedged Shares by employing a variety of instruments including, but not limited to, currency forwards, currency futures, currency option transactions and currency swaps. Any expenses arising from such hedging transactions will be borne by the relevant classes Hedged Shares or Portfolio.

There is no assurance or guarantee that such hedging will be effective; see "Exchange Rates and Currency Transactions" and "Foreign Exchange/Currency Risk" under "Additional Overriding Risks" below.

The Umbrella Fund has the possibility of creating further Portfolios as well as further classes of Shares per Portfolio. When new Portfolios or classes of Shares are created, this Prospectus, its Supplements and the Simplified Prospectuses will be amended accordingly, in order to provide all the necessary information on such new Portfolios and classes of Shares. Supplements and Simplified Prospectuses relating to the new Portfolios will also be issued accordingly.

For further information on the classes of Shares, investors should refer to the chapter entitled "*Subscription, Transfer, Conversion and Redemption of Shares*" and to the relevant Supplement detailing the available classes of Shares for each Portfolio as well as their characteristics.

## Umbrella Fund

The Umbrella Fund has been incorporated on 2 February 2007 for an unlimited period of time as a *société d'investissement à capital variable*.

The minimum capital of the Umbrella Fund, as provided by law, which must be achieved within six months after the date on which the Umbrella Fund has been authorized as a UCI under Luxembourg law, shall be Euro 1,250,000.-. The initial capital of the Umbrella Fund was Euro 31,000.-. divided into 31 Shares of no par value. The capital of the Umbrella Fund is represented by fully paid up Shares of no par value. The share capital is at all times equal to the total net assets of all the Portfolios.

The Articles of Incorporation have been lodged with the registry of the District Court and a publication of such deposit made in the *Mémorial C, Recueil des Sociétés et Associations* of 28 February 2007.

The registered office of the Umbrella Fund is located at Vertigo Building – Polaris, 2-4, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg.

The Umbrella Fund is recorded in the Luxembourg *Registre de Commerce* under the number B 124187.

Under Luxembourg law, the Umbrella Fund is a distinct legal entity. Each of the Portfolios, however, is not a distinct legal entity from the Umbrella Fund. However, with regard to third parties and, in particular, with regard to the Umbrella Fund's creditors and between Shareholders, each Portfolio shall be exclusively responsible for all liabilities attributable to it.

## Management Company / Investment Administrator

### **Management Company:**

The Umbrella Fund has appointed RBS (Luxembourg) S.A. to serve as its designated management company in accordance with the 2002 Law pursuant to a Fund Management Company Agreement dated as of February 19, 2007. Under this agreement, the Management Company provides management, administrative and marketing services to the Umbrella Fund, subject to the overall supervision and control of the Board of Directors of the Umbrella Fund.

RBS (Luxembourg) S.A. is a *Société Anonyme* incorporated under Luxembourg law on 10 November 2004 for an unlimited period of time. The articles of incorporation of the Management Company were published in the *Mémorial C* of 6 December 2004 and filed with the Chancery of the District Court of Luxembourg. The capital of the Management Company currently amounts to Euro ten million (€10,000,000).

It is registered on the official list of Luxembourg management companies governed by Chapter 13 of the 2002 Law.

Mr. Antonio Thomas and Mr. Mario Zardoni are responsible for the Management Company's daily business and operations.

The Management Company is a member of The Royal Bank of Scotland Group, which provides services to the UK collective investment schemes market, principally in the role of trustee to units trusts.

The Management Company is in charge of the day-to-day operations of the Umbrella Fund. In fulfilling its responsibilities set forth by the 2002 Law and the Fund Management Company Agreement, it is permitted to delegate all or a part of its functions and duties to third parties, provided that it retains responsibility and oversight over such delegates. The appointment of third parties is subject to the approval of the Umbrella Fund and the Regulatory Authority. The Management Company's liability shall not be affected by the fact that it has delegated its functions and duties to third parties.

The Management Company has delegated the following functions to third parties: investment administration, transfer agency and administration. The Management Company has further delegated marketing and distribution functions to the Global Distributor.

The Management Company shall at all time act in the best interests of the Shareholders and according to the provisions set forth by the 2002 Law, the Prospectus, its Supplements and the Articles of Incorporation. The Fund Management Company Agreement is for an indefinite period of time and may be terminated by either party upon ninety (90) days' prior written notice or forthwith by notice in writing in the specific circumstances provided in such agreement.

***Investment Managers and/or Investment Advisers:***

Subject to the overall responsibility of the Board of Directors of the Umbrella Fund, the Management Company may appoint third parties investment managers and/or investment advisers for managing and/or providing investment advisory services in relation with certain Portfolios.

***Investment Administrator:***

Subject to the overall responsibility of the Board of Directors of the Umbrella Fund, the Management Company will provide or procure for each Portfolio investment advisory and investment administration services, pursuant to the provisions of the Fund Management Company Agreement.

In order to implement the investment policies of each Portfolio, the Management Company, with the consent of the Board of Directors of the Umbrella Fund, has delegated the investment administration of the assets of each Portfolio to Goldman Sachs International pursuant to an Investment Administrator Agreement dated as of February 19, 2007.

The Investment Administrator is a member of the Goldman Sachs Group, Inc. which is an organization providing investment banking, broker-dealer, asset management and financial services in global financial markets.

***Auditors of the Management Company:***

The Board of Directors of the Management Company has appointed Deloitte S.A. as the Auditors of the Management Company.

## **LIST OF AVAILABLE PORTFOLIOS**

- 1) Goldman Sachs Structured Investments SICAV – Goldman Sachs Absolute Return Tracker Index Portfolio**
- 2) Goldman Sachs Structured Investments SICAV – Goldman Sachs Commodity Alpha B7 Portfolio**
- 3) Goldman Sachs Structured Investments SICAV – Dynamic Momentum Optimisation Total Return Strategy Portfolio**
- 4) Goldman Sachs Structured Investments SICAV – Goldman Sachs Floating Rate EURO Portfolio**
- 5) Goldman Sachs Structured Investments SICAV – 20 yr Maturity Floating Rate EURO Portfolio**
- 6) Goldman Sachs Structured Investments SICAV – 15 yr Maturity Floating Rate EURO Portfolio**
- 7) Goldman Sachs Structured Investments SICAV – 10 yr Maturity Floating Rate EURO Portfolio**
- 8) Goldman Sachs Structured Investments SICAV – Goldman Sachs Dow Jones - UBS Enhanced Strategy Portfolio**
- 9) Goldman Sachs Structured Investments SICAV – Reduced Volatility Velocity and Carry Strategy Portfolio**
- 10) Goldman Sachs Structured Investments SICAV – Goldman Sachs G10 & EM Carry Index Portfolio**
- 11) Goldman Sachs Structured Investments SICAV – Goldman Sachs Dividend Linked Portfolio on the Dow Jones EURO STOXX 50 ® Index**
- 12) Goldman Sachs Structured Investments SICAV – Macro Harvester Portfolio**
- 13) Goldman Sachs Structured Investments SICAV – Alternative Alpha Tactical Trading Index Portfolio**
- 14) Goldman Sachs Structured Investments SICAV – Goldman Sachs Commodity Alpha Portfolio**

**Please refer to each of the relevant Supplements to this Prospectus for the details on each of the above Portfolios.**

## INVESTMENT RESTRICTIONS

Unless more restrictive rules are provided for in the investment policy of any specific Portfolio, as described in each of the Supplements to this Prospectus, each Portfolio shall comply with the rules and restrictions detailed below.

The Umbrella Fund shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments for each Portfolio, the Base Currency, the Pricing Currency, as the case may be, and the course of conduct of the management and business affairs of the Umbrella Fund.

If the limits set forth below are exceeded for reasons beyond the control of the Investment Administrator, the Investment Administrator must adopt as its primary objective in its sale transactions the remedying of such situation, taking due account of the interests of the Portfolio's Shareholders.

### **Authorized Investments**

1. Investments in the Portfolios shall consist solely of:

- a. Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market.
- b. Transferable Securities or Money Market Instruments admitted to official listing on a stock exchange or dealt in on any Other Regulated Market located in a Member State of the European Union ("EU") or any other country of Europe, Asia, Oceania, Africa or the American continents.
- c. Recently issued Transferable Securities or Money Market Instruments for which an undertaking has been made that application will, or has been made, for admission to official listing on any Regulated Market, provided that such admission is effectively secured within one (1) year of issue.
- d. Units of undertakings for collective investment in transferable securities ("UCITS") authorized according to the EEC Council Directive of December 20, 1985 (85/611/EEC) ("UCITS Directive") and/or other undertakings for collective investment ("UCI") within the meaning of the first and second indents of Article 1, paragraph (2) of the UCITS Directive, whether located in a member state of the EU ("EU Member State") or not, provided that:
  - Such other UCIs must be authorized under laws of either an EU Member State or a state in respect of which the Luxembourg supervisory authority considers that the level of (i) supervision of such UCIs is equivalent to that provided for under EU law and (ii) cooperation between the relevant local authority and the Luxembourg supervisory authority is sufficiently ensured (currently the United States, Canada, Switzerland, Hong Kong, Norway and Japan).
  - Such other UCIs must provide to their shareholders a level of protection that the Investment Administrator may reasonably consider to be equivalent to that provided to shareholders by UCITS within the meaning of Article 1(2) of the UCITS Directive, in particular with respect to the rules on assets segregation, applying to portfolio diversification and borrowing, lending and short sales transactions.
  - Such UCIs must issue semi-annual and annual reports.
  - The organizational documents of the UCITS or of the other UCIs must restrict investments in other undertakings for collective investment to no more than 10% of their aggregate net assets.
- e. Time deposits with credit institutions, under the following restrictions:
  - Such deposits may be withdrawn at any time.
  - Such deposits must have a residual maturity of less than twelve (12) months.
  - The credit institution must have its registered office in an EU Member State or, if its registered office is located in another state, the credit institution must be subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under EU law.



f. Derivatives, including options and futures, under the following restrictions:

- Such transactions in derivatives shall under no circumstance cause the relevant Portfolio to fail to comply with its investment objective and policy.
- Such derivatives must be traded on a Regulated Market or over-the-counter with counterparties that are subject to prudential supervision and belong to the categories of counterparties approved by the Luxembourg supervisory authority.
- The underlying assets of such derivatives must consist of either the instruments mentioned in this Paragraph 1 or financial indices, interest rates, foreign exchange rates or currencies in which the relevant Portfolio invests in accordance with its investment policy.
- Such derivatives, if traded over-the-counter ("OTC Derivatives"), must be subject to reliable and verifiable pricing on a daily basis and may be sold, liquidated or closed by the Portfolio at any time at their fair value.

**Goldman Sachs International as OTC derivative counterparty has agreed with the Umbrella Fund to close out any derivative entered into with the Umbrella Fund for fair value at any time on the initiative of the Umbrella Fund.**

g. Money Market Instruments other than those dealt in on a Regulated Market, under the following restrictions:

- The issue or the issuer of such instruments must be regulated in terms of investor and savings protection.
- Such instruments must be either (i) issued or guaranteed by an EU Member State, its local authorities or central bank, the European Central Bank, the EU, the European Investment Bank, any other state that is not an EU Member State, a public international body of which one or more EU Member States are members or, in the case of a federal state, any one of the entities forming part of the federation; or (ii) issued by a corporate entity whose securities are traded on a Regulated Market; or (iii) issued or guaranteed by an entity that is subject to prudential supervision in accordance with criteria defined under EU law; or (iv) issued or guaranteed by an entity that is subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under EU law; or (v) issued by other entities that belong to categories of issuers approved by the Luxembourg supervisory authority, provided that investments in such instruments are subject to investor protection equivalent to that provided by the types of issuers mentioned in Paragraph f.(i) to (iv) above. The issuer of the instruments referred to in Paragraph f.(v) above must be a company (x) whose capital and reserves amount to at least € 10 million, (y) that issues its annual financial statements in accordance with EEC Council Directive 78/660/EEC, and (z) that, within a group of companies including at least one listed company, is dedicated to the financing of the group or is an entity dedicated to the financing of securitization vehicles that benefits from a bank liquidity line.

2. Up to 10% of each Portfolio's net assets may consist of assets other than those referred to under Paragraph 1 above.

## **Cash Management**

Each Portfolio may:

1. Hold up to 49% of its net assets in cash. In exceptional circumstances, this limit may be temporarily exceeded if the Directors consider this to be in the best interest of the Shareholders.
2. Borrow up to 10% of its net assets on a temporary basis.
3. Acquire foreign currency by means of back-to-back loans.

## **Investments in any one Issuer**

For the purpose of the restrictions described in Paragraphs 1 to 5, 8, 9, 13 and 14 below, issuers that consolidate or combine their accounts in accordance with Directive 83/349/EEC or recognized international accounting rules ("Issuing Group") are regarded as one and the same issuer.

Issuers that are UCIs structured as umbrella funds, defined as a legal entity with several separate sub-funds or portfolios, whose assets are held exclusively by the investors of such sub-fund or portfolio and which may be held severally liable for its own debts and obligations shall be treated as a separate issuer for the purposes of Paragraphs 1 to 5, 7 to 9 and 12 to 14 below.

Each Portfolio shall comply with the following restrictions within six (6) months following its launch:

### ***Transferable Securities and Money Market Instruments***

1. Each Portfolio shall comply with the following restrictions:
  - a. No Portfolio may invest more than 10% of its net assets in Transferable Securities or Money Market Instruments of any one issuer.
  - b. Where investments in Transferable Securities or Money Market Instruments of any one issuer exceed 5% of the Portfolio's net assets, the total value of all such investments may not exceed 40% of the Portfolio's net assets. This limitation does not apply to time deposits and OTC Derivatives that satisfy the requirements described in Paragraph 1 of the section entitled "Authorized Investments" above.
2. No Portfolio may invest in the aggregate more than 20% of its net assets in Transferable Securities or Money Market Instruments issued by the same Issuing Group.
3. Notwithstanding the limit set forth in Paragraph 1.a. above, each Portfolio may invest up to 35% of its net assets in any one issuer of Transferable Securities or Money Market Instruments that are issued or guaranteed by an EU Member State, its local authorities, any other state that is not an EU Member State or a public international body of which one or more EU Member States are members.
4. Notwithstanding the limit set forth in Paragraph 1.a. above, each Portfolio may invest up to 25% in any one issuer of qualifying debt securities issued by a credit institution that has its registered office in an EU Member State and, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. Qualifying debt securities are securities the proceeds of which are invested in accordance with applicable law in assets providing a return covering the debt service through to the maturity date of the securities and will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. Where investments in any one issuer of qualifying debt securities exceed 5% of the Portfolio's net assets, the total value of such investments may not exceed 80% of the Portfolio's net assets.
5. The investments referred to in Paragraphs 3 and 4 above may be disregarded for the purposes of calculating the 40% limit set forth in Paragraph 1.b. above.
6. Notwithstanding the foregoing, each Portfolio may invest up to 100% of its net assets in Transferable Securities or Money Market Instruments issued or guaranteed by an EU Member State, its local authorities, any other Member State of the Organization for Economic Co-operation and Development ("OECD") or a public international body of which one or more EU Member States are members, provided that such securities are part of at least six different issues and the securities from any one issue do not account for more than 30% of the Portfolio's net assets.
7. Notwithstanding the limits set forth in Paragraph 1 above, each Portfolio whose investment policy is to replicate the composition of a stock or bond index may invest up to 20% of its net assets in stocks or bonds issued by any one issuer under the following restrictions:
  - a. The index must be recognized by the Luxembourg supervisory authority.
  - b. The composition of the index must be sufficiently diversified.
  - c. The index must be an adequate benchmark for the market represented in such index.

- d. The index must be appropriately published.

The 20% limit referred to above may be raised to 35% under exceptional market conditions, particularly those impacting the Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this 35% limit is only permitted for one single issuer.

### ***Bank Deposits***

8. A Portfolio may not invest more than 20% of its net assets in deposits made with any one institution.

### ***Derivatives Instruments***

9. The risk exposure to any one counterparty in an OTC Derivative may not exceed:
  - a. 10% of each Portfolio's net assets when the counterparty is a credit institution that has its registered office in an EU Member State or, if its registered office is located in another state, that is subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under EU law, or
  - b. 5% of each Portfolio's net assets when the counterparty does not fulfill the requirements set forth above.
10. Investments in financial derivatives instruments that are not index-based shall comply with the limits set forth in Paragraphs 2, 5 and 14, provided that the exposure to the underlying assets does not exceed in the aggregate the investment limits set forth in Paragraphs 1 to 5, 8, 9, 13 and 14.
11. When a Transferable Security or a Money Market Instrument embeds a derivative, such derivative must comply with the requirements of Paragraph 10 above and those set forth under "Global Risk Exposure and Risk Management" below.

### ***Units of other UCIs***

12. Each Portfolio shall comply with the following restrictions:
  - a. No Portfolio may invest more than 20% of its net assets in the units of any one UCI. For the purposes of this Paragraph, each sub-fund of a UCI with several sub-funds within the meaning of Article 133 of the 2002 Law, must be considered as a separate issuer, provided that each sub-fund may be held severally liable for its own debts and obligations.
  - b. Investments made in units of UCIs other than UCITS may not in the aggregate exceed 30% of the net assets of each Portfolio.
  - c. When a Portfolio has acquired units of other UCIs, the underlying assets of such UCIs do not have to be taken into account for the purposes of the limits set forth in Paragraphs 1 to 5, 8, 9, 13 and 14.
  - d. If any UCI in which a Portfolio invests is linked to the Portfolio by common management or control or by a substantial direct or indirect holding, investment in the securities of such UCI shall be permitted only if no fees or costs are charged to the Portfolio on account of such investment.
  - e. A Portfolio that invests a substantial proportion of its assets in other UCIs shall disclose in the Prospectus the maximum level of investment management fees that may be charged both to the Portfolio itself and to the other UCIs in which it intends to invest. In its annual report, the Umbrella Fund shall indicate the investment management fees actually charged both to the Portfolio itself and to the other UCIs in which the Portfolio invests.

### ***Combined Limits***

13. Notwithstanding the limits set forth in Paragraphs 1, 8 and 9 above, no Portfolio may combine (a) investments in Transferable Securities or Money Market Instruments issued by, (b) deposits made with, or (c) exposure arising from OTC Derivatives undertaken with, any one entity in excess of 20% of its net assets.

14. The limits set forth in Paragraphs 1, 3, 4, 8, 9 and 13 above may not be aggregated. Accordingly, each Portfolio's investments in Transferable Securities or Money Market Instruments issued by, and deposits or derivatives instruments made with, any one issuer in accordance with Paragraphs 1, 3, 4, 8, 9 and 13 above may under no circumstances exceed 35% of its net assets.

### **Influence over any one Issuer**

The influence that the Umbrella Fund or each Portfolio may exercise over any one issuer shall be limited as follows:

1. Neither the Umbrella Fund nor any Portfolio may acquire shares with voting rights which would enable such Portfolio or the Umbrella Fund as a whole to exercise a significant influence over the management of the issuer.
2. Neither any Portfolio nor the Umbrella Fund as a whole may acquire (a) more than 10% of the outstanding non-voting shares of any one issuer, (b) more than 10% of the outstanding debt securities of any one issuer, (c) more than 10% of the Money Market Instruments of any one issuer, or (d) more than 25% of the outstanding units of any one UCI.

The limits set forth in Paragraph 2(b) to 2(d) above may be disregarded at the time of the acquisition if at that time the gross amount of debt securities or Money Market Instruments or the net amount of the instruments in issue may not be calculated.

The limits set forth in Paragraphs 1 and 2 of this section above do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by an EU Member State or its local authorities, any other state that is not an EU Member State or a public international body of which one or more EU Member States are members.
- Shares held by the Umbrella Fund in the capital of a company incorporated in a state that is not an EU Member State provided that (a) this issuer invests its assets mainly in securities issued by issuers of that state, (b) pursuant to the laws of that state such holding constitutes the only possible way for the Portfolio to purchase securities of issuers of that state, and (c) such company observes in its investment policy the restrictions in this section as well as those set forth in Paragraphs 1 to 5, 8, 9 and 12 to 14 of the section entitled "Investments in any one Issuer" and Paragraphs 1 and 2 of this section.
- Shares in the capital of affiliated companies which, exclusively on behalf of the Umbrella Fund, carry on only the activities of management, advice or marketing in the country where the affiliated company is located with respect to the redemption of Shares at the request of Shareholders.

### **Overall Risk Exposure and Risk Management**

Except as otherwise stated therein, **each Portfolio's overall risk exposure relating to financial derivative instruments must not exceed such Portfolio's total net assets.** As a general rule, a Portfolio cannot have a global exposure greater than its Net Asset Value and so this means that there is a limit to a Portfolio exposure of 100% of the Net Asset Value. The total risk exposure may not therefore be greater than 210% of the Net Asset Value, including the 10% of the Net Asset Value that each Portfolio may borrow on a temporary basis.

For Portfolios being considered as "sophisticated", a Value at Risk ("VaR") approach must be applied and stress tests have to be performed in order to help manage risks related to possible abnormal market movements. The following parameters for the VaR calculation will be used:

- Confidence level: 99%,
- Forecast time horizon: 1 month,
- "Recent volatilities" (calculated from less than one year).

The Management Company will conduct the investment risk management procedures and controls that analyse risks using three distinct main approaches to the VaR (Monte Carlo simulation, historical simulation and stress tests).

Attention of Shareholders is drawn to the potential additional exposure which may result from the use of a VaR methodology to calculate the market risk according to the provisions of the Regulatory Authority Circular 07/308 on rules of conduct to be adopted by undertakings for collective investment in transferable securities with respect to the use of a method for the management of financial risk, as well as the use of derivative financial instruments.

A Portfolio's overall risk exposure is evaluated by taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

**The Boards of Directors of the Umbrella Fund and the Management Company must implement processes for accurate and independent assessment of the value of OTC Derivatives.**

The Boards of Directors of the Umbrella Fund and the Management Company must implement risk management processes that enable them to monitor and measure at any time the risk related to the assets held in the Portfolios and their contribution to the overall risk profile of the Portfolios.

### **Prohibited Transactions**

Each Portfolio is prohibited from engaging in the following transactions:

- Acquiring commodities, precious metals or certificates representing commodities or precious metals;
- Investing in real property unless investments are made in securities secured by real estate or interests in real estate or issued by companies that invest in real estate or interests in real estate;
- Issuing warrants or other rights to subscribe in Shares of the Portfolio;
- Granting loans or guarantees in favor of a third party. However such restriction shall not prevent each Portfolio from investing up to 10% of its net assets in non fully paid-up Transferable Securities, Money Market Instruments, units of other UCIs or financial derivative instruments; and
- Entering into either uncovered short sales of Transferable Securities, uncovered Money Market Instruments, uncovered units of other UCIs or uncovered financial derivative instruments.

## **SPECIAL INVESTMENT AND HEDGING TECHNIQUES**

For the purpose of hedging, efficient portfolio management, investment purposes, duration management or other risk management of the portfolio, a Portfolio may use the following techniques and instruments relating to Transferable Securities and other liquid assets.

Under no circumstance shall these operations cause a Portfolio to fail to comply with its investment objective and policy.

### **Derivatives**

A Portfolio may use financial derivative instruments for risk management, hedging or investment purposes, as specified in the Portfolio's investment policy, provided that any derivatives transaction complies with the relevant restrictions set forth in the previous section entitled "*Investment Restrictions*".

### **Swaps**

A swap is a contract (typically with a bank or a brokerage firm) to exchange two streams of payment (for example, an exchange of floating rate payments for fixed payments). A Portfolio may enter into swap contracts under the following restrictions:

- Each of these swap contracts shall be entered into with first class financial institutions in the Investment Administrator's opinion that specialize in these types of transactions; and
- All such permitted swap transactions must be executed on the basis of industry accepted documentation/standardized documentation, such as the International Swaps and Derivatives Association (ISDA) Master Agreement.

**Additional Restrictions: Credit Default Swaps**

A Credit Default Swap is a contract in which the protection buyer pays a fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due.

The use of credit default swaps (which are only used for hedging purposes) is subject to the following additional limitations:

- Credit default swaps may only be used in the exclusive interest of the Portfolio's Shareholders;
- The Portfolio shall ensure adequate permanent coverage of its obligations under such credit default swaps and shall be able to fulfill at any time any redemption request of any Shareholder; and
- The credit default swaps in which the Portfolios invest shall be sufficiently liquid to allow the settlement of such transactions.

**Securities Lending and Borrowing**

The Umbrella Fund may engage in securities lending transactions either directly or through a standardised lending system organised by a recognised clearing institution or by a financial institution specialising in this type of transaction and subject to prudential supervision rules which are considered by the Regulatory Authority as equivalent to those provided by Community law, in exchange for a securities lending fee. To limit the risk of loss to the Umbrella Fund, the borrower must post in favour of the Umbrella Fund collateral representing at any time, during the lifetime of the agreement, at least 90% of the total value of the securities loaned in favour of the Umbrella Fund. The amount of collateral is valued daily to ensure that this level is maintained.

Collateral may consist of cash, or securities or instruments permissible under Luxembourg law or regulations, such as (i) liquid assets and/or (ii) sovereign OECD bonds, (iii) shares or units issued by specific money market UCIs, (iv) shares or units issued by UCITS investing in bonds issued or guaranteed by first class issuers offering an adequate liquidity, (v) shares or units issued by UCITS investing in shares listed or dealt on a stock exchange of a Member State of the OECD provided they are included in a main index, (vi) direct investment in bonds or shares with the characteristics mentioned in (iv) and (v). Cash collateral can be reinvested in liquid assets permissible under Luxembourg law or regulations, such as Money Market Instruments rated at least A1 or P1 (or its equivalent) or repurchase agreements with counterparties rated at least A1 or P1 (or its equivalent) or, if such counterparties are not rated, whose parent companies are rated at least A1 or P1 (or its equivalent).

The Umbrella Fund may pay fees to third parties for services in arranging such loans, as such persons may or may not be affiliated with the Umbrella Fund, the Management Company, the Investment Administrator or any investment manager as permitted by applicable securities and banking law.

The principal risk when lending securities is that the borrower might become insolvent or refuse to honour its obligations to return the securities. In this event, a Portfolio could experience delays in recovering its securities and may possibly incur a capital loss. A Portfolio may also incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received from a securities lending counterparty. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Portfolio to the securities lending counterparty at the conclusion of the securities lending contract. The Portfolio would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Portfolio.

**Repurchase Agreements and Reverse Repurchase Agreements**

The Umbrella Fund may enter into repurchase agreement and reverse repurchase agreement transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

The Umbrella Fund can act either as purchaser or seller in repurchase agreement and reverse repurchase agreement transactions or a series of continuing repurchase and reverse repurchase transactions. Its involvement in such transactions is, however, subject to the following rules:

(i) The Umbrella Fund may not buy or sell securities using a repurchase agreement or reverse repurchase agreement transaction unless the counterparty in such transactions is a first class financial institution specialising in this type of transaction subject to prudential supervision rules considered by the Regulatory Authority as equivalent to those provided by Community law.

(ii) During the life of a repurchase agreement or reverse repurchase agreement contract, the Umbrella Fund cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired, except to the extent the Umbrella Fund has other means of coverage.

(iii) As the Umbrella Fund is exposed to redemptions of its own Shares, it must take care to ensure that the level of its exposure to repurchase agreement and reverse repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations.

Except if otherwise stated under section “*Reverse Repurchase Agreement Eligible Securities*” in the Supplement issued in connection with each Portfolio, securities that may be received as collateral under repurchase agreements are limited to any of the following ones, in compliance with the provisions of the Regulatory Authority Circular 08/356:

- (i) short-term bank certificates or money market instruments such as defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions;
- (ii) bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
- (iii) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- (iv) bonds issued by non-governmental issuers offering an adequate liquidity;
- (v) shares quoted or negotiated on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD, on the condition that these shares are included within a main index.

The securities purchased through a reverse repurchase agreement transaction must conform to the relevant Portfolio’s investment policy and must, together with the other securities that the relevant Portfolio holds in its portfolio, globally respect the Portfolios’ investment restrictions.

## **ADDITIONAL OVERRIDING RISKS**

Each separate security in which a Portfolio may invest and the investment techniques which a Portfolio may employ, are subject to various risks. This section is in addition to, and should be read together with, the section entitled “*Investment Risks*” of this Prospectus, the section entitled “*What to know before you invest in a Portfolio*” of this Prospectus and the risk factor sections in the Portfolios descriptions in the relevant Supplement. The following describes some of the general risk factors that should be considered before investing in a particular Portfolio. The following list is neither specific nor exhaustive and a financial adviser or other appropriate professional should be consulted for additional advice. In addition, these risks are limited to those generally applicable to the Umbrella Fund and each Portfolio and are not specific to any of the Portfolios. The Supplement issued in connection with each Portfolio must be reviewed in order to understand the particular risks related to each Portfolio.

### **Other Potential Conflicts of Interest**

The attention of investors is drawn to the fact that in case of discrepancies between the conflicts of interest mentioned under the present section and those mentioned under the section “*What to Know Before You Invest in a Portfolio*” of this Prospectus, the latter shall prevail.

Goldman Sachs Group, Inc. is a worldwide, full-service investment banking, broker-dealer, asset management and financial services organization, and a major participant in global financial markets. As such, it acts as an investor, investment banker, research provider, investment manager and investment administrator, investment adviser, financier, advisor, market maker, proprietary trader, prime broker, lender, agent and principal, and has other direct and indirect interests in the global fixed income, currency, commodity, equity and other markets in which the Portfolios directly or indirectly invest. As a result, The Goldman Sachs Group, Inc., the asset management division of Goldman Sachs, the Investment Administrator, and their affiliates, directors, partners, trustees, managers, members, officers and employees (collectively for purposes of this “Conflicts of Interest” section, “Goldman Sachs”), including those who may be involved in the management, sales, investment activities, business operations or distribution of the Portfolios, are engaged in businesses and have interests other than that of managing the Portfolios. The Umbrella Fund will not be entitled to compensation related to such businesses. These activities and interests include potential multiple advisory, transactional, financial and other interests in securities, instruments and companies that may be directly or indirectly purchased or sold by the Portfolios and their service providers. These are considerations of which Shareholders should be aware, and which may cause conflicts that could disadvantage the Portfolios:

- While the Investment Administrator will make decisions for the Portfolios in accordance with its obligations to administrate the Portfolios appropriately, the fees, compensation and other benefits to Goldman Sachs (including benefits relating to business relationships of Goldman Sachs) arising from those decisions may be greater as a result of certain portfolio, investment, service provider or other decisions made by the Investment Administrator than they would have been had other decisions been made which also might have been appropriate for the Portfolios.
- Goldman Sachs, its sales personnel and other financial service providers may have conflicts associated with their promotion of the Portfolios or other dealings with the Umbrella Fund that would create incentives for them to promote the Portfolios.
- Goldman Sachs’ personnel may have varying levels of economic and other interests in accounts or products promoted or managed by such personnel as compared to other accounts or products promoted or managed by them.
- Goldman Sachs will be under no obligation to provide to the Portfolios, or effect transactions on behalf of the Portfolios in accordance with, any market or other information, analysis, technical models or research in its possession.
- To the extent permitted by Luxembourg law and other applicable law and regulations, the Portfolios may enter into transactions in which Goldman Sachs acts as principal, or in which Goldman Sachs acts on behalf of the Portfolios and the other parties to such transactions. Goldman Sachs will have potentially conflicting interests in connection with such transactions. If the Investment Administrator acts in circumstances where it has a conflict of interest, it will take reasonable care to ensure that the relevant Portfolio of the Umbrella Fund is treated fairly. In this regard, the Investment Administrator has established, implemented and maintains a written conflicts of interest policy. In addition, the Investment Administrator may from time to time deal, as principal or agent, with a Portfolio of the Umbrella Fund, provided that such dealings are consistent with the best interests of that Portfolio and are effected on normal commercial terms negotiated at arm’s length.
- Goldman Sachs may act as broker, dealer, agent, lender or otherwise for the Portfolios and will retain all commissions, fees and other compensation in connection therewith.
- Securities traded for the Portfolios may, but are not required to, be aggregated with trades for other funds or accounts managed by Goldman Sachs. When transactions are aggregated but it is not possible to receive the same price or execution on the entire volume of securities purchased or sold, the various prices may be averaged, and the Portfolios will be charged or credited with the average price. Thus, the effect of the aggregation may operate on some occasions to the disadvantage of the Portfolios.
- Products and services received by the Investment Administrator or its affiliates from brokers in connection with brokerage services provided to the Portfolios and other funds or accounts managed by Goldman Sachs may disproportionately benefit other of such funds and accounts based on the relative amounts of brokerage services provided to the Portfolios and such other funds and accounts.
- While the Investment Administrator will make proxy voting decisions as it believes appropriate and in accordance with the Investment Administrator’s policies designed to help avoid conflicts of interest, proxy voting decisions made by the Investment Administrator with respect to a Portfolio’s portfolio securities may favour the interests of other clients or businesses of other divisions or units of Goldman Sachs.
- Regulatory restrictions (including relating to the aggregation of positions among different funds and accounts) and internal Goldman Sachs policies may restrict investment activities of the Portfolios.



Information held by Goldman Sachs could have the effect of restricting investment activities of the Portfolios.

Present and future activities of Goldman Sachs in addition to those described in this section may give rise to additional conflicts of interest. Prospective investors should carefully review the following paragraphs which more fully describe these and other potential conflicts of interest presented by Goldman Sachs' other businesses and interests:

The Investment Administrator makes decisions for the Portfolios in accordance with its obligations as the Investment Administrator to the Umbrella Fund. However, Goldman Sachs' other activities may have a negative effect on the Portfolios. As a result of the various activities and interests of Goldman Sachs (as described above), it is likely that the Portfolios will have multiple business relationships with and will invest in, engage in transactions with, make voting decisions with respect to, or obtain services from entities for which Goldman Sachs performs or seeks to perform investment banking or other services. It is also likely that the Portfolios will undertake transactions in securities in which Goldman Sachs makes a market or otherwise has other direct or indirect interests.

Goldman Sachs, its personnel and other financial service providers have interests in promoting sales of the Portfolios. With respect to both Goldman Sachs and its personnel, the remuneration and profitability relating to services to and sales of the Portfolios or other products may be greater than the remuneration and profitability relating to services to and sales of certain funds or other products that might be provided or offered.

Conflicts may arise in relation to sales-related incentives. Goldman Sachs and its sales personnel may directly or indirectly receive a portion of the fees and commissions charged to the Portfolios or their Shareholders. Goldman Sachs and its advisory or other personnel may also benefit from increased amounts of assets under management. Fees and commissions may also be higher than for some products or services, and the remuneration and profitability to Goldman Sachs and such personnel resulting from transactions on behalf of or management of the Portfolios may be greater than the remuneration and profitability resulting from other funds or products. For the avoidance of doubt, this does not result in or entail any increase in the fees charged to or suffered by the Umbrella Fund or any Portfolio.

Goldman Sachs and its personnel may receive greater compensation or greater profit in connection with an account for which Goldman Sachs serves as an adviser than with an account advised by an unaffiliated investment manager. Differentials in compensation may be related to the fact that Goldman Sachs may pay a portion of its advisory fee to the unaffiliated investment manager, or to other compensation arrangements, including for portfolio management, brokerage transactions or account servicing. Any differential in compensation may create a financial incentive on the part of Goldman Sachs and its personnel to recommend Goldman Sachs over unaffiliated investment managers or to effect transactions differently in one account over another.

Goldman Sachs may also have relationships with, and purchase, or distribute or sell, services or products from or to, distributors, consultants and others who recommend the Portfolios, or who engage in transactions with or for the Portfolios. For example, Goldman Sachs regularly participates in industry and consultant sponsored conferences and may purchase educational, data related or other services from consultants or other third parties that it deems to be of value to its personnel and its business. The products and services purchased from consultants may include, but are not limited to those that help Goldman Sachs understand the consultant's points of view on the investment management process. Consultants and other third parties that provide consulting or other services to potential investors in the Portfolios may receive fees from Goldman Sachs or the Portfolios in connection with the distribution of Shares in the Portfolios or other Goldman Sachs products.

For example, Goldman Sachs may enter into revenue or fee sharing arrangements with consultants, service providers, and other intermediaries relating to investments in undertakings for collective investment or other products or services offered or managed by the Investment Administrator. Goldman Sachs may also pay a fee for membership in industry-wide or state and municipal organizations or otherwise help sponsor conferences and educational forums for investment industry participants including, but not limited to, trustees, fiduciaries, consultants, administrators, state and municipal personnel and other clients. Goldman Sachs' membership in such organizations allows Goldman Sachs to participate in these conferences and educational forums and helps Goldman Sachs interact with conference participants and develop an understanding of the points of view and challenges of the conference participants. In addition, Goldman Sachs personnel, including employees of the Investment Administrator, may have board, advisory, brokerage or other relationships with issuers, distributors, consultants and others that may have investments

in the Portfolios or that may recommend investments in the Portfolios or distribute the Portfolios. In addition, Goldman Sachs, including the Investment Administrator, may make charitable contributions to institutions, including those that have relationships with clients or personnel of clients. Personnel of Goldman Sachs may also make political contributions. As a result of the relationships and arrangements described in this paragraph, consultants, distributors and other parties may have conflicts associated with their promotion of the Portfolios or other dealings with the Portfolios that would create incentives for them to promote the Portfolios or raise other conflicts.

Goldman Sachs or the Umbrella Fund may make payments to authorized dealers and other financial intermediaries ("Intermediaries") from time to time to promote the Portfolios, Client/GS Accounts (defined below) and other products. In addition to placement fees, sales loads or similar distribution charges, such payments may be made out of Goldman Sachs' assets, or amounts payable to Goldman Sachs rather than a separately identified charge to the Umbrella Fund, Client/GS Accounts or other products. Such payments may compensate Intermediaries for, among other things: marketing the Portfolios, Client/GS Accounts and other products (which may consist of payments resulting in or relating to the inclusion of a Portfolio, Client/GS Accounts and other products on preferred or recommended fund lists or in certain sales programs from time to time sponsored by the Intermediaries); access to the Intermediaries' registered representatives or salespersons, including at conferences and other meetings; assistance in training and education of personnel; "finders" or "referral fees" for directing investors to the Portfolios, Client/GS Accounts and other products; marketing support fees for providing assistance in promoting the Portfolios, Client/GS Accounts and other products (which may include promotions in communications with the Intermediaries' customers, registered representatives and salespersons); and/or other specified services intended to assist in the distribution and marketing of the Portfolios, Client/GS Accounts and other products. Such payments may be a fixed dollar amount; may be based on the number of customer accounts maintained by an Intermediary; may be based on a percentage of the value of interests sold to, or held by, customers of the Intermediary involved; or may be calculated on another basis. The payments may also, to the extent permitted by applicable regulations, contribute to various non-cash and cash incentive arrangements to promote certain products, as well as sponsor various educational programs, sales contests and/or promotions. Furthermore, subject to applicable law, such payments may also pay for the travel expenses, meals, lodging and entertainment of Intermediaries and their salespersons and guests in connection with educational, sales and promotional programs. The additional payments by Goldman Sachs may also compensate Intermediaries for sub-accounting, administrative and/or shareholder processing or other investor services that are in addition to the fees paid for these services by such products.

Goldman Sachs has potential conflicts in connection with the allocation of investments or transaction decisions for the Portfolios, including in situations in which Goldman Sachs or its personnel (including personnel of the Investment Administrator) have interests. For example, the Portfolios may be competing for investment opportunities with current or future accounts or funds managed or advised by Goldman Sachs (including the Investment Administrator) or in which Goldman Sachs (including the Investment Administrator) or its personnel have an interest (collectively, the "Client/GS Accounts"). The Client/GS Accounts may provide greater fees or other compensation (including performance based fees, equity or other interests) to Goldman Sachs (including the Investment Administrator).

Goldman Sachs may manage or advise Client/GS Accounts that have investment objectives that are similar to those of the Portfolios and/or may seek to make investments in securities or other instruments, sectors or strategies in which the Portfolios may invest. This may create potential conflicts and potential differences among the Portfolios and other Client/GS Accounts, particularly where there is limited availability or limited liquidity for those investments. For example, limited availability may exist, without limitation, in emerging markets, high yield securities, fixed income securities, regulated industries and IPOs/new issues. Transactions in investments by multiple Client/GS Accounts (including accounts in which Goldman Sachs and its personnel have an interest), other clients of Goldman Sachs or Goldman Sachs itself may have the effect of diluting or otherwise negatively affecting the values, prices or investment strategies associated with securities held by Client/GS Accounts (including the Umbrella Fund), particularly, but not limited to, in small capitalization, emerging market or less liquid strategies.

As a result of informational barriers constructed between different divisions of Goldman Sachs, the Investment Administrator will generally not have access to information, and may not consult with personnel in other areas of Goldman Sachs. Therefore, the Investment Administrator will generally not be able to supervise and administrate the Portfolios with the benefit of information held by other divisions of Goldman Sachs. From time to time and subject to the Investment Administrator's policies and procedures regarding informational barriers, the Investment Administrator may consult with personnel in other areas of Goldman Sachs, or with persons unaffiliated with Goldman Sachs, or may form investment policy committees comprised of such personnel. The performance by such persons of obligations related to their consultation

with personnel of the Investment Administrator could conflict with their areas of primary responsibility within Goldman Sachs or elsewhere. In connection with their activities with the Investment Administrator, such persons may receive information regarding the Investment Administrator's proposed investment activities of the Portfolios that is not generally available to the public. There will be no obligation on the part of such persons to make available for use by the Portfolios any information or strategies known to them or developed in connection with their own client, proprietary or other activities. In addition, Goldman Sachs will be under no obligation to make available any research or analysis prior to its public dissemination.

The Investment Administrator makes decisions for the Portfolios based on the Portfolios' investment programmes. The Investment Administrator from time to time may have access to certain fundamental analysis and proprietary technical models developed by Goldman Sachs and its personnel. Goldman Sachs will not be under any obligation, however, to effect transactions on behalf of the Portfolios in accordance with such analysis and models.

In addition, Goldman Sachs has no obligation to seek information or to make available to or share with the Portfolios any information, investment strategies, opportunities or ideas known to Goldman Sachs personnel or developed or used in connection with other clients or activities. Goldman Sachs and certain of its personnel, including the Investment Administrator's personnel or other Goldman Sachs personnel advising or otherwise providing services to the Portfolios may be in possession of information not available to all Goldman Sachs personnel, and such personnel may act on the basis of such information in ways that have adverse effects on the Portfolios.

From time to time, Goldman Sachs may come into possession of material, non-public information or other information that could limit the ability of the Portfolios to buy and sell investments. The investment flexibility of the Portfolios may be constrained as a consequence. The Investment Administrator generally is not permitted to obtain or use material non-public information in effecting purchases and sales in public securities transactions for the Portfolios.

Goldman Sachs conducts extensive broker-dealer, banking and other activities around the world and operates a business known as Goldman Sachs Security Services ("GSS") which provides prime brokerage, administrative and other services to clients which may involve markets and securities in which the Portfolios invests. These businesses will give GSS and many other parts of Goldman Sachs broad access to the current status of certain markets, investments and funds and detailed knowledge about fund operators. As a result of the activities described in this paragraph and the access and knowledge arising from those activities, parts of Goldman Sachs may be in possession of information in respect of markets, investments and funds, which, if known to the Investment Administrator, might cause the Investment Administrator to seek to dispose of, retain or increase interests in investments held by a Portfolio or acquire certain positions on behalf of a Portfolio. Goldman Sachs will be under no duty to make any such information available to the Investment Administrator or in particular the personnel of the Investment Administrator making investment decisions on behalf of a Portfolio.

The results of the investment activities of the Portfolios may differ significantly from the results achieved by Goldman Sachs for its proprietary accounts and from the results achieved by Goldman Sachs for other Client/GS Accounts. The Investment Administrator will manage the Portfolios and the other Client/GS Accounts it manages in accordance with their respective investment objectives and guidelines. However, Goldman Sachs may give advice, and take action, with respect to any current or future Client/GS Accounts that may compete or conflict with the advice the Investment Administrator may give to the Portfolios, including with respect to the return of the investment, the timing or nature of action relating to the investment or the method of exiting the investment.

Transactions undertaken by Goldman Sachs or Client/GS Accounts may adversely impact the Portfolios. Goldman Sachs and one or more Client/GS Accounts may buy or sell positions while the Portfolios are undertaking the same or a differing, including potentially opposite, strategy, which could disadvantage the Portfolios. For example, a Portfolio may buy a security and Goldman Sachs or Client/GS Accounts may establish a short position in that same security. The subsequent short sale may result in impairment of the price of the security which the Portfolio holds. Conversely, the Portfolio may establish a short position in a security and Goldman Sachs or other Client/GS Accounts may buy that same security. The subsequent purchase may result in an increase of the price of the security and hence the exposure of the Portfolio.

Conflicts may also arise because portfolio decisions regarding the Portfolios may benefit Goldman Sachs or other Client/GS Accounts. For example, the sale of a long position or establishment of a short position by a Portfolio may impair the price of the same security sold short by (and therefore benefit) Goldman Sachs or other Client/GS Accounts, and the purchase of a security or covering of a short position in a security by a

Portfolio may increase the price of the same security held by (and therefore benefit) Goldman Sachs or other Client/GS Accounts.

In addition, transactions in investments by one or more Client/GS Accounts and Goldman Sachs may have the effect of diluting or otherwise disadvantaging the values, prices or investment strategies of a Portfolio, particularly, but not limited to, in small capitalization, emerging market or less liquid strategies. For example, this may occur when portfolio decisions regarding a Portfolio are based on research or other information that is also used to support portfolio decisions for other Client/GS Accounts. When Goldman Sachs or a Client/GS Account implements a portfolio decision or strategy ahead of, or contemporaneously with, similar portfolio decisions or strategies for a Portfolio (whether or not the portfolio decisions emanate from the same research analysis or other information), market impact, liquidity constraints, or other factors could result in the Portfolio receiving less favourable trading results and the costs of implementing such portfolio decisions or strategies could be increased or the Portfolio could otherwise be disadvantaged. Goldman Sachs may, in certain cases, elect to implement internal policies and procedures designed to limit such consequences to Client/GS Accounts, which may cause a Portfolio to be unable to engage in certain activities, including purchasing or disposing of securities, when it might otherwise be desirable for it to do so.

The directors, officers and employees of Goldman Sachs, including the Investment Administrator, may buy and sell securities or other investments for their own accounts (including through investment funds managed by Goldman Sachs, including the Investment Administrator). As a result of differing trading and investment strategies or constraints, positions may be taken by directors, officers and employees that are the same as, different from or made at different times than positions taken for the Portfolios. To reduce the possibility that the Portfolios will be materially adversely affected by the personal trading described above, each of the Investment Administrator and Goldman Sachs has established policies and procedures that restrict securities trading in the personal accounts of investment professionals and others who normally come into possession of information regarding the Umbrella Fund's portfolio transactions. Each of the Investment Administrator and Goldman Sachs has adopted a code of ethics (collectively, the "Codes of Ethics") and monitoring procedures relating to certain personal securities transactions by personnel of the Investment Administrator which the Investment Administrator deems to involve potential conflicts involving such personnel, Client/GS Accounts managed by the Investment Administrator and the Portfolios. The Codes of Ethics require that personnel of the Investment Administrator comply with all applicable laws and regulations and with the duties and market abuse rules to which the Investment Administrator is subject.

Clients of Goldman Sachs (including Client/GS Accounts) may have, as a result of receiving client reports or otherwise, access to information regarding the Investment Administrator's transactions or views which may affect such clients' transactions outside of accounts controlled by the Investment Administrator, and such transactions may negatively impact the performance of the Portfolios. The Portfolios may also be adversely affected by cash flows and market movements arising from purchase and sales transactions, as well as increases of capital in, and withdrawals of capital from, other Client/GS Accounts. These effects can be more pronounced in thinly traded and less liquid markets.

The Investment Administrator's supervision and administration of the Portfolios may benefit Goldman Sachs. For example, the Portfolios may, subject to applicable law, invest directly or indirectly in the securities of companies affiliated with Goldman Sachs or in which Goldman Sachs has an equity, debt or other interest. In addition, subject to applicable law, the Portfolios may engage in investment transactions which may result in other Client/GS Accounts being relieved of obligations or otherwise divesting of investments or cause the Portfolios to have to divest certain investments. The purchase, holding and sale of investments by the Portfolios may enhance the profitability of Goldman Sachs' or other Client/GS Accounts' own investments in and its activities with respect to such companies.

**Goldman Sachs and one or more Client/GS Accounts (including the Umbrella Fund) may also invest in different classes of securities of the same issuer. As a result, one or more Client/GS Account may pursue or enforce rights with respect to a particular issuer in which a Portfolio has invested, and those activities may have an adverse effect on the Portfolio. For example, if a Client/GS Account holds debt securities of an issuer and a Portfolio holds equity securities of the same issuer, then if the issuer experiences financial or operational challenges, the Client/GS Account which holds the debt securities may seek a liquidation of the issuer, whereas the Portfolio which holds the equity securities may prefer a reorganization of the issuer. In addition, the Investment Administrator may also, in certain circumstances, pursue or enforce rights with respect to a particular issuer jointly on behalf of one or more Client/GS Accounts (including the Umbrella Fund), or Goldman Sachs employees may work together to pursue or enforce such rights. The Portfolios may be negatively impacted by Goldman Sachs' and other Client/GS Accounts' activities and transactions for the Portfolios may be impaired or effected at prices or terms that may be less favourable than would**

**otherwise have been the case had Goldman Sachs and other Client/GS Accounts not pursued a particular course of action with respect to the issuer of the securities. In addition, in certain instances personnel of the Investment Administrator may obtain information about the issuer that would be material to the management of other Client/GS Accounts which could limit the ability of personnel of the Investment Administrator to buy or sell securities of the issuer on behalf of the Portfolios.**

To the extent permitted by applicable law, Goldman Sachs may create, write, sell or issue, or act as placement agent or distributor of, derivative instruments with respect to the Portfolios or with respect to underlying securities, currencies or instruments of the Portfolios, or which may be otherwise based on the performance of the Portfolios (collectively referred to as "Structured Investment Products"). The values of Structured Investment Products may be linked to the net asset value of a Portfolio and/or the values of a Portfolio's investments. In addition, to the extent permitted by applicable law, Goldman Sachs (including its personnel or Client/GS Accounts) may invest in the Portfolios, may hedge its derivative positions by buying or selling shares in the Portfolios, and reserves the right to redeem some or all of its investments at any time without notice to the Shareholders. In connection with the Structured Investment Products and for hedging, re-balancing and other purposes, Client/GS Accounts may purchase or sell investments held by a Portfolio or may hold synthetic positions that seek to replicate or hedge the performance of a Portfolio's investments. Such positions may differ from and/or be contra to the Portfolio's positions. A Goldman Sachs investment may be made in any class of shares of a Portfolio, including a class which is not subject to a Sales Charge or other fees or charges. In addition, Goldman Sachs may make loans to Shareholders or enter into similar transactions that are secured by a pledge of a Shareholder's interest in a Portfolio, which would provide Goldman Sachs with the right to redeem such interest in the event that such Shareholder defaults on its obligations. These transactions and related redemptions may be significant and may be made without notice to the Shareholders. The structure or other characteristics of the derivative instruments may have an adverse effect on the Portfolios. For example, the derivative instruments could represent leveraged investments in the Portfolios, and the leveraged characteristics of such investments could make it more likely, due to events of default or otherwise, that there would be significant redemptions of interests from the Portfolios more quickly than might otherwise be the case. Goldman Sachs, acting in commercial capacities in connection with such derivative instruments, may in fact cause such a redemption. This may have an adverse effect on the investment management and positions, flexibility and diversification strategies of the Portfolios and on the amount of fees, expenses and other costs incurred directly or indirectly for the account of the Portfolios. Similarly, Goldman Sachs (including its personnel or Client/GS Accounts) may invest in the Portfolios, may hedge its derivative positions by buying or selling shares of the Portfolios, and reserves the right to redeem some or all of its investments at any time. These investments and redemptions may be significant and may be made without notice to the Shareholders.

**To the extent permitted by applicable law, a Portfolio may invest in one or more funds advised or managed by Goldman Sachs. In connection with any such investments, a Portfolio, to the extent permitted by Luxembourg law and applicable law and regulations, will pay its share of all expenses (including investment advisory and administrative fees and subscription and redemption charges, if any) of a fund in which it invests which may result in a Portfolio bearing some additional expenses (i.e., there could be "double fees" involved in making any such investment, which would not arise in connection with an investor's direct purchase of the underlying investments, because Goldman Sachs could receive fees with respect to both the management of the Portfolio and such fund). In such circumstances, as well as in all other circumstances in which Goldman Sachs receives any fees or other compensation in any form relating to the provision of services, no accounting or repayment to the Portfolios will be required.**

The Umbrella Fund may from time to time enter into commission recapture programmes administered by affiliates or other third-party service providers. Given the different commission rates applicable in different markets and the varying transaction volumes of Portfolios these may benefit one Portfolio more than another and the Umbrella Fund shall have no duty to apply any commissions recaptured equally across Portfolios.

Subject to applicable law, Goldman Sachs, including the Investment Administrator, may from time to time and without notice to investors in-source or outsource certain processes or functions in connection with a variety of services that it provides to the Portfolios in its administrative or other capacities. Such in-sourcing or outsourcing may give rise to additional conflicts of interest.

To the extent permitted by Luxembourg law and applicable law and regulations, the Portfolios may enter into transactions and invest in futures, securities, currencies, swaps, options, forward contracts or other instruments in which Goldman Sachs, acting as principal or on a proprietary basis for its customers, serves

as the counterparty. A Portfolio may also enter into cross transactions in which Goldman Sachs acts on behalf of the Portfolio and for the other party to the transaction. Goldman Sachs may have a potentially conflicting division of responsibilities to both parties to a cross transaction. For example, Goldman Sachs may represent both the Umbrella Fund and another Client/GS Account or account on the other side of the transaction in connection with the purchase of a security by a Portfolio, and Goldman Sachs may receive compensation or other payments from either or both parties, which could influence the decision of Goldman Sachs to cause the Portfolio to purchase such security. The Umbrella Fund will only engage in a principal or cross transaction with Goldman Sachs or its affiliates on behalf of a Client/GS Account to the extent permitted by applicable law.

To the extent permitted by applicable law, Goldman Sachs may act as broker, dealer, agent, lender or advisor or in other commercial capacities for the Portfolios. It is anticipated that the commissions, mark-ups, mark-downs, financial advisory fees, underwriting and placement fees, sales fees, financing and commitment fees, brokerage fees, other fees, compensation or profits, rates, terms and conditions charged by Goldman Sachs will be in its view commercially reasonable, although Goldman Sachs, including its sales personnel, will have an interest in obtaining fees and other amounts that are favourable to Goldman Sachs and such sales personnel. Goldman Sachs may be entitled to compensation when it acts in capacities other than as the Investment Administrator, and the Umbrella Fund will not be entitled to any such compensation. For example, subject to applicable law, Goldman Sachs (and its personnel and other distributors) will be entitled to retain fees and other amounts that it receives in connection with its service to the Portfolios as broker, dealer, agent, lender, advisor or in other commercial capacities and no accounting to the Portfolios or their Shareholders will be required, and no fees or other compensation payable by the Portfolios or their Shareholders will be reduced by reason of receipt by Goldman Sachs of any such fees or other amounts. The Umbrella Fund has appointed an affiliate of the Investment Administrator as its securities lending agent on an arm's length basis in respect of the stock lending transactions in which it wishes to participate. The Umbrella Fund, when it deems it advisable, may, to the extent permitted by applicable law and the provisions of this Prospectus (including but not limited to the section "Investment Restrictions" above), borrow funds from Goldman Sachs, at rates and other terms negotiated with Goldman Sachs that are commercially reasonable as determined by the Board of Directors of the Umbrella Fund or its delegate in its sole discretion.

When Goldman Sachs acts as broker, dealer, agent, lender or advisor or in other commercial capacities in relation to the Portfolios, Goldman Sachs may take commercial steps in its own interests, which may have an adverse effect on the Portfolios. For example, in connection with prime brokerage or lending arrangements involving the Umbrella Fund, Goldman Sachs may require repayment of all or part of a loan at any time or from time to time.

The Umbrella Fund will be required to establish business relationships with its counterparties based on its own credit standing. Goldman Sachs, including the Investment Administrator, will not have any obligation to allow its credit to be used in connection with the Umbrella Fund's establishment of its business relationships, nor is it expected that the Umbrella Fund's counterparties will rely on the credit of Goldman Sachs in evaluating the Umbrella Fund's creditworthiness.

To the extent permitted by applicable law, purchases and sales of securities for a Portfolio may be bunched or aggregated with orders for other Client/GS Accounts. The Investment Administrator and its affiliates, however, are not required to bunch or aggregate orders if investment management decisions for different accounts are made separately, or if they determine that bunching or aggregating is not practicable, or required or with respect to client directed accounts.

Prevailing trading activity frequently may make impossible the receipt of the same price or execution on the entire volume of securities purchased or sold. When this occurs, the various prices may be averaged, and the Portfolios will be charged or credited with the average price. Thus, the effect of the aggregation may operate on some occasions to the disadvantage of the Portfolios. In addition, under certain circumstances, the Portfolios will not be charged the same commission or commission equivalent rates in connection with a bunched or aggregated order. Without limitation, time zone differences, separate trading desks or portfolio management processes in a global organization may, among other factors, result in separate, non-aggregated executions.

The Investment Administrator may select brokers (including, without limitation, affiliates of the Investment Administrator) that furnish the Investment Administrator, the Umbrella Fund, other Client/GS Accounts or their affiliates or personnel, directly or through correspondent relationships, with proprietary research or other appropriate services which provide, in the Investment Administrator's views, appropriate assistance to the Investment Administrator in the investment decision-making process (including with respect to futures, fixed-

price offerings and over-the-counter transactions). Such research or other services may include, to the extent permitted by law, research reports on companies, industries and securities; economic and financial data; financial publications; proxy analysis; trade industry seminars; computer data bases; quotation equipment and services; and research-oriented computer hardware, software and other services and products. Research or other services obtained in this manner may be used in servicing any or all of the Portfolios and other Client/GS Accounts, including in connection with Client/GS Accounts other than those that pay commissions to the broker relating to the research or other service arrangements. To the extent permitted by applicable law, such products and services may disproportionately benefit other Client/GS Accounts relative to the Portfolios based on the amount of brokerage commissions paid by the Portfolios and such other Client/GS Accounts. For example, research or other services that are paid for through one client's commissions may not be used in managing that client's account. In addition, other Client/GS Accounts may receive the benefit, including disproportionate benefits, of economies of scale or price discounts in connection with products and services that may be provided to the Portfolios and to such other Client/GS Accounts. To the extent that the Investment Administrator uses soft commissions, it will not have to pay for those products and services itself. The Investment Administrator may receive research that is bundled with the trade execution, clearing, and/or settlement services provided by a particular broker-dealer. To the extent that the Investment Administrator receives research on this basis, many of the same conflicts related to traditional soft commissions may exist. For example, the research effectively will be paid by client commissions that also will be used to pay for the execution, clearing, and settlement services provided by the broker-dealer and will not be paid by the Investment Administrator.

The Investment Administrator may endeavour to execute trades through brokers who, pursuant to such arrangements, provide research or other services in order to ensure the continued receipt of research or other services the Investment Administrator believes are useful in its investment decision-making processes.

The Investment Administrator may from time to time choose not to engage in the above described arrangements to varying degrees.

The Investment Administrator has adopted policies and procedures designed to prevent conflicts of interest from influencing proxy voting decisions that it makes on behalf of advisory clients, including the Portfolios, and to help ensure that such decisions are made in accordance with the Investment Administrator's obligations to its clients. Nevertheless, notwithstanding such proxy voting policies and procedures, actual proxy voting decisions of the Investment Administrator may have the effect of favouring the interests of other clients or businesses of other divisions or units of Goldman Sachs and/or its affiliates provided that the Investment Administrator believes such voting decisions to be in accordance with its obligations.

From time to time, the activities of a Portfolio may be restricted because of regulatory requirements applicable to Goldman Sachs and/or its internal policies designed to comply with, limit the applicability of, or otherwise relate to such requirements. A client not advised by Goldman Sachs would not be subject to some of those considerations. There may be periods when the Investment Administrator may not initiate or recommend certain types of transactions, or may otherwise restrict or limit its advice in certain securities or instruments issued by or related to companies for which Goldman Sachs is performing investment banking, market making or other services or has proprietary positions. For example, when Goldman Sachs is engaged in an underwriting or other distribution of securities of, or advisory services for, a company, the Portfolios may be prohibited from or limited in purchasing or selling securities of that company. Similar situations could arise if Goldman Sachs personnel serve as directors of companies the securities of which the Portfolios wish to purchase or sell. The larger the Investment Administrator's investment advisory business and Goldman Sachs' businesses, the larger the potential that these restricted list policies will impact investment transactions. However, if permitted by applicable law, the Portfolios may purchase securities or instruments that are issued by such companies or are the subject of an underwriting, distribution, or advisory assignment by Goldman Sachs, or in cases in which Goldman Sachs personnel are directors or officers of the issuer.

The investment activities of Goldman Sachs for its proprietary accounts and for Client/GS Accounts may also limit the investment strategies and rights of the Portfolios. For example, in regulated industries, in certain emerging or international markets, in corporate and regulatory ownership definitions, and in certain futures and derivative transactions, there may be limits on the aggregate amount of investment by affiliated investors that may not be exceeded without the grant of a license or other regulatory or corporate consent or, if exceeded, may cause Goldman Sachs, the Portfolios or other Client/GS Accounts to suffer disadvantages or business restrictions. If certain aggregate ownership thresholds are reached or certain transactions undertaken, the ability of the Investment Administrator on behalf of clients (including the Umbrella Fund) to purchase or dispose of investments, or exercise rights or undertake business transactions, may be restricted by regulation or otherwise impaired. In addition, certain investments may be considered to result in reputational risk or disadvantage. As a result, the Investment Administrator on behalf of clients (including the

Umbrella Fund) may limit purchases, sell existing investments, or otherwise restrict or limit the exercise of rights (including voting rights) when the Investment Administrator, in its sole discretion, deems it appropriate. The Investment Administrator, Global Distributor, Custodian and Registrar and Transfer Agent, and their respective affiliates may each from time to time act as investment administrator, distributor, custodian or registrar and transfer agent (as appropriate), in relation to, or be otherwise involved in, other collective investment schemes which have similar investment objectives to those of any of the Portfolios. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the Umbrella Fund.

## **Equity Securities**

Investing in equity securities involves risks associated with the unpredictable drops in a stock's value or periods of below-average performance in a given stock or in the stock market as a whole.

## **Debt Securities**

Among the principal risks of investing in debt securities are the following:

### ***Changing Interest Rates***

The value of any fixed income security held by a Portfolio will rise or fall inversely with changes in interest rates. Interest rates typically vary from one country to the next, and may change for a number of reasons. Those reasons include rapid expansions or contractions of a country's money supply, changes in demand by business and consumers to borrow money and actual or anticipated changes in the rate of inflation.

In general, if interest rates increase, one may expect that the market value of a fixed income instrument which pays interest payments would fall, whereas if interest rates decrease, one may expect that the market value of such investment would increase.

### ***Credit Risk***

The issuer of any debt security acquired by any Portfolio may default on its financial obligations. Moreover, the price of any debt security acquired by a Portfolio normally reflects the perceived risk of default of the issuer of that security at the time the Portfolio acquired the security. If after acquisition the perceived risk of default increases, the value of the security held by the Portfolio is likely to fall.

There are many factors that could cause an issuer to default on its financial obligations, or an increase in the perceived risk of default of an issuer. Among those factors are the deteriorating financial condition of the issuer caused by changes in demand for the issuer's products or services, catastrophic litigation or the threat of catastrophic litigation and changes in laws, regulations and applicable tax regimes. The more concentrated a Portfolio is in a particular industry; the more likely it will be affected by factors that affect the financial condition of that industry as a whole. Securities rated below investment grade may have greater price volatility and a greater risk of loss of principal and interest than investment grade debt securities.

A rating is not a recommendation to buy, sell or hold any of our securities. Any or all of these ratings are subject to revision or withdrawal at any time by the assigning rating organization. Each rating should be evaluated independently of any other rating.

Additionally, there are special risks considerations associated with investing in certain types of debt securities:

### ***Mortgage-related Securities and Asset-backed Securities***

Certain Portfolios may invest in mortgage derivatives and structured notes, including mortgage-backed and asset-backed securities. Mortgage pass-through securities are securities representing interests in "pools" of mortgages in which payments of both interest and principal on the securities are usually made monthly, in effect "passing through" monthly payments made by the individual borrowers on the residential mortgage loans which underlie the securities. Early or late repayment of principal based on an expected repayment schedule on mortgage pass-through securities held by a Portfolio (due to early or late repayments of principal on the underlying mortgage loans) may result in a lower rate of return when the relevant Portfolio reinvests such principal. In addition, as with callable fixed-income securities generally, if the Umbrella Fund purchased the securities at a premium, sustained earlier than expected repayment would reduce the value of the security relative to the premium paid. When interest rates rise or decline the value of a mortgage-related security generally will decline, or increase but not as much as other fixed-income, fixed-maturity securities which have no prepayment or call features.



Asset-backed transferable securities represent a participation in, or are secured by and payable from, a stream of payments generated by particular assets, most often a pool of assets similar to one another, such as motor vehicle receivables or credit card receivables, home equity loans, manufactured housing loans or bank loan obligations.

Interest rate risk is greater for mortgage-related and asset-backed securities than for many other types of debt securities because they are generally more sensitive to changes in interest rates. These types of securities are subject to prepayment – borrowers paying off mortgages or loans sooner than expected – when interest rates fall. As a result, when interest rates rise, the effective maturities of mortgage-related and asset-backed securities tend to lengthen, and the value of the securities decreases more significantly. The result is lower returns to the Portfolio because the Portfolio must reinvest assets previously invested in these types of securities in securities with lower interest rates.

### ***Collateralized Mortgage Obligations***

A collateralized mortgage obligation (“CMO”) is a security backed by a portfolio of mortgages or mortgage-backed securities held under an indenture. CMOs of different classes are generally retired in sequence as the underlying mortgage loans in the mortgage pool are repaid. In the event of sufficient early prepayments on such mortgages, the class or series of CMOs first to mature generally will be retired prior to its maturity. As with other mortgage-backed securities, if a particular class or series of CMOs held by a Portfolio is retired early, the Portfolio would lose any premium it paid when it acquired the investment, and the Portfolio may have to reinvest the proceeds at a lower interest rate than the retired CMO paid. Because of the early retirement feature, CMOs may be more volatile than many other fixed-income investments.

### ***Yankee Bonds***

Certain Portfolios may invest in U.S. dollar-denominated bonds issued in U.S. capital markets by foreign banks or corporations (“Yankee Dollar” bonds). Yankee Dollar bonds are generally subject to the same risks that apply to domestic bonds, notably credit risk, market risk and liquidity risk. Additionally, Yankee Dollar bonds are subject to certain sovereign risks, such as the possibility that a sovereign country might prevent capital, in the form of U.S. dollars, from flowing across its borders. Other risks include adverse political and economic developments; the extent and quality of government regulation of financial markets and institutions; the imposition of foreign withholding taxes; and the expropriation or nationalization of foreign issuers.

### ***Zero Coupon Securities***

Certain Portfolios may invest in zero coupon securities issued by governmental and private issuers. Zero coupon securities are transferable debt securities that do not pay regular interest payments, and instead are sold at substantial discounts from their value at maturity. The value of these instruments tends to fluctuate more in response to changes in interest rates than the value of ordinary interest-paying transferable debt securities with similar maturities. The risk is greater when the period to maturity is longer. As the holder of certain zero coupon obligations, the relevant Portfolios may be required to accrue income with respect to these securities prior to the receipt of cash payment. They may be required to distribute income with respect to these securities and may have to dispose of such securities under disadvantageous circumstances in order to generate cash to satisfy these distribution requirements.

### ***Variation in Inflation Rates***

Certain Portfolios may invest in inflation-linked debt securities. The value of such securities fluctuates with the inflation rate of the corresponding geographical area.

### **Convertible Securities**

Certain Portfolios may invest in convertible securities which are securities generally offering fixed interest or dividend yields which may be converted either at a stated price or stated rate for common or preferred stock. Although to a lesser extent than with fixed income securities generally, the market value of convertible securities tends to decline as interest rates rise. Because of the conversion feature, the market value of convertible securities also tends to vary with fluctuations in the market value of the underlying common or preferred stock.

### **Exchange Rates and Currency Transactions**

Some Portfolios are invested in securities denominated in a number of different currencies other than their Reference Currency. Changes in foreign currency exchange rates will affect the value of some securities held by such Portfolios.

The Portfolios may, whether or not in respect of Hedged Shares Classes, engage in a variety of currency transactions. In this regard, spot and forward contracts and over-the-counter options are subject to the risk that counterparties will default on their obligations as these contracts are not guaranteed by an exchange or clearing house. Therefore a default on the contract would deprive a Portfolio of unrealized profits, transaction costs and the hedging benefits of the contract or force the Portfolio to cover its purchase or sale commitments, if any, at the current market price. To the extent that a Portfolio is fully invested in securities while also maintaining currency positions, it may be exposed to a greater combined risk in comparison to investing in a fully invested Portfolio (without currency positions). The use of currency transactions is a highly specialized activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the Investment Manager is incorrect in its forecasts of market values and currency exchange rates, the investment performance of a Portfolio would be less favourable than it would have been if this investment technique were not used.

### **Portfolio Concentration**

Although the strategy of certain Portfolios of investing in a limited number of stocks has the potential to generate attractive returns over time, it may increase the volatility of such Portfolios' investment performance as compared to funds that invest in a larger number of stocks. If the stocks in which such Portfolios invest perform poorly, the Portfolios could incur greater losses than if it had invested in a larger number of stocks.

### **Liquidity**

Certain Portfolios may acquire securities that are traded only among a limited number of investors. The limited number of investors for those securities may make it difficult for the Portfolios to dispose of those securities quickly or in adverse market conditions. Many derivatives and securities that are issued by entities that pose substantial credit risks typically are among those types of securities that the Portfolios may acquire that only are traded among limited numbers of investors.

### **Use of Derivatives and other Investment Techniques**

The Portfolios may employ techniques and instruments relating to Transferable Securities and other financial liquid assets for efficient portfolio management (*i.e.* to increase or decrease their exposure to changing security prices, interest rates, currency exchange rates, commodity prices or other factors that affect security values) and hedging purposes. These techniques may include the use of forward currency exchange contracts, contracts for differences, futures and option contracts, swaps and other investment techniques.

Participation in the futures and option markets, in currency exchange or swap transactions involves investment risks and transactions costs to which the Portfolios would not be subject in the absence of the use of these strategies.

As contracts for differences are directly linked to the value of the underlying assets they will fluctuate depending on the market of the assets represented in the contracts for differences.

The Umbrella Fund may use these techniques to adjust the risk and return characteristics of a Portfolio's investments. If the Investment Administrator judges market conditions incorrectly or employs a strategy that does not correlate well with a Portfolio's investments, these techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. These techniques may increase the volatility of a Portfolio and may involve a small investment of cash relative to the magnitude of the risk assumed. In addition, these techniques could result in a loss if the counterparty of the transaction does not perform as promised. Portfolios engaging in swap transactions are also exposed to a potential counterparty risk. In the case of insolvency or default of the swap counterparty, the Portfolio involved could suffer a loss.

There can be no assurance that the Investment Administrator will be able to successfully hedge the Portfolios or that the Portfolios will achieve their investment objectives.

### **Limited Hedging**

Some Portfolios will engage in limited hedging activities, in as much as the Portfolios may only employ limited hedging techniques (write call options or purchase put options). The Portfolios may not maintain such hedged positions if doing so would create a net short position with respect to such security, and the Portfolios may not engage otherwise in short-selling strategies at any time. As a general matter, these

limitations on the Portfolios' ability to enter into hedging transactions may prevent the Portfolios from minimizing potential losses in ways available to traditional hedge funds, particularly in a market environment in which the value of equities is generally declining.

### **Foreign Exchange/Currency Risk**

Although Shares of the different classes within the relevant Portfolio may be denominated in different currencies, the Portfolios may invest the assets related to a class of Shares in securities denominated in a wide range of other currencies. The Net Asset Value of the relevant class of Shares of the relevant Portfolio as expressed in the Pricing Currency will consequently fluctuate in accordance with the changes in foreign exchange rate between the Pricing Currency and the currencies in which the Portfolios' investments are denominated.

In addition, there is a risk that foreign exchange controls may be modified by foreign governments which may have an adverse effect on the Shares.

The Portfolio may therefore be exposed to a foreign exchange/currency risk. However, these risks generally depend on factors outside of the Investment Administrator's control such as financial, economic, military and political events and the supply and demand for the relevant currencies in the global markets. It may be not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure.

### ***Changes in Foreign Currency Exchange Rates Can Be Volatile and Unpredictable***

Rates of exchange between currencies have been highly volatile, and this volatility may continue and perhaps spread to other currencies in the future. Fluctuations in currency exchange rates could adversely affect an investment in Shares denominated in, or whose value is otherwise linked to, a foreign currency. Depreciation of the specified currency against your own principal currency could result in a decrease in the market value of your Shares, including the principal payable at maturity. That in turn could cause the market value of your Shares to fall. Depreciation of the foreign currency against your own principal currency could result in a decline in the market value of your Shares.

### ***Government Policy Can Adversely Affect Foreign Currency Exchange Rates and an Investment in a Foreign Currency Note***

Foreign currency exchange rates can either float or be fixed by sovereign governments. From time to time, governments use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rate of their currencies.

Governments may also issue a new currency to replace an existing currency or alter the exchange rate or exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing foreign currency notes may be that their yields or payouts could be significantly and unpredictably affected by governmental actions. Even in the absence of governmental action directly affecting foreign currency exchange rates, political, military or economic developments in the country issuing the specified foreign currency for a note or elsewhere could lead to significant and sudden changes in the foreign currency exchange rate between the foreign currency and your principal currency. These changes could affect your principal currency equivalent value of the note as participants in the global currency markets move to buy or sell the foreign currency or your own principal currency in reaction to these developments.

Governments have imposed from time to time and may in the future impose exchange controls or other conditions, including taxes, with respect to the exchange or transfer of a specified currency that could affect exchange rates as well as the availability of a specified currency for a note at its maturity or on any other payment date. In addition, the ability of a holder to move currency freely out of the country in which payment in the currency is received or to convert the currency at a freely determined market rate could be limited by governmental actions.

The Investment Administrator may enter into currency transactions as necessary to hedge the currency risks within the limits described under "*Investment restrictions*" above.

### **Changes in Applicable Law**

The Portfolios must comply with various legal requirements, including securities laws and tax laws as imposed by the jurisdictions under which they operate. Should any of those laws change over the life of the Portfolios, the legal requirement to which the Portfolios and their Shareholders may be subject could differ materially from current requirements.

# EXPENSES, FEES AND COSTS

## I. Expenses

The Umbrella Fund pays out of its assets all expenses payable by the Umbrella Fund. These include expenses payable to the independent auditors, outside counsels and other professionals.

They also include any expenses involved in registering and maintaining the registration of the Umbrella Fund with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country and administrative expenses, such as registration expenses, insurance coverage and the expenses relating to the translation and printing of this Prospectus, its Supplements and the Simplified Prospectuses and reports to Shareholders.

Expenses specific to a Portfolio or Share class will be borne by that Portfolio or Share class. Expenses that are not specifically attributable to a particular Portfolio or Share class may be allocated among the relevant Portfolios or Share classes based on their respective net assets or any other reasonable basis given the nature of the expenses.

The expenses incurred in connection with the formation of the Umbrella Fund and the initial issue of Shares by the Umbrella Fund, including those incurred in the preparation and publication of the sales documents of the Umbrella Fund, all legal, fiscal and printing expenses, as well as certain launch expenses (including advertising costs) and other preliminary expenses have been borne by Goldman Sachs International as Promoter of the Umbrella Fund. Such expenses were estimated to be approximately Euro 150,000.

## II. Fees

### a) Investment Administrator Fee

The Investment Administrator Fee is determined in accordance with market practice and consistent with the then current market levels. Such Investment Administrator Fee is calculated and accrued on each relevant Valuation Day and paid monthly in arrears at the annual rates which are more fully disclosed under each Portfolio's description in the relevant Supplement.

Subject to applicable law and regulations, the Investment Administrator, at its discretion, may on a negotiated basis enter into a private arrangement with a distributor under which the Investment Administrator makes payments to or for the benefit of such distributor which represent a rebate of all or part of the fees paid by the Umbrella Fund to the Investment Administrator. In addition, the Investment Administrator or a distributor at their discretion, subject to applicable law and regulations, may on a negotiated basis enter into private arrangements with a holder or prospective holder of Shares under which the Investment Administrator or a distributor are entitled to make payments to the holders of Shares of part or all of such fees. Consequently, the effective net fees payable by a holder of Shares who is entitled to receive a rebate under the arrangements described above may be lower than the fees payable by a holder of Shares who does not participate in such arrangements. Such arrangements reflect terms privately agreed between parties other than the Umbrella Fund, and for the avoidance of doubt, the Umbrella Fund cannot, and is under no duty to, enforce equality of treatment between Shareholders by other entities, including those service providers of the Umbrella Fund that it has appointed. Neither the Investment Administrator nor a distributor shall be under any obligations to make arrangements available on equal terms to such Shareholders.

### b) Custody Fee

The Custody Fee is determined in accordance with the applicable market standards in Luxembourg and is reasonable and proportionate to the Net Asset Value of each relevant Portfolio. Such fee is payable on a monthly basis to the Custodian. Not more than 0,02% per year of each relevant Portfolio's average Net Asset Value per year will be payable to the Custodian and its agent by the Umbrella Fund. To the extent that the actual expenses exceed the above percentage during any financial year, such excess amount shall be paid by the Investment Administrator back to the Umbrella Fund at the end of such year.

### c) Umbrella Fund Administrator Fee

The Umbrella Fund Administrator Fee is determined in accordance with the applicable market standards in Luxembourg and is reasonable and proportionate to the Net Asset Value of each relevant Portfolio. Such fee

is payable on a monthly basis to the Umbrella Fund Administrator. No more than 0,09% per year of each relevant Portfolio's average Net Asset Value per year will be payable by the Umbrella Fund to the Umbrella Fund Administrator per year. To the extent that the actual expenses exceed the above percentage during any financial year, such excess amount shall be paid by the Investment Administrator back to the Umbrella Fund at the end of such year.

d) Registrar and Transfer Agent Fee

The Registrar and Transfer Agent Fee is determined in accordance with the applicable market standards in Luxembourg and is proportionate to the Net Asset Value of each relevant Portfolio. Such fee is accrued on a daily basis.

e) Hedging Agent Fee

The Hedging Agent is entitled to receive an Hedging Agent Fee of a maximum of 0,015% per annum per hedged class of Shares based on asset size with an annual minimum fee of USD 5,000 per Portfolio and USD 5,000 per hedged class of Shares. This fee will be payable by the Umbrella Fund to the Hedging Agent on a semi-annual basis.

f) Domiciliary and Corporate Agent Fee

The Domiciliary and Corporate Agent is entitled to receive a Domiciliary and Corporate Fee of EUR 5,000 per Portfolio per annum.

g) Management Company Fee

The Management Company will receive a Management Company Fee per Portfolio of a maximum of 0,04% per annum with an annual minimum fee of EUR 30,000 per Portfolio. The Management Company Fee, payable in twelve monthly payments, will be calculated on the last Net Asset Value of the month of each Portfolio.

h) Fees related to local entities

In relation with the registration of the Umbrella Fund in foreign countries, additional amounts of fees may be charged on the assets of the Umbrella Fund in connection with the duties and services of local paying agents, correspondent banks or similar entities.

### **III. Costs related to derivative transactions**

The price of the derivative instruments entered into by the Umbrella Fund on behalf of the Portfolios may include hedging costs and a profit component payable to the Counterparty.

## **LUXEMBOURG ANTI-MONEY LAUNDERING REGULATIONS**

In an effort to deter money laundering, the Umbrella Fund, the Management Company, the Investment Administrator, the Global Distributor, any distributor or sub-distributor, and the Registrar and Transfer Agent must comply with all applicable international and Luxembourg laws and circulars regarding the prevention of money laundering and in particular with Luxembourg law dated November 12, 2004 against money laundering and terrorism financing, as amended. To that end, the Umbrella Fund, the Management Company, the Investment Administrator, the Global Distributor, any distributor or sub-distributor, and the Registrar and Transfer Agent may request information necessary to establish the identity of a potential investor and the origin of subscription proceeds. Failure to provide documentation may result in a delay or rejection by the Umbrella Fund of any subscription or exchange or a delay in payout of redemption of Shares by such investor.

# SUBSCRIPTION, TRANSFER, CONVERSION AND REDEMPTION OF SHARES

## **I. Share Characteristics**

### ***Available classes***

Each Portfolio issues Shares in several separate classes of Shares, as set out in each Portfolio's description in the relevant Supplement as well as under "*Introduction*". Such classes of Shares differ with respect to the type of investors for which they are designed, as the case may be, their Pricing Currency and as the case may be with respect to their fee structure.

### ***Shareholder Rights***

All Shareholders have the same rights, regardless of the class of Shares held. Each Share is entitled to one vote at any general meeting of Shareholders. There are no preferential or pre-emptive rights attributable to the Shares.

### ***Reference Currency/Base Currency/Pricing Currency***

The Reference Currency of the Umbrella Fund is the EUR. The Base Currency of each Portfolio and the Pricing Currency of each class of Shares are as set out in each Portfolio's description in the relevant Supplement.

### ***Dividend Policy***

The Umbrella Fund may issue Distributing Shares classes and Accumulation Shares classes within each Portfolio, as set out in each Portfolio's description in the relevant Supplement.

Accumulation Shares classes capitalize their entire earnings whereas Distributing Shares classes pay dividends.

The general meeting of Shareholders of the class or classes of Shares issued in respect of any Portfolio, upon proposal of the Board of Directors of the Umbrella Fund, shall determine how the income of the relevant classes of Shares of the relevant Portfolios shall be disposed of and the Umbrella Fund may declare from time to time, at such time and in relation to such periods as the Board of Directors of the Umbrella Fund may determine, distributions in the form of cash or Umbrella Fund's Shares for the class of Shares entitled to distribution.

Should the Shareholders decide the distribution of a cash dividend, all distributions will be paid out of the net investment income available for distribution. For certain Share classes, the Board of Directors of the Umbrella Fund may decide from time to time to distribute net realized capital gains. Unless otherwise specifically requested, dividends will be reinvested in further Shares within the same class of the same Portfolio and investors will be advised of the details by dividends statement. No sales charge will be imposed on reinvestments of dividends or other distributions.

For Shares of classes entitled to distribution, dividends, if any, will be declared and distributed on an annual basis. Moreover, interim dividends may be declared and distributed from time to time at a frequency decided by the Board of Directors of the Umbrella Fund in compliance with the conditions set forth by law.

However, in any event, no distribution may be made if, as a result, the Net Asset Value of the Umbrella Fund would fall below Euro 1,250,000.-.

Dividends not claimed within five years of their due date will lapse and revert to the relevant Shares of the relevant class in the relevant Portfolio.

No interest shall be paid on a distribution declared by the Umbrella Fund and kept by it at the disposal of its beneficiary.

### ***Listed classes***

The classes of Shares of each Portfolio that are listed on the Luxembourg Stock Exchange are indicated in each Portfolio's description in the relevant Supplement. The Board of Directors of the Umbrella Fund may, in its sole discretion, elect to list any other Share classes on any stock exchange.

***Fractional Shares***

Each Portfolio issues whole and fractional Shares up to one-thousandth of a Share. Fractional entitlements to Shares do not carry voting rights but do grant rights of participation on a pro-rated basis in net results and liquidation proceeds attributable to the relevant Portfolio.

***Share Registration and Certificates***

All Shares are issued in registered uncertificated form. All Shareholders shall receive from the Registrar and Transfer Agent a written confirmation of his or her shareholding.

**II. Subscription of Shares*****Investor Qualifications***

Only investors that meet the following qualifications may purchase class I Shares, class I Hedged Shares, class I (2010) Shares, class I (2012) Shares, class I (2014) Shares, class C Shares, class C (Austria) Shares, class C Hedged Shares, class M Shares, class M Hedged Shares, class X Shares, class X Hedged Shares, class Y Shares and class Y Hedged Shares:

The investor must be an "Institutional Investor," as that term is defined from time to time by the Luxembourg supervisory authority. Generally, an Institutional Investor is one or more of the following:

- Credit institution or other financial professional investing in its own name or on behalf of an Institutional Investor or any other investor, provided that the credit institution or financial professional has a discretionary management relationship with the investor and that relationship does not grant the investor any right to a direct claim against the Umbrella Fund;
- Insurance or reinsurance company that is making the investment in connection with a share-linked insurance policy, provided that the insurance or reinsurance company is the sole subscriber in the Umbrella Fund and no policy grants the holder any right to receive, upon termination of the insurance policy, Shares of the Umbrella Fund;
- Pension fund or pension plan, provided that the beneficiaries of such pension fund or pension plan are not entitled to any direct claim against the Umbrella Fund;
- Undertaking for collective investment;
- Governmental authority investing in its own name;
- Holding company or similar entity in which either (a) all shareholders of the entity are Institutional Investors, or (b) the entity either (i) conducts non-financial activities and holds significant financial interests or (ii) is a "family" holding company or similar entity through which a family or a branch of a family holds significant financial interests;
- Financial or industrial group; or
- Foundation holding significant financial investments and having an existence independent from the beneficiaries or recipients of their income or assets.

The Board of Directors of the Umbrella Fund and/or any of its duly appointed representatives reserves the right to reject or postpone any application to subscribe to Shares for any reason, including if the Directors of the Umbrella Fund and/or any of its duly appointed representatives considers that the applying investor is engaging in excessive trading (market-timing). In particular, investors should consider that whenever they subscribe to Shares directly to the Umbrella Fund in their own names instead of submitting their subscriptions through a distributor or other financial intermediaries, additional due diligence could be performed on them and this could lead to a delay in acceptance/rejection of their orders by the Board of Directors of the Umbrella Fund. Therefore, in such circumstances, the purchase price for the relevant subscription application will be established with reference to the applicable Net Asset Value of the Shares with reference to the date on which the subscription has been accepted by the Board of Directors of the Umbrella Fund.

***Minimum Investment and Holding Amount***

No investor may subscribe initially for less than the amount of the minimum initial investment indicated in each Portfolio's description in the relevant Supplement if any, save if a derogation from such amount of

minimum initial investment has been obtained from the Board of Directors of the Umbrella Fund. There may be a minimum investment amount for subsequent investments in the Shares, as indicated in each Portfolio's description in the relevant Supplement; no investor may subscribe for less than such minimum subsequent investment amount, save if a derogation from such amount of minimum subsequent investment has been obtained from the Board of Directors of the Umbrella Fund. No investor may transfer or redeem Shares of any class if the transfer or redemption would cause the investor's holding amount of that class of Shares to fall below the minimum holding amount indicated, as the case may be, in each Portfolio's description in the relevant Supplement. In case of subscription in a number of Shares, the minimum initial investment amount, the minimum subsequent investment amount and the minimum holding amount for the relevant Shares, as indicated in each Portfolio's description in the relevant Supplement, shall be considered as the equivalent in number of Shares of the relevant minimum amounts.

The Board of Directors of the Umbrella Fund may, provided that equal treatment of Shareholders be complied with, grant Shareholders an exception from the conditions of minimum initial investment, minimum subsequent investment and minimum holding of Shares and accept a redemption request that would cause the investor's holding in any Portfolio to fall below the minimum holding amount. Such an exception may only be made in favor of investors who understand and are able to bear the risk linked to an investment in the relevant Portfolio, on exceptional basis and in specific cases.

### ***Sales Charge***

The subscription of Shares may be subject to a sales charge of a percentage of the Net Asset Value of the Shares being subscribed as indicated in each Portfolio's description in the relevant Supplement. The actual amount of the sales charge is determined by the financial institution through which the subscription of Shares is made and paid to the latter by the relevant Portfolio as remuneration for its intermediary activity. Such financial institution, at its discretion and subject to applicable law and regulations, may on a negotiated basis enter into private arrangements with a holder or prospective holder of Shares under which it is entitled to make payments to the holders of Shares of part or all of such sales charge. Investors should be aware that the subscription of Shares may also be subject to a sales charge of a percentage of the Net Asset Value of the Shares being subscribed as indicated in each Portfolio's description in the relevant Supplement when the investors are subscribing directly to the Shares of the Umbrella Fund without passing their subscription orders through financial institutions. In such case, the sales charge will be paid to the Global Distributor.

Before subscribing for Shares, please ask the financial institution whether a sales charge will apply to your subscription and the actual amount of that sales charge.

### ***Procedure of Subscription***

**Market Timing Policy:** The Umbrella Fund does not knowingly allow investments which are associated with market timing practices, as such practices may adversely affect the interests of all Shareholders.

As per the Regulatory Authority Circular 04/146, market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same UCI within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the net asset values of the sub-funds of the UCI.

Opportunities may arise for the market timer either if the Net Asset Values (as defined on hereafter) of the Portfolios of the Umbrella Fund are calculated on the basis of market prices which are no longer up to date (stale prices) or if the Portfolios of the Umbrella Fund are already calculating the Net Asset Value when it is still possible to issue orders.

Market timing practices are not acceptable as they may affect the performance of the Umbrella Fund through an increase of the costs and/or entail a dilution of the profit.

Accordingly, the Board of Directors of the Umbrella Fund and/or any of its duly appointed representatives may, whenever they deem it appropriate and at their sole discretion, cause the Registrar and Transfer Agent and the Umbrella Fund Administrator, respectively, to implement any of the following measures:

- Cause the Registrar and Transfer Agent to reject any application for conversion and/or subscription of Shares from investors whom the former considers market timers.
- The Registrar and Transfer Agent may combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices.
- If a Portfolio is primarily invested in markets which are closed for business at the time the Portfolio is valued, during periods of market volatility, cause the Umbrella Fund Administrator to allow for the Net Asset



Value per Share to be adjusted to reflect more accurately the fair value of the Portfolio's investments at the point of valuation.

In addition, the Board of Directors of the Umbrella Fund and/or any of its duly appointed representatives reserve the right to levy an additional fee of up to 2% of the Net Asset Value of the Shares subscribed if the Board of Directors of the Umbrella Fund and/or any of its duly appointed representatives consider that the applying investor is engaging in excessive trading (market-timing) practices. Any such fee shall be levied for the benefit of the Portfolio concerned.

**Subscription Application:** Any investor intending to subscribe initially or for additional Shares must complete an application form. Application forms are available from and should be sent to:

**RBC Dexia Investor Services Bank S.A.**  
14, Porte de France  
L-4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

The application for subscription of Shares must include:

- a) the monetary amount or the number of Shares the Shareholder wishes to subscribe, and
- b) the Portfolio and the class from which Shares are to be subscribed.

Investors are made aware that for certain Portfolios and/or classes of Shares, subscriptions may only be accepted in monetary amount and should refer to the description of each relevant Portfolio in the relevant Supplement in order to know if such restriction applies.

The Registrar and Transfer Agent may request an investor to provide additional information to substantiate any representation made by the investor in its application. Any application that has not been completed to the satisfaction of the Registrar and Transfer Agent will be rejected. The Registrar and Transfer Agent shall seek the opinion of the Board of Directors of the Umbrella Fund before rejecting an order. Applications not complying with the requirements of each Portfolio's description in the relevant Supplement in terms of minimum investment may be processed late due to the fact that a derogation from the requirements of each Portfolio's description in the relevant Supplement on this aspect needs to be obtained from the Board of Directors of the Umbrella Fund. In particular, any application for subscription of Shares which will not be supported by all the documentation required by the relevant anti-money laundering legislation, will not be accepted by the Registrar and Transfer Agent; the latter will inform the investor of the missing documentation and will ask the investor to hold off sending to the Registrar and Transfer Agent the funds related to the subscription until all the documentation required will have been received by the Registrar and Transfer Agent. In case of reception of any funds prior to the reception of all the documentation required, the Registrar and Transfer Agent will not credit any interest to the investor for those funds which could only be accepted for subscription of Shares if and when all the documentation required will have been received. In addition, the Board of Directors of the Umbrella Fund and/or any of its duly appointed representatives in their sole discretion, may at any time suspend or close the sale of any class of Shares or all Shares.

The Registrar and Transfer Agent will send to each investor a written confirmation of each subscription of Shares within 3 Luxembourg and London business days from the relevant subscription date (as indicated in the relevant Portfolio's description in the relevant Supplement) or as soon as reasonably practicable.

**Subscription Date and Purchase Price:** Shares may be subscribed as referred to in the relevant Portfolio's description in the relevant Supplement. Except during the initial offering period of a new Portfolio, the subscription date for any subscription application shall be as indicated in the relevant Portfolio's description in the relevant Supplement. For each Portfolio of the Umbrella Fund, subscription orders which are not received by the Umbrella Fund before the cut-off time, as specified under the relevant Portfolio's description in the relevant Supplement, will be automatically processed on the next applicable subscription date. The purchase price for any subscription application will be the sum of the Net Asset Value of such Shares on the relevant Valuation Day plus any applicable sales charge.

Investors should note that they will not know the actual purchase price of their Shares until their order has been fulfilled.

**Payment:** Each investor must pay the purchase price as determined in the relevant Portfolio's description in the relevant Supplement. Please note that the investor's obligation to settle the purchase price in accordance

with the deadlines set out in the relevant Portfolio's description in the relevant Supplement is not dependent on the investor's receipt of a fax confirmation of his/her/its trade. Purchase price must be settled in accordance with the relevant deadline, regardless of any delay in the issue of a fax confirmation to the investor.

The purchase price must be paid by electronic bank transfer only, as specified in the application form.

Any payment must be in cleared funds before it will be considered as having been received.

If an investor cannot by law pay its subscription by electronic bank transfer, the investor must call:

**RBC Dexia Investor Services Bank S.A.**  
14, Porte de France  
L-4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg  
+(352) 26 05 1

to make other arrangements. Please note that an investor's inability to pay by electronic bank transfer does not relieve it of its obligation to pay for its subscription within the deadline provided in the relevant Supplement for each Portfolio.

An investor should pay the purchase price in the Pricing Currency.

However, If an investor pays the purchase price in another currency, the Umbrella Fund or its agent will make reasonable efforts to convert the payment into the currency of the Share class purchased. All costs associated with the conversion of that payment will be borne by the investor, whether such conversion actually is made. Neither the Umbrella Fund nor any of its agents shall be liable to an investor if the Umbrella Fund or its agent is unable to convert any payment into the currency of the Share class purchased by the investor.

The Umbrella Fund will immediately redeem the Shares corresponding to any subscription not paid for in full in accordance with these provisions, and the investor submitting the subscription will be liable to the Umbrella Fund and each of its agents for any loss incurred by them, individually and collectively, as a result of such forced redemption.

### **III. Transfer of Shares**

A Shareholder may transfer Shares to one or more other persons, provided that all Shares have been paid in full with cleared funds and each transferee meets the qualifications of an investor in the relevant Share class.

In order to transfer Shares, the Shareholder must notify the Registrar and Transfer Agent of the proposed date and the number of Shares transferred. The Registrar and Transfer Agent only will recognize a transfer with a future date. In addition, each transferee must complete an application form.

The Shareholder should send its notice and each completed application form to:

**RBC Dexia Investor Services Bank S.A.**  
14, Porte de France  
L-4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

The Registrar and Transfer Agent may request a transferee to provide additional information to substantiate any representation made by the transferee in its application. Any application that has not been completed to the satisfaction of the Registrar and Transfer Agent will be rejected.

The Registrar and Transfer Agent will not effectuate any transfer until it is satisfied with the form of notice and has accepted each transferee's subscription application.

Any Shareholder transferring Shares and each transferee, jointly and separately, agrees to hold the Portfolio and each of its agents harmless with respect to any loss suffered by one or more of them in connection with a transfer.

#### **IV. Redemption of Shares**

A Shareholder may request the Umbrella Fund to redeem some or all of the Shares it holds in the Umbrella Fund. If, as a result of any redemption request, the number of Shares held by any Shareholder in a class would fall below the minimum holding amount for that class of Shares, if any, the Umbrella Fund may treat such request as a request to redeem the full balance of such Shareholder's holding of Shares in the relevant class. Shares may be redeemed on days referred to in the relevant Portfolio's description in the relevant Supplement.

If the aggregate value of the redemption and conversion requests received by the Registrar and Transfer Agent on any day corresponds to more than 10% of the net assets of a Portfolio, the Umbrella Fund may defer part or all of such redemption and conversion requests for such period as it considers to be in the best interest of the Portfolio and its Shareholders. Any deferred redemption and conversion shall be treated as a priority to any further redemption and conversion requests received on any following redemption date.

##### ***Redemption Notice***

Any Shareholder intending to redeem Shares must notify the Registrar and Transfer Agent:

**RBC Dexia Investor Services Bank S.A.**  
14, Porte de France  
L-4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

That notice must include the following:

- The Shareholder's name, as it appears on the Shareholder's account, his or her address and account number;
- The number of Shares of each class or amount of each Share class to be redeemed; and
- Bank details of beneficiary of redemption proceeds.

Investors are made aware that for certain Portfolios and/or classes of Shares, redemptions may only be accepted in monetary amount and should refer to the description of each relevant Portfolio in the relevant Supplement in order to know if such restriction applies.

The Registrar and Transfer Agent may request the Shareholder to provide additional information to substantiate any representation made by the investor in the notice. The Registrar and Transfer Agent will reject any redemption notice that has not been completed to its satisfaction. Payments will only be made to the Shareholder of record, provided that all the documentation required by the relevant anti-money laundering legislation for the Shareholder will have been received by the Registrar and Transfer Agent; no third-party payments will be made.

Any Shareholder redeeming Shares agrees to hold the Umbrella Fund and each of its agents harmless with respect to any loss suffered by one or more of them in connection with that redemption.

##### ***Deferred Sales Charge***

Shares will be redeemed at a price based on the Net Asset Value per Share of the relevant Class in the relevant Portfolio.

A deferred sales charge may be imposed to redemptions of Shares according to the provisions of each Portfolio's description in the relevant Supplement.

The actual amount of the deferred sales charge will be determined by the Umbrella Fund, respectively, the Global Distributor through which the subscription of the Shares is made. The Global Distributor, at its discretion and subject to applicable law and regulations, may on a negotiated basis enter into private arrangements with a holder or prospective holder of Shares under which it is entitled to make payments to the holders of the Shares of part or all of such deferred sales charge.

Before subscribing for Shares, please ask the Umbrella Fund, respectively, the Global Distributor whether a deferred sales charge will apply to your subscription and the actual amount of that deferred sales charge.

For Shares subject to a deferred sales charge, the amount of the charge is determined as a percentage of the Net Asset Value of the Shares being redeemed on the relevant Valuation Day. The amount of any deferred sales charge to be paid will be retained by the Global Distributor.

The Board of Directors reserves the right to increase the maximum deferred sales charge if and when appropriate. In such event, the present Prospectus, its Supplements and the Simplified Prospectuses will be amended accordingly.

The Board of Directors of the Umbrella Fund and/or any of its duly appointed representatives reserve the right to levy an additional fee of up to 2% of the Net Asset Value of the Shares redeemed if the Board of Directors of the Umbrella Fund and/or any of its duly appointed representatives consider that the redeeming investor is engaging in excessive trading (market-timing) practices. Any such fee shall be levied for the benefit of the Portfolio concerned.

#### ***Redemption Date and Redemption Price***

The redemption date for any redemption notice shall be as indicated in the relevant Portfolio's description in the relevant Supplement. For each Portfolio of the Umbrella Fund, redemption orders which are not received by the Umbrella Fund before the cut-off time, as specified under the relevant Portfolio's description in the relevant Supplement, will be automatically processed on the next applicable redemption date. The redemption price for any redemption notice will be the Net Asset Value of such Shares on the relevant Valuation Day.

Investors should note that they will not know the redemption price of their Shares until their redemption request has been fulfilled.

#### ***Payment***

The Umbrella Fund will pay the Shareholder redemption proceeds as determined in the relevant Portfolio's description in the relevant Supplement. However, investors should be aware that different settlement procedures may apply in certain jurisdictions in which the Umbrella Fund is registered for public distribution, due to local constraints. The Umbrella Fund or the Management Company are not responsible for any delays or charges incurred at any receiving bank or settlement system. If, in specific circumstances and for whatever reason, redemption proceeds cannot be paid within the terms as determined in the relevant Portfolio's description in the relevant Supplement, the payment will be made as soon as reasonably practicable thereafter. Investors should therefore contact their local paying agent to know the exact timeframe applicable to the settlement of their redemptions proceeds.

The redemption proceeds will be paid by electronic bank transfer in accordance with the instructions in the redemption notice as accepted. All costs associated with that payment will be borne by the Shareholder.

Redemption proceeds will be paid in the relevant Pricing Currency.

However, if an investor requests payment in another currency, the Umbrella Fund or its agent will make reasonable efforts to convert the payment into the currency requested. All costs associated with the conversion of that payment will be borne by the Shareholder, whether such conversion actually is made. Neither the Umbrella Fund nor any agent of the Umbrella Fund shall be liable to an investor if the Umbrella Fund or agent is unable to convert and pay into a currency other than the relevant Pricing Currency.

Neither the Umbrella Fund nor any of its agents shall pay any interest on redemption proceeds or make any adjustment on account of any delay in making payment to the Shareholder. Any redemption proceeds that have not been claimed within 5 years following the redemption date shall be forfeited and shall accrue for the benefit of the relevant class of Shares.

#### ***Forced Redemption***

The Umbrella Fund and/or any of its duly appointed representatives may immediately redeem some or all of a Shareholder's Shares if the Umbrella Fund and/or any of its duly appointed representatives believe that:

- The Shareholder has made any misrepresentation as to his or her qualifications to be a Shareholder;
- The Shareholder's continued presence as a Shareholder of the Umbrella Fund would cause irreparable harm to the Umbrella Fund or the other Shareholders of the Umbrella Fund;
- The Shareholder, by trading Shares frequently, is causing the relevant Portfolio to incur higher portfolio turnover and thus, causing adverse effects on the Portfolio's performance, higher transactions costs and/or greater tax liabilities; or

- The Shareholder's continued presence as a Shareholder would result in a breach of any law or regulation, whether Luxembourg or foreign, by the Umbrella Fund.

Class I (2010) Shares, class I (2012) Shares and class I (2014) Shares may be mandatorily redeemed either at their maturity term or before such maturity term at the full discretion of the Board of Directors of the Umbrella Fund.

### ***Redemptions In Kind***

Any Shareholder redeeming Shares representing at least 20% of any Share class may redeem those Shares in kind, provided that the Umbrella Fund determines that the redemption would not be detrimental to the remaining Shareholders and the redemption is effected in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the Umbrella Fund's Auditors (*réviseur d'entreprises agréé*) which shall be available for inspection. Any costs incurred in connection with a redemption in kind shall be borne by the relevant Shareholders.

## **V. Conversion of Shares**

Subject to the provisions of each Portfolio's description in the relevant Supplement, any Shareholder may in principle request the conversion of its Shares for (i) Shares of the same class of another Portfolio or (ii) Shares of a different class of the same or another Portfolio. Such conversion request will be treated as a redemption and subsequent subscription of Shares. Consequently, any Shareholder requesting such conversion must comply with the procedures of subscription and redemption, as well as with all other requirements notably relating to investor qualifications and minimum investment and holding thresholds, if any, applicable to each Portfolio.

If Shares are converted for Shares of another class or Portfolio having the same or a lower sales charge, no additional charge shall be levied. If Shares are converted for Shares of another class or Portfolio having a higher sales charge, the conversion may be subject to a conversion fee to the benefit of an intermediary as determined by the Board of Directors of the Umbrella Fund equal to the difference in percentage of the sales charges of the relevant Shares.

In case of conversion of Shares, no deferred sales charge will be applicable.

### ***Conversion Date***

The conversion of Shares between Portfolios having different valuation frequencies may only be effected on a common subscription date as more fully described under each Portfolio's description in the relevant Supplement.

To exercise the right to exchange Shares, the Shareholders must deliver an exchange order in proper form to the Registrar and Transfer Agent.

The conversion date for any exchange order shall be as indicated in the relevant Portfolio's description in the relevant Supplement. For each Portfolio of the Umbrella Fund, exchange orders which are not received by the Umbrella Fund before the cut-off time, as specified under the relevant Portfolio's description in the relevant Supplement, will be automatically processed on the next applicable conversion date.

The number of Shares in the newly selected Portfolio or class of Shares will be calculated in accordance with the following formula:

$$A = (B \times C \times D) / E$$

where:

- A is the number of Shares to be allocated in the new class;
- B is the number of Shares of the original class to be converted;
- C is the Net Asset Value per Share of the original class on the relevant Valuation Day;
- D is the actual rate of exchange on the day concerned in respect of the Pricing Currency of the original class and the Pricing Currency of the new class;
- E is the Net Asset Value per Share of the new class on the relevant Valuation Day.

In the event that a Shareholder is no longer entitled to be invested in the Shares he holds pursuant to the investor qualifications defined in this Prospectus, the Directors of the Umbrella Fund or the Management Company may decide to convert, without any prior notice or charge, the Shares held by the Shareholder into

such other Shares which total expense ratio is the lowest among the Share classes for which the Shareholder complies with the investor qualifications.

## **DETERMINATION OF THE NET ASSET VALUE**

### **Day of Calculation**

The Umbrella Fund calculates the Net Asset Value of each Share class for each Valuation Day as indicated for each Portfolio in its description in the relevant Supplement.

The Umbrella Fund may for track record purposes, calculate Net Asset Values even on days where subscription, redemption and conversion are not accepted, as more fully described for each Portfolio in its description in the relevant Supplement, as the case may be.

Please refer to each Portfolio's description under "*Characteristics*" in the relevant Supplement for details on the days on which the Net Asset Value of each Portfolio may not be calculated and on the impact that the market disruption events, if any, and their consequences may have on the calculation of the Net Asset Value of each Portfolio.

If any date specified for the purpose of processing subscriptions, conversions and redemptions within a Portfolio falls on a day which is not a Valuation Day as indicated for such Portfolio in its description in the relevant Supplement, the Net Asset Value of the Portfolio will not be calculated on that day and the Net Asset Value at which subscriptions, redemptions or conversions are effected will be calculated on the next Valuation Day.

If since the time of determination of the Net Asset Value, there has been a material change in the quotations in the markets on which a substantial portion of the investments of any Portfolio are dealt in or quoted, the Umbrella Fund may, in order to safeguard the interests of the Shareholders and the Portfolio, cancel the first valuation and carry out a second valuation for all applications made on the relevant subscription/redemption date.

### **Method of Calculation**

The Net Asset Value of each Share of any one class on any day that any Portfolio calculates its Net Asset Value is determined by dividing the value of the portion of assets attributable to that class less the portion of liabilities attributable to that class, by the total number of Shares of that class outstanding on such day.

The Net Asset Value per Share of each class shall be available at the registered office of the Umbrella Fund in principle the Luxembourg and London business day following the relevant Valuation Day. A Net Asset Value may be calculated on days different from the applicable Valuation Day for each Portfolio with the exception of any Luxembourg banking holidays for the Shares of the Portfolios. Such Net Asset Value is only indicative and is available for information purposes only. It is based on the previous available net asset values with an adjustment for the expense accrual and is published on a Bloomberg page. Please refer to each Portfolio's description under "*Characteristics*" in the relevant Supplement for details on the pages at which the aforementioned indicative Net Asset Value may be found.

The Net Asset Value of each class of Share shall be determined in the Pricing Currency of the relevant class of Shares.

The Net Asset Value of each class of Share may be rounded to the nearest ten-thousandth of the Pricing Currency in accordance with the Umbrella Fund's guidelines.

The value of each Portfolio's assets shall be determined as follows:

- (i) the value of any cash on hand or on deposit, bills and demand notes payable and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Board of Directors of the

Umbrella Fund may consider appropriate in such case to reflect the true value thereof;

- (ii) the value of Transferable Securities, Money Market Instruments and any financial assets listed or dealt in on a stock exchange of an Other State or on a Regulated Market, or on any Other Regulated Market of a Member State or of an Other State, shall be based on the last available closing or settlement price in the relevant market prior to the time of valuation, or any other price deemed appropriate by the Board of Directors of the Umbrella Fund;
- (iii) the value of any assets held in a Portfolio's portfolio which are not listed or dealt on a stock exchange of an Other State or on a Regulated Market or on any Other Regulated Market of a Member State or of an Other State or if, with respect to assets quoted or dealt in on any stock exchange or dealt in on any such Regulated Markets, the last available closing or settlement price is not representative of their value, such assets are stated at fair market value or otherwise at the fair value at which it is expected they may be resold, as determined in good faith by or under the direction of the Board of Directors of the Umbrella Fund;
- (iv) Money Market Instruments with a remaining maturity of 90 days or less will be valued by the amortized cost method, which approximates market value. Under this valuation method, the relevant Portfolio's investments are valued at their acquisition cost as adjusted for amortization of premium or accretion of discount rather than at market value;
- (v) units or shares of open-ended UCI will be valued at their last determined and available official net asset value as reported or provided by such UCI or their agents, or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Umbrella Fund on a fair and equitable basis. Units or shares of a closed-ended UCI will be valued in accordance with the valuation rules set out in items (ii) and (iii);
- (vi) the liquidating value of futures, forward or options contracts not traded on a stock exchange of an Other State or on Regulated Markets, or on Other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established prudently and in good faith by the Board of Directors of the Umbrella Fund, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on a stock exchange of an Other State or on Regulated Markets, or on other Regulated Markets shall be based upon the last available settlement or closing prices as applicable to these contracts on a stock exchange or on Regulated Markets, or on other Regulated Markets on which the particular futures, forward or options contracts are traded on behalf of the Umbrella Fund; provided that if a future, forward or options contract could not be liquidated on the day with respect to which assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors of the Umbrella Fund may deem fair and reasonable;
- (vii) interest rate swaps will be valued on the basis of their market value established by reference to the applicable interest rate curve. Swaps pegged to indexes or financial instruments shall be valued at their market value, based on the applicable index or financial instrument. The valuation of the swaps tied to such indexes or financial instruments shall be based upon the market value of said swaps, in accordance with the procedures laid down by the Board of Directors of the Umbrella Fund.

Credit default swaps are valued on the frequency of the Net Asset Value founding on a market value obtained by external price providers. The calculation of the market value is based on the credit risk of the reference party respectively the issuer, the maturity of the credit default swap and its

liquidity on the secondary market. The valuation method is recognised by the Board of Directors of the Umbrella Fund and checked by the auditors.

Total return swaps or TRORS will be valued at fair value under procedures approved by the Board of Directors of the Umbrella Fund. As these swaps are not exchange-traded, but are private contracts into which the Umbrella Fund and a swap counterparty enter as principals, the data inputs for valuation models are usually established by reference to active markets. However it is possible that such market data will not be available for total return swaps or TRORS near the Valuation Day. Where such markets inputs are not available, quoted market data for similar instruments (e.g. a different underlying instrument for the same or a similar reference entity) will be used provided that appropriate adjustments be made to reflect any differences between the total return swaps or TRORS being valued and the similar financial instrument for which a price is available. Market input data and prices may be sourced from exchanges, a broker, an external pricing agency or a counterparty.

If no such market input data are available, total return swaps or TRORS will be valued at their fair value pursuant to a valuation method adopted by the Board of Directors of the Umbrella Fund which shall be a valuation method widely accepted as good market practice (i.e. used by active participants on setting prices in the market place or which has demonstrated to provide reliable estimate of market prices) provided that adjustments that the Board of Directors of the Umbrella Fund may deem fair and reasonable be made. The Umbrella Fund's Auditors will review the appropriateness of the valuation methodology used in valuing total return swaps or TRORS. In any way the Umbrella Fund will always value total return swaps or TRORS on an arm-length basis.

All other swaps, will be valued at fair value as determined in good faith pursuant to procedures established by the Board of Directors of the Umbrella Fund;

- (viii) the value of contracts for differences will be based, on the value of the underlying assets and vary similarly to the value of such underlying assets. Contract for differences will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors of the Umbrella Fund;
- (ix) all other securities, instruments and other assets will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors of the Umbrella Fund.

The Umbrella Fund also may value securities at fair value or estimate their value pursuant to procedures approved by the Umbrella Fund in other circumstances such as when extraordinary events occur after the publication of the last market price but prior to the time the Portfolios' Net Asset Value is calculated.

The effect of fair value pricing as described above for securities traded on exchanges and all other securities and instruments is that securities and other instruments may not be priced on the basis of quotations from the primary market in which they are traded. Instead, they may be priced by another method that the Umbrella Fund believes is more likely to result in a price that reflects fair value. When fair valuing its securities, the Umbrella Fund may, among other things, use modeling tools or other processes that take into account factors such as securities market activity and/or significant events that occur after the publication of the last market price and before the time a Portfolio's Net Asset Value is calculated.

On any Valuation Day the Board of Directors may determine to apply an alternative valuation methodology (to include such reasonable factors as they see fit) to the Net Asset Value per Share. This method of valuation is intended to pass the estimated costs of underlying investment activity of the Umbrella Fund to the active Shareholders by adjusting the Net Asset Value of the relevant Share and thus to protect the Umbrella Fund's long-term Shareholders from costs associated with ongoing subscription and redemption activity.



This alternative valuation methodology may take account of trading spreads on the Umbrella Fund's investments, the value of any duties and charges incurred as a result of trading and includes an allowance for market impact.

Where the Board of Directors, based on the prevailing market conditions and the level of subscriptions or redemptions requested by Shareholders or potential Shareholders in relation to the size of the relevant Portfolio, have determined for a particular Portfolio to apply an alternative valuation methodology, the Portfolio may be valued either on a bid or offer basis (which would include the factors referenced in the preceding paragraph).

Because the determination of whether to value the Umbrella Fund's Net Asset Value on an offer or bid basis is based on the net transaction activity of the relevant day, Shareholders transacting in the opposite direction of the Umbrella Fund's net transaction activity may benefit at the expense of the other Shareholders in the Umbrella Fund. In addition, the Umbrella Fund's Net Asset Value and short-term performance may experience greater volatility as a result of this valuation methodology.

Trading in most of the portfolio securities of the Portfolios takes place in various markets outside Luxembourg on days and at times other than when banks in Luxembourg are open for regular business. Therefore, the calculation of the Portfolios' Net Asset Values does not take place at the same time as the prices of many of their portfolio securities are determined, and the value of the Portfolios' portfolio may change on days when the Umbrella Fund is not open for business and its Shares may not be purchased or redeemed.

The value of any asset or liability not expressed in a Portfolio's Base Currency will be converted into such currency at the latest rates quoted by any major banks. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Umbrella Fund Administrator.

Where, as the result of a miscalculation of the net asset value of the relevant portfolio, including as a result of an error in publication of any relevant underlying index, a Shareholder has received a payment or Shares in excess of the correct value, the beneficial holder, upon determination on behalf of the Umbrella Fund of the correct net asset value of such Shares (a) agrees to repay or surrender such excess value to the Umbrella Fund; and (b) in cases where excess Shares have been issued as a result of such error the Shareholder authorizes the Umbrella Fund to cancel or redeem such Shares in order to correct such error and effect such repayment.

### **Temporary Suspension of Calculation of the Net Asset Value**

The Directors may temporarily suspend the determination of the net asset value per Share within any Portfolio, and accordingly the issue and redemption of Shares of any class within any Portfolio:

- During any period when any of the principal stock exchanges, Regulated Market or any Other Regulated Market in a Member State or in an Other State on which a substantial part of the Umbrella Fund' investments attributable to such Portfolio is quoted, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Portfolio is denominated, are closed otherwise than for ordinary holidays or during which dealings are substantially restricted or suspended; or
- When political, economic, military, monetary or other emergency events beyond the control, liability and influence of the Umbrella Fund make the disposal of the assets of any Portfolio impossible under normal conditions or such disposal would be detrimental to the interests of the Shareholders; or
- During any breakdown in the means of communication network normally employed in determining the price or value of any of the relevant Portfolio's investments or the current price or value on any market or stock exchange in respect of the assets attributable to such Portfolio; or
- During any period when the Umbrella Fund is unable to repatriate funds for the purpose of making payments on the redemption of shares of such Portfolio or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of shares cannot, in the opinion of the Board of Directors of the Umbrella Fund, be effected at normal rates of exchange; or
- During any period when for any other reason the prices of any investments owned by the Umbrella Fund, including in particular the derivative and repurchase transactions entered into by the Umbrella Fund in respect of any Portfolio, cannot promptly or accurately be ascertained; or
- During any period when the Board of Directors of the Umbrella Fund so decides, provided all

Shareholders are treated on an equal footing and all relevant laws and regulations are applied (i) as soon as an extraordinary general meeting of Shareholders of the Umbrella Fund or a Portfolio has been convened for the purpose of deciding on the liquidation or dissolution of the Umbrella Fund or a Portfolio and (ii) when the Board of Directors of the Umbrella Fund is empowered to decide on this matter, upon its decision to liquidate or dissolve a Portfolio.

Any suspension shall be published, if appropriate, by the Umbrella Fund and Shareholders requesting subscription, conversion or redemption of their Shares shall be notified by the Umbrella Fund of the suspension at the time of the filing of the written request for such subscription, conversion and redemption. The suspension as to any Portfolio will have no effect on the determination of Net Asset Value and the issue, redemption or conversion of Shares in any class of the other Portfolios.

### **Historical Performance**

The Portfolios present their performance as average annual total return, reflecting all charges and expenses accrued by the relevant Portfolio. Performance does not include any adjustment for sales charges and does not consider any tax consequence to Shareholders as a result of investing in Shares.

The Portfolios, when presenting their average annual total return, also may present their performance using other means of calculation, and may compare their performance to various benchmarks and indices.

Past performance is not necessarily indicative of future results. Past performance of the Portfolios launched since a full year or more at the date of the present Prospectus is disclosed for each Portfolio in the relevant Simplified Prospectus issued for such Portfolio.

## **TAXATION**

The foregoing is based on the Board of Directors of the Umbrella Fund's understanding of the law and practice currently in force in Luxembourg and subject to changes therein. It should not be taken as constituting legal or tax advice and investors are advised to obtain information and, if necessary, advice regarding the laws and regulations applicable to them by reason of the subscription, purchase, holding and realization of Shares in their countries of origin, residence or domicile.

### **Taxation of the Umbrella Fund**

The Umbrella Fund is not subject to any Luxembourg tax on interest or dividends received by any Portfolio, any realized or unrealized capital appreciation of Portfolio's assets or any distribution paid by any Portfolio to Shareholders.

The Umbrella Fund is not subject to any Luxembourg stamp tax or other duty payable on the issuance of Shares.

The Umbrella Fund is only subject to the Luxembourg *taxe d'abonnement* at the rate of 0.05% per year of each Portfolio's Net Asset Value.

This tax is however reduced, in respect of the class I Shares, class I Hedged Shares, class I (2010) Shares, class I (2012) Shares, class I (2014) Shares, class C Shares, class C (Austria) Shares, class C Hedged Shares, class M Shares, class M Hedged Shares, class X Shares, class X Hedged Shares, class Y Shares and class Y Hedged Shares intended for Institutional Investors to 0.01% per year of the Net Asset Value of each such class of Shares.

Such tax is not due on the portion of the assets of the Portfolios invested in other Luxembourg UCIs (if any).

That tax is calculated at each Net Asset Value date and payable quarterly based upon the Net Asset Value of each class of Shares at each quarter end date. In addition, upon incorporation, the Umbrella Fund was required to pay an incorporation tax of Euro 1,250.-.

Other jurisdictions may impose withholding and other taxes on interest and dividends received by the Portfolios, if any, on assets issued by entities located outside of Luxembourg. The Umbrella Fund may not be able to recover those taxes.

## **Taxation of the Shareholders**

Shareholders currently are not subject to any Luxembourg income tax on capital gain or income or any Luxembourg withholding tax other than Shareholders:

- Domiciled, resident or having a permanent establishment in Luxembourg;
- Non-residents of Luxembourg who hold more than 10% of the Shares of the Umbrella Fund and who dispose of all or part of their holdings within 6 months from the date of acquisition;
- Certain former residents of Luxembourg who hold more than 10% of the Shares of the Umbrella Fund; or
- Shareholders receiving dividend, as the case may be, or redemption payments within the scope of the EU Savings Directive which may be subject to a withholding tax.

Indeed, any dividends, other distributions of income made by the Umbrella Fund or payments of the proceeds of sale and/or redemption of Shares in the Umbrella Fund, may as from July 1, 2005 (depending on the investment portfolio of the relevant Portfolio of the Umbrella Fund) be subject to the withholding tax and/or information providing regime imposed by EU Savings Directive, where payment is made to a Shareholder who is an individual resident in a Member State for the purposes of the EU Savings Directive (or a "residual entity" established in a Member State) by a paying agent resident in another Member State. Certain other jurisdictions (including Switzerland) have, or are proposing to introduce, an equivalent withholding tax and/or information providing regime in respect of payments made through a paying agent established in such jurisdictions.

Shareholders who are not residents of Luxembourg may be taxed in accordance with the laws of other jurisdictions. This Prospectus does not make any statement regarding those jurisdictions. Before investing in the Umbrella Fund, investors should discuss with their tax advisers the implications of acquiring, holding, transferring and redeeming Shares.

## **GLOBAL DISTRIBUTOR**

With the consent of the Umbrella Fund, the Management Company has appointed Goldman Sachs International to serve as global distributor of the Shares (the "Global Distributor").

The Global Distributor is authorized to solicit and sell Shares to investors in accordance with the terms of this Prospectus. The Global Distributor may engage certain financial institutions to solicit and sell Shares to investors.

Each entity acting as distributor of the Shares of the Umbrella Fund will comply, and by contractual agreement require each sub-distributor of the Shares to comply, with applicable laws and regulations concerning money laundering and, in particular, circulars issued by the Regulatory Authority.

## **CUSTODY**

The Umbrella Fund has appointed The Bank of New York Mellon (Luxembourg) S.A. to serve as custodian of the Umbrella Fund's assets ("Custodian") and as paying agent ("Paying Agent") in accordance with written agreements with the Umbrella Fund.

The Custodian holds all cash, securities and other instruments owned by each Portfolio in one or more accounts. In particular, the Custodian will:

- Ensure that the sale, issue, redemption, conversion and cancellation of Shares effected on behalf of the Umbrella Fund are carried out in accordance with Luxembourg law and the Articles of Incorporation;
- Ensure that in transactions involving a Portfolio's assets, any consideration due the Portfolio is remitted to the Portfolio within the customary settlement dates; and
- Ensure that the income attributable to each Portfolio is applied in accordance with the Articles of Incorporation.

The Custodian may have correspondent banks holding certain assets, in particular securities and other instruments traded or listed on exchanges outside of Luxembourg, subject to the Custodian's supervision.

The Umbrella Fund's Paying Agent is responsible for paying to Shareholders any distribution or redemption proceeds.

The Custodian is a Luxembourg *Société Anonyme* and is registered with the Regulatory Authority as a credit institution.

## **UMBRELLA FUND ADMINISTRATION**

With the consent of the Umbrella Fund, the Management Company has appointed The Bank of New York Mellon (Luxembourg) S.A. to serve as the administrator of the Umbrella Fund's assets (the "Umbrella Fund Administrator") in accordance with written agreement with the Management Company and the Umbrella Fund.

The Umbrella Fund Administrator is responsible for maintaining the books and financial records of the Umbrella Fund, preparing the Umbrella Fund's financial statements, calculating the amounts of any distribution, if any, and calculating the Net Asset Value of each class of Shares.

The Umbrella Fund has appointed The Bank of New York Mellon (Luxembourg) S.A. as the Umbrella Fund's domiciliary and corporate agent ("Domiciliary and Corporate Agent"). The Domiciliary and Corporate Agent provides the Umbrella Fund with a registered Luxembourg address and such facilities that may be required by the Umbrella Fund for holding meetings convened in Luxembourg. It also provides assistance with the Umbrella Fund's legal and regulatory reporting obligations in Luxembourg, including required filings in Luxembourg and the mailing of Shareholder documentation.

## **HEDGING AGENT**

With the consent of the Umbrella Fund, the Management Company has appointed The Bank of New York Mellon to serve as the hedging agent for the Umbrella Fund's hedged classes of Shares (the "Hedging Agent") in accordance with written agreement between the Hedging Agent, the Management Company, the Umbrella Fund Administrator and the Umbrella Fund.

The Hedging Agent is responsible for providing the Umbrella Fund with its hedging services for the hedged classes of Shares of the Umbrella Fund.

## **REGISTRAR AND TRANSFER AGENT**

With the consent of the Umbrella Fund, the Management Company has appointed RBC Dexia Investor Services Bank S.A. as the Umbrella Fund's registrar and transfer agent ("Registrar and Transfer Agent") in accordance with a written agreement with the Management Company and the Umbrella Fund.

The Registrar and Transfer Agent will be responsible for handling the processing of subscription of Shares, dealing with requests for redemption and conversion and accepting transfer of funds, for the safekeeping of the Register of the Umbrella Fund, and for providing and supervising the mailing of reports, notices and other documents to the Shareholders, as further described in the above mentioned agreement.

The Registrar and Transfer Agent is a Luxembourg *Société Anonyme* and is registered with the Regulatory Authority as a *Credit Institution*.

## **AUDITORS OF THE FUND**

The Board of Directors of the Umbrella Fund has appointed PricewaterhouseCoopers S.à r.l. as the auditors of the Umbrella Fund.

## **GENERAL INFORMATION**

### **Accounting Year**

The Umbrella Fund's accounting year begins on the 1<sup>st</sup> December and ends on 30<sup>th</sup> November of each year.

### **Reports**

The Umbrella Fund publishes annually audited financial statements and semi-annually unaudited financial statements. The Umbrella Fund's annual financial statements are accompanied by a report of each Portfolio's investment administration by the Investment Administrator.

### **Shareholders' Meetings**

The annual general meeting of Shareholders is held at 11.00 a.m. Luxembourg time in Luxembourg on the last Thursday of March of each year. Extraordinary Shareholders' meetings or general meetings of Shareholders of any Portfolio or any class of Shares may be held at such time and place as indicated in the notice to convene. Notices of such meetings shall be provided to the Shareholders in accordance with Luxembourg law.

### **Minimum Net Assets**

The Umbrella Fund must maintain assets equivalent in net value to at least Euro 1,250,000.-. There is no requirement that the individual Portfolios have a minimum amount of assets.

### **Changes in Investment Program of the Portfolio**

The investment objective and policies of each Portfolio may be modified from time to time by the Board of Directors of the Umbrella Fund without the consent of the Shareholders, although the Shareholders will be given one (1) month's prior notice of any such change in order to redeem their Shares free of charge.

### **Merger and division of Portfolios**

In the event that for any reason the value of the net assets in any Portfolio has decreased to an amount determined by the Board of Directors of the Umbrella Fund to be the minimum level for such Portfolio, to be operated in an economically efficient manner, or if a change in the economical or political situation relating to the Portfolio concerned would have material adverse consequences on the investments of that Portfolio or in order to proceed to an economic rationalization, the Board of Directors of the Umbrella Fund may decide to allocate the assets of any Portfolio to those of another existing Portfolio within the Umbrella Fund or another UCITS.

Shareholders will receive Shares of the surviving Portfolio, except in those situations when the Portfolio is the surviving entity. Any new shares received in such a transaction will have the same value as any Shares relinquished in the transaction.

Such decision will be published either in newspapers to be determined by the Board of Directors of the Umbrella Fund or by way of a notice sent to the Shareholders at their addresses indicated in the Register of Shareholders prior to the effective date of the merger. The publication will contain information in relation to the reason and procedure related to this merger as well as on the new Portfolio.

Shareholders have the right, for a period of one (1) month as from the date of such publication, to request redemption or conversion of all or part of their Shares free of charge, at the applicable Net Asset Value, subject to the procedures described under "*Subscription, Transfer, Conversion and Redemption of Shares*" above.

In case of contribution to another UCITS of the mutual fund type, the merger will be binding only on Shareholders of the relevant Portfolio who agreed to the merger.

The Board of Directors of the Umbrella Fund may also, under the same circumstances as provided above, decide to merge one Portfolio by contribution into a foreign UCITS. This would require approval of the Shareholders of the classes of Shares issued in the Portfolio concerned or be made subject to the condition that only the assets of the consenting Shareholders be contributed to the foreign UCITS.

Notwithstanding the powers conferred to the Board of Directors of the Umbrella Fund by the first paragraph above, a contribution of the assets and of the liabilities attributable to any Portfolio to another Portfolio of the Umbrella Fund may be decided upon by a general meeting of the Shareholders of the Portfolio concerned for which there shall be no quorum requirements and which will decide upon such a merger by resolution taken by simple majority of the Shares present or represented and validly voting at such meeting.

A contribution of the assets and of the liabilities attributable to any Portfolio to another UCITS or to another sub-fund within such other UCITS shall require a resolution of the Shareholders of the Portfolio concerned taken with 50% quorum requirement of the Shares in issue and adopted at a 2/3 majority of the Shares present or represented and validly voting at such meeting, except when such a merger is to be implemented with a Luxembourg UCITS of the contractual type (*fonds commun de placement*) or a foreign based UCITS, in which case resolutions shall be binding only on such Shareholders who have voted in favor of such merger.

In the event that the Board of Directors of the Umbrella Fund believes it is required for the interests of the Shareholders of the relevant Portfolio or that a change in the economic or political situation relating to the Portfolio concerned has occurred which would justify it, the reorganization of one Portfolio, by means of a division into two or more Portfolios, may be decided by the Board of Directors of the Umbrella Fund. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the two or more new Portfolios. Such publication will be made one month before the date on which the reorganization becomes effective in order to enable the Shareholders to request redemption of their Shares, free of charge before the operation involving division into two or more Portfolios becomes effective.

### **Dissolution and Liquidation of the Umbrella Fund, any Portfolio or any class of Shares**

The Umbrella Fund has been established for an unlimited period.

However, the Umbrella Fund may at any time be dissolved by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements referred to in the Articles of Incorporation and in compliance with the provision of the Company Law.

The Board of Directors of the Umbrella Fund may also decide to dissolve any Portfolio or any class of Shares and liquidate the assets thereof.

In particular, the Board of Directors of the Umbrella Fund may decide to dissolve a Portfolio or class of Shares and to compulsorily redeem all the Shares of such Portfolio or class of Shares when the net assets of such Portfolio or class of Shares fall below an amount determined by the Board of Directors of the Umbrella Fund to be the minimum level to enable the Portfolio or class of Shares to be operated in an economically efficient manner, or if a change in the economic or political situation relating to the Portfolio or class concerned would have material adverse consequences on the investments of that Portfolio, in order to proceed to economic rationalization or if the swap agreement(s) entered into by the relevant Portfolio is/are rescinded before the agreed term.

The decision of the liquidation will be published as described above for the merger or division of Portfolios prior to the effective date of the liquidation. Unless the Board of Directors of the Umbrella Fund decides otherwise in the interests of or to keep equal treatment between the Shareholders, the Shareholders of the Portfolio or class of Shares concerned may continue to redeem or convert their Shares free of charge (but taking into account actual realization prices of investments and realization expenses) prior to the date effective for the compulsory redemption.

Notwithstanding the powers conferred to the Board of Directors of the Umbrella Fund above, the Shareholders of any one or all classes of Shares issued in any Portfolio may at a general meeting of such Shareholders, upon proposal of the Board of Directors of the Umbrella Fund, redeem all the Shares of the relevant class or classes or Portfolio. There shall be no quorum requirements for such general meeting of

Shareholders which shall decide by resolution taken by simple majority of the Shares present and represented and validly voting.

Shareholders will receive from the Custodian their pro rata portion of the net assets of the Umbrella Fund, Portfolio or class of Shares, as the case may be, in accordance with Company Law and the Articles of Incorporation.

Liquidation proceeds not claimed by Shareholders will be held by the Custodian for a period of six months; thereafter such period the liquidation proceeds will be deposited with the Luxembourg *Caisse de Consignation* in accordance with Luxembourg law.

If the Board of Directors of the Umbrella Fund determines to dissolve any Portfolio or any class of Shares and liquidate its assets, the Board of Directors of the Umbrella Fund will publish that determination as it determines in the best interest of the Shareholders of such Portfolio or class of Shares and in compliance with the 2002 Law.

## DOCUMENTS AVAILABLE

Any investor may obtain a copy of any of the following documents at:

**The Bank of New York Mellon (Luxembourg) S.A.**  
**Vertigo Building - Polaris**  
2-4, rue Eugène Ruppert  
L-2453 Luxembourg  
Grand Duchy of Luxembourg

between 10.00 a.m. and 4.00 p.m. Luxembourg time on any day that Luxembourg banks are open for regular business:

- The Umbrella Fund's Articles of Incorporation;
- The agreement between the Umbrella Fund and the Management Company;
- The agreement between the Umbrella Fund, the Management Company and the Investment Administrator;
- The agreement between the Umbrella Fund, the Management Company and the Umbrella Fund Administrator;
- The agreement between the Umbrella Fund, the Management Company and the Global Distributor;
- The agreement between the Umbrella Fund and the Custodian and Domiciliary and Corporate Agent;
- The agreement between the Umbrella Fund, the Management Company, the Umbrella Fund Administrator and the Hedging Agent;
- The agreement between the Umbrella Fund, the Management Company and the Registrar and Transfer Agent;
- The most recent annual and semi-annual financial statements of the Umbrella Fund;

A copy of the Prospectus, its Supplements and the Simplified Prospectuses, application form, the most recent financial statements and the Articles of Incorporation may be obtained free of charge upon request at the registered office of the Umbrella Fund or the Custodian.

The Umbrella Fund will publish in *Luxemburger Wort*, if appropriate, any Shareholder notice required by Luxembourg law or as provided in the Articles of Incorporation.



## GLOSSARY OF TERMS

"Accumulation Shares"	Shares in relation to which income is accumulated and reflected in the price of such Shares.
"Articles of Incorporation"	the articles of incorporation of the Umbrella Fund.
"Auditors of the Umbrella Fund"	PricewaterhouseCoopers S. à.r.l..
"Auditors of the Management Company"	Deloitte S.A..
"Base Currency"	the currency of a Portfolio.
"Board of Directors of the Umbrella Fund" or "Directors"	the members of the board of directors of the Umbrella Fund, for the time being and any duly constituted committee thereof and any successor to such members as may be appointed from time to time.
"Board of Directors of the Management Company"	the members of the board of directors of the Management Company, for the time being and any duly constituted committee thereof and any successor to such members as may be appointed from time to time.
"Calculation Agent"	Goldman Sachs International.
"Company Law"	the Luxembourg law of 10 August 1915 on Commercial Companies, as amended.
"Custodian"	The Bank of New York Mellon (Luxembourg) S.A.
"Distributing Shares"	Shares in relation to which income are distributed.
"EU"	European Union.
"Euro"	the legal currency of the countries participating in the European Economic and Monetary Union.
"Global Distributor"	Goldman Sachs International.
"Group of Companies"	Companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognized international accounting rules.
"Hedged Shares"	hedged shares of any class within any Portfolio in the Umbrella Fund.
"Hedging Agent"	The Bank of New York Mellon.
"Institutional Investors"	Institutional Investors, as defined by guidelines or recommendations issued by the Regulatory Authority from time to time.
"Investment Administrator"	Goldman Sachs International.
"2002 Law"	the Law of 20 December 2002 relating to Undertakings for Collective Investment, as amended.
"Local Business Day"	has the meaning given to it, under the relevant

	Portfolios' description under "Characteristics" in the relevant Supplement.
"Luxembourg and London business day"	any day on which banks are fully open in Luxembourg and London.
"Management Company"	RBS (Luxembourg) S.A., the designated management company of the Umbrella Fund.
"Member State"	a member State of the EU.
"Money Market Instruments"	instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.
"Net Asset Value"	the Net Asset Value of each class within each Portfolio.
"OTC"	Over-the-Counter.
"Other Regulated Market"	market which is regulated, operates regularly and is recognized and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognized by a State or by a public authority which has been delegated by that State or by another entity which is recognized by that State or by that public authority such as a professional association and (iv) on which the securities dealt are accessible to the public.
"Other State"	any State of Europe which is not a Member State, any State of America, Africa, Asia, Australia and Oceania.
"Portfolio"	a specific pool of assets established with the Umbrella Fund.
"Pricing Currency"	the currency in which the Net Asset Value of a class of Shares is calculated and expressed.
"Prospectus"	the present prospectus of the Umbrella Fund.
"Reference Currency"	the currency of the Umbrella Fund.
"Registrar and Transfer Agent"	RBC Dexia Investor Services Bank S.A.
"Regulated Market"	a regulated market according to Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC ("MiFid Directive"). A list of regulated markets according to MiFid Directive is regularly updated and published by

	the European Commission.
"Regulatory Authority"	the Luxembourg authority or its successor in charge of the supervision of the UCI in the Grand Duchy of Luxembourg.
"Securities Act"	the U.S. Securities Act of 1933, as amended.
"Shareholders"	holders of Shares in the Umbrella Fund, as recorded in the books of the Umbrella Fund on file with the Registrar and Transfer Agent.
"Shares"	shares of any class within any Portfolio in the Umbrella Fund.
"Simplified Prospectus(es)"	the Simplified Prospectus(es) issued in relation to each Portfolio.
"Supplement(s)"	the Supplement(s) to this Prospectus issued in relation to each Portfolio.
"The Umbrella Fund"	Goldman Sachs Structured Investments SICAV
"Transferable Securities"	<ul style="list-style-type: none"> <li>- shares and other securities equivalent to shares;</li> <li>- bonds and other debt instruments;</li> <li>- any other negotiable securities which carry the right to acquire any such Transferable Securities by subscription or exchange with the exclusion of techniques and instruments.</li> </ul>
"Umbrella Fund Administrator"	The Bank of New York Mellon (Luxembourg) S.A.
"UCI"	an undertaking for collective investment as defined by the Luxembourg law.
"UCITS"	an undertaking for collective investment in Transferable Securities under Article 1 (2) of the UCITS Directive.
"UCITS Directive"	Council Directive EEC/85/611 of 20 December 1985 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in Transferable Securities, as amended.
"United States" or "U.S."	the United States of America, its territories or possessions or any area subject to its jurisdiction including the Commonwealth of Puerto Rico.
"U.S. Dollar" or "U.S.\$"	the currency of the United States.
"U.S. Person"	means a person as defined in Regulation S of the Securities Act and thus shall include but not limited to, (i) any natural person resident in the United States; (ii) any partnership or corporation organized or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a U.S. Person; (iv) any trust of which any trustee is a U.S. Person; (v) any agency or branch of a foreign entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer, or other fiduciary for the benefit or account of a

U.S. Person; (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and (viii) any partnership or corporation if: (A) organized or incorporated under the laws of any foreign jurisdiction; and (B) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts; but shall not include (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States or (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate and the estate is governed by foreign law.

"Valuation Day"

has the meaning given to it, under the relevant Portfolios' description under "*Characteristics*" in the relevant Supplement.

# Supplement XV to the Prospectus

## Internal Alpha Strategies

### **Goldman Sachs Structured Investments SICAV – Goldman Sachs Commodity ALPHA-BETA Portfolio** a Portfolio of Goldman Sachs Structured Investments SICAV

*Société d'Investissement à Capital Variable*  
organized under the laws of the Grand Duchy of Luxembourg

The purpose of this Supplement is to describe in more detail the Goldman Sachs Commodity ALPHA-BETA Portfolio (the “**Portfolio**”), one of the Internal Alpha Strategies Portfolios of the Umbrella Fund, which provides investors with access to proprietary algorithmic strategies and research driven alpha strategies.

This Supplement must always be read in conjunction with the Prospectus. The Prospectus contains detailed information on the following aspects of the Umbrella Fund: the risks associated with an investment in the Umbrella Fund; information on the management and administration of the Umbrella Fund and in respect of those third parties providing services to the Umbrella Fund and the fees related thereto; the issue, conversion and redemption of Shares ; the determination of the Net Asset Value; dividend policy; fees and expenses of the Umbrella Fund; information on the Umbrella Fund; meetings of and reports to Shareholders, taxation, information on special investment techniques and applicable investment restrictions.

Except as varied or otherwise specified in this Supplement, words and expressions contained in this Supplement shall bear the same meaning as in the Prospectus.

No subscriptions will be accepted for Shares in the Portfolio if the investor is basing its decision to invest solely on the information contained in this Supplement.

This Supplement provides summary information on the Portfolio including details of the Share classes that are available as of the date of the Prospectus.

January 2011

## Notice for Australian Investors

The Umbrella Fund is not registered as a foreign company in Australia.

The provision of this Supplement and the Prospectus to any person does not constitute an offer of Shares of the Portfolio to that person or an invitation to that person to apply for Shares of the Portfolio. Any such offer or invitation will only be extended to a person if that person is:

- (a) a Sophisticated or Professional Investor for the purposes of section 708 of the Corporations Act of Australia; and
- (b) a wholesale client for the purpose of section 761G of the Corporations Act of Australia.

No persons referred to in this Supplement and the Prospectus hold an Australian financial services licence.

This Supplement and the Prospectus are issued by the Umbrella Fund. The Umbrella Fund is not authorised to provide financial product advice in relation to the Shares of the Portfolio in Australia. An investor in the Umbrella Fund will not have cooling off rights.

This Supplement and the Prospectus are not a prospectus or product disclosure statement under Australian law. They are not required to, and do not, contain all the information which would be required in an Australian prospectus or product disclosure statement. They have not been lodged with the Australian Securities and Investments Commission.

As a prospectus or product disclosure statement is not required to be prepared or lodged with the Australian Securities and Investments Commission in respect of the Shares, any person to whom a Share of the Portfolio is issued or sold must not, within 12 months after the issue, offer, transfer, assign or otherwise alienate that Share of the Portfolio to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act of Australia.

This Supplement and the Prospectus are not intended to be distributed or passed on, directly or indirectly, to any other class of persons. They are being supplied to you solely for your information and may not be reproduced, forwarded to any other person or published, in whole or in part, for any purpose.

Nothing contained on this Supplement and the Prospectus constitutes investment, legal, business, tax or other advice. In particular, the information in this Supplement and the Prospectus does not take into account your investment objectives, financial situation or particular needs. In making an investment decision, you must rely on your own examination of the Portfolio and the terms of the offering, including the merits and risks involved. If, after reading this Supplement and the Prospectus, you have any questions about the offer of the Shares of the Portfolio set out in the Supplement and the Prospectus, you should contact your stockbroker, solicitor, accountant or other professional advisor.

This Supplement and the Prospectus do not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make the offer or invitation.

### The Offering

Goldman Sachs International as Global Distributor is offering Shares in the Umbrella Fund in an offering to certain Australian wholesale clients (the "Offering") on a private placement basis.

No offer is made to any person in Australia other than an offer by Goldman Sachs International as Global Distributor.

Neither the Umbrella Fund nor any Goldman Sachs affiliate holds an Australian financial services licence. Goldman Sachs International is exempt from the requirement to hold an Australian financial services licence under the Corporations Act in respect of the financial services it provides. Goldman Sachs International is regulated by the UK Financial Services Authority under UK laws, which differ from Australian laws.

The Shares have not been nor will they be qualified by prospectus for sale to the public under applicable Australian securities laws and, accordingly, any offer and sale of the Shares in Australia will be made on a basis that is exempt from the prospectus requirements of the applicable securities laws

# **Goldman Sachs Structured Investments SICAV – Goldman Sachs Commodity Alpha-Beta Portfolio**

<b>Investment Objective</b>
<p>The Portfolio's investment objective is to participate in the returns of the Alpha Basket B223 Excess Return Strategy (the "<b>B223 Excess Return Strategy</b>") as further described in Section A below) together with interest earned at a rate linked to the Effective Federal Funds rate.</p> <p><b>The Portfolio's ability to achieve the investment objective is subject to various independent risk factors including changes to fiscal, financial or commercial regulation, national and international political, military, terrorist and economic events and third party investment performance, as well as other risk factors as further described in this Supplement and the Prospectus. No assurance is given that the investment objective will be met.</b></p>
<b>Investment Policy</b>
<p>To achieve its investment objective, the Portfolio will enter into (i) a swap transaction pursuant to a swap agreement (the "<b>Swap Agreement</b>") under which it will receive participation in the performance of the B223 Excess Return Strategy, and (ii) a repurchase transaction pursuant to a repurchase agreement (the "<b>Repurchase Agreement</b>").</p> <p>The net returns received by the Portfolio for the repurchase transaction under the Repurchase Agreement may be invested in the swap transaction under the Swap Agreement to increase the Portfolio's exposure to the B223 Excess Return Strategy and thereby pay returns to investors in the Portfolio. If an amount received by the Portfolio under the Repurchase Agreement is greater than the corresponding amount due to be paid by the Portfolio under the Swap Agreement, the excess may be used to meet other commitments of the Portfolio. If an amount received by the Portfolio under the Repurchase Agreement is less than the corresponding amount due to be paid by the Portfolio under the Swap Agreement, the Portfolio may use its other assets to make payments under the Swap Agreement.</p> <p><b>The Repurchase Agreement</b></p> <p>The key characteristics of the Repurchase Agreement are summarised below:</p> <p>The Portfolio will enter into a Repurchase Agreement with Goldman Sachs International. Under the Repurchase Agreement, the Portfolio will pay Goldman Sachs International in exchange for certain eligible securities and cash, if any (as referred to below).</p> <p>Eligible securities received by the Portfolio for repurchase transaction under the Repurchase Agreement must fulfil the criteria detailed under "Repurchase Agreement Eligible Securities" below. Within the limits set forth in the Prospectus and on an ancillary basis, the Portfolio may hold cash and cash equivalents. Furthermore, the Portfolio may enter into FX transactions in respect of Share classes denominated in foreign currency.</p> <p><b>Repurchase Agreement Eligible Securities</b></p> <p>Repurchase Agreement Collateral Requirement: under the current market conditions, the Repurchase Agreement will be collateralized within a range from 100% and 110% of its notional amount. The level of collateralization may vary within the aforementioned range in function of the type of collateral posted at any time.</p> <p>Composition of the Collateral: the repurchase agreement will be collateralized by eligible securities and cash, if any.</p> <p>Currencies: collateral shall be delivered in each country's respective currency.</p> <p><b>Investors may obtain free of charge, on request, a copy of the report detailing the composition of the eligible securities and cash, if any, at any time.</b></p> <p><b>The Swap Agreement</b></p> <p>The Portfolio will enter into the Swap Agreement with Goldman Sachs International which is also the counterparty to the Repurchase Agreement. The Swap Agreement will be documented on an International Swaps and Derivatives Association, Inc. Master Agreement. The notional amounts for the purposes of the swap transaction under the Swap Agreement will be amounts in US Dollars. The Swap Agreement will be</p>

reset on a weekly basis. On such weekly reset date, the Portfolio will be able to increase or decrease the notional amounts of the swap transaction under the Swap Agreement. In addition, the Portfolio will be able to enter into additional swap agreements, having all the same characteristics as the Swap Agreement with either positive or negative notional amounts in order to increase or decrease its exposure to the B223 Excess Return Strategy relative to the then current notional values of the swap transaction under the Swap Agreement. The basis for entering into those additional swap agreements is to reflect any additional subscriptions and/or redemptions and/or conversions which may be processed in the period between weekly reset dates. The Swap Agreement and any additional swap agreement will be collateralized to comply, at least, with the requirements set forth under the heading “Derivatives Instruments” in the “Investment Restrictions” section of the Prospectus.

Under the Swap Agreement and all such additional swap agreements, if on weekly reset dates the performance of the B223 Excess Return Strategy is positive, Goldman Sachs International will pay the Portfolio such positive amount and if the performance of the B223 Excess Return Strategy is negative, the Portfolio will pay Goldman Sachs International the absolute value of such negative amount.

The value of the Shares and the return generated from them may therefore go up and down, however, the Swap Agreement will be structured such that the Portfolio will not lose more than the amounts initially invested in the Portfolio. This will be achieved by including in the Swap Agreement a stop/loss mechanism. The stop/loss mechanism will operate such that the Swap Agreement will terminate automatically prior to the scheduled termination date as set out in the Swap Agreement (the “**Scheduled Termination Date**”) should the B223 Strategy Closing Value on any given Basket Calculation Day (that is, a day on which the offices of Goldman, Sachs & Co, as Basket Sponsor, are open for business in New York, as such term is defined under Section B.2 (*Definitions*) below) (the “**Stop Loss Date**”) be equal to or below 50% of the B223 Strategy Closing Value as of the initial subscription day in respect of the Portfolio.

In such case, the Swap Agreement will terminate on the Stop Loss Date rather than the Scheduled Termination Date and the settlement amount under the Swap Agreement will be determined on the basis of the B223 Strategy Tradable Value on the next Basket Calculation Day immediately following such Stop Loss Date subject to any adjustment for a Non-Tradable Event occurring in respect of the B223 Excess Return Strategy on such day. As the settlement amount under the Swap Agreement is determined on the basis of the B223 Strategy Tradable Value on the Basket Calculation Day immediately following the Stop Loss Date (and not the Stop Loss Date itself), the settlement amount may be lower than an amount determined using the B223 Strategy Tradable Value on the Stop Loss Date. Following a Stop Loss Date, the Board of Directors of the Umbrella Fund shall consider whether to dissolve the Portfolio and liquidate the assets thereof in accordance with the provisions of the Prospectus.

The Swap Agreement includes the standard and customary termination provisions under that Master Agreement as well as additional termination events that are specific to the Portfolio, if any. In particular, the Swap Agreement may be terminated by Goldman Sachs International, as counterparty of the Portfolio to the Swap Agreement, in case that, as a result of existing, announced or new legal or regulatory framework, or any interpretation thereof by an authority with competent jurisdiction, (i) Goldman Sachs International is unable to hedge the Swap Agreement, or (ii) Goldman Sachs International incurs additional costs to carry out such hedging (each such event being a “**Hedging Disruption Early Unwind Event**”). The full definition of Hedging Disruption Early Unwind Event is further detailed in the Swap Agreement.

The Swap Agreement will incorporate a fee payable by the Portfolio to Goldman Sachs International of 90 basis points per annum paid on the outstanding notional amounts of the swap transaction under the Swap Agreement. Such fee may include hedging costs and a profit component payable to Goldman Sachs International.

The value of the Portfolio on any Basket Calculation Day is therefore represented by the value of the Repurchase Agreement (such value expressed as amount in US Dollars and as further described above under the heading “The Repurchase Agreement” above) together with the value of the Swap Agreement (such value expressed as amount in US Dollars and as further described above under the heading “The Swap Agreement”).

#### **Publication of the B223 Strategy Closing Value**

On each Basket Calculation Day, the Basket Sponsor will publish the B223 Strategy Closing Value on the Relevant Screen Page based on the Closing Levels for each Component included in the B223 Excess Return Strategy even if a Non-Tradable Event (being any day on which a relevant trading facility on which any Contract Expiration underlying a Component is not scheduled to be open or on which a Market Disruption Event is occurring in respect of any such Contract Expiration; as more fully defined in Section B.2 (*Definitions*) below) has occurred or is existing on such Basket Calculation Day.



The value for the B223 Excess Return Strategy published on such Relevant Screen Page is intended as indicative only and therefore may not reflect the actual value of the B223 Excess Return Strategy on any given Basket Calculation Day or values which the Umbrella Fund Administrator would use for the purposes of effecting any subscription, redemption and/or conversion application in respect of the Portfolio. For the purposes of effecting any subscription, redemption and/or conversion application in respect of the Portfolio, the Umbrella Fund Administrator would use the B223 Strategy Tradable Value as provided by the Calculation Agent.

The difference between the B223 Strategy Tradable Value and the B223 Strategy Closing Value is explained in Section A.1 (*Information about the B223 Excess Return Strategy*).

The values of the each of the Components of the B223 Excess Return Strategy are also published by the Strategy Sponsor or Index Sponsor as applicable and the ticker reference relating to each such Component (referred to as the "Component Ticker") are set out in the Basket Table in Section B.3 (*The Basket Table and other Basket Variables*) below.

### **Subscriptions, Conversions and/or Redemptions in the Portfolio and Market Disruption Events**

Subscriptions, conversions and/or redemptions are processed on Valuation Days. For the purposes of the Portfolio, a Valuation Day is any day (i) on which banks are open for normal banking business in Luxembourg and London, (ii) which is a Basket Calculation Day; and (iii) on which each of the Trading Facilities on which the Contract Expirations included in the B223 Strategy Excess Return Strategy are traded are scheduled to be open for their respective regular trading session (the full definition of Valuation Day is set out in the section entitled "Subscriptions, Conversions and Redemptions in the Portfolio: Pricing and Settlement" below).

If a Market Disruption Event occurs in respect of any Contract Expiration underlying a Component of the B223 Excess Return Strategy on a Valuation Day, the Umbrella Fund Administrator will continue to calculate the Net Asset Value of the Portfolio in respect of such Valuation Day for the purposes of effecting subscriptions, conversions and/or redemptions on such Valuation Day (the "**Trading Net Asset Value**"), in which case there will be no postponement of subscriptions, conversions and/or redemptions for such Valuation Day affected by a Market Disruption Event.

Where such Trading Net Asset Value is calculated on a Valuation Day on which a Market Disruption Event is occurring, the value of the Swap Agreement on which the Trading Net Asset Value will be based, will be calculated using the B223 Strategy Tradable Value which the Calculation Agent shall determine in its reasonable judgment on such Valuation Day using estimates for those Contract Expirations affected by the Market Disruption Event (the "**Disrupted Value of the Swap Agreement**"). Therefore should a Market Disruption Event occur on a Valuation Day, the Trading Net Asset Value will be calculated on the basis of the Disrupted Value of the Swap Agreement and the procedure of postponing the determination of the B223 Strategy Tradable Value until the First Tradable Date for any such Contract Expiration affected by a Market Disruption Event as described below in Section B (*Determination of the B223 Strategy Closing Value and the B223 Strategy Tradable Value*) will not be followed in such circumstances.

This procedure of postponing the determination of the B223 Strategy Tradable Value will however be followed in the case of a Market Disruption Event occurring on a scheduled valuation date on which such B223 Strategy Tradable Value is to be determined for the purposes of calculating the amount payable under the Swap Agreement. Therefore a different approach will be taken to determine the B223 Strategy Tradable Value used for calculating the weekly settlement amount under the Swap Agreement to that for calculating the Disrupted Value of the Swap Agreement. For such purpose, the B223 Strategy Tradable Value will be calculated following the methodology set out below in Section B (*Determination of the B223 Strategy Closing Value and the B223 Strategy Tradable Value*). In this case, the B223 Strategy Tradable Value in respect of any scheduled valuation date under the Swap Agreement will not be calculated until the prices of any Contract Expiration underlying a Component which are affected by a Market Disruption Event can be determined. Such determination will not occur with respect to such Contract Expiration affected by a Market Disruption Event until the First Tradable Date (i.e. the first Basket Calculation Day after the scheduled valuation date under the Swap Agreement on which no Market Disruption Event exists (subject to a maximum postponement of five (5) Exchange Business Days immediately following such scheduled valuation date) and is an Exchange Business Day with respect to such Contract Expiration. The B223 Strategy Tradable Value will be determined once the prices of all such Contract Expirations affected by a Market Disruption Event on the scheduled valuation date can be determined, following which the amount payable under the Swap Agreement will be calculated. For further information on this methodology for determining the B223 Strategy Tradable Value under the Swap Agreement upon the occurrence of Market Disruption Event, refer the "First Tradable Date" in Section B.2 (*Definitions*).

As a result of the differences between the aforementioned procedures for the calculation of the B223 Strategy Tradable Value for (i) determining the Trading Net Asset Value for effecting any subscription, conversion and/or redemption applications in respect of the Portfolio scheduled for a Valuation Day affected by a Market Disruption Event, and (ii) determining the amount payable under the Swap Agreement in such circumstances and the likely postponement of the scheduled valuation date under the Swap Agreement if a Market Disruption Event is occurring in respect of a Contract Expiration underlying a Component of the B223 Excess Return Strategy, the net weekly payment due to the Portfolio under the Swap Agreement may not precisely match the return the Portfolio may pay or receive in respect of any subscription, redemption and/or conversion application effected based on the Disrupted Value of the Swap Agreement for such relevant Valuation Day. The Trading Net Asset Value which uses the Disrupted Value of the Swap Agreement for such Valuation Day affected by a Market Disruption Event will however be final, and will not be recalculated by the Umbrella Fund Administrator in case that the B223 Strategy Tradable Value, as calculated to determine the Disrupted Value of the Swap Agreement on which the Trading Net Asset Value was based for processing any subscription, conversion and/or redemption on the relevant Valuation Day, does not match the B223 Strategy Tradable Value determined for the purpose of determining the amount payable under the Swap Agreement.

Potential and current investors in the Portfolio are therefore made aware that they may end up subscribing for Shares, and/or converting or redeeming their Shares on a Valuation Day affected by a Market Disruption Event, and that the Trading Net Asset Value of the Portfolio (that will be used to process such subscription, conversion and/or redemption applications) will use the Disrupted Value of the Swap Agreement. Such subscribing, converting and/or redeeming investors may therefore be advantaged or disadvantaged, as the case may be, in the event that the Valuation Day relating to their subscription, conversion and/or redemption requests is affected by any Market Disruption Event.

Investors are also made aware that the aforementioned mismatch will not be compensated, meaning that the Portfolio may potentially incur a loss or a profit, as the case may be, as a result of using the Disrupted Value of the Swap Agreement which may in turn have a negative or positive impact on any subsequent Net Asset Value of the Portfolio and on any investor who continues to be invested in the Portfolio.

All capitalized terms used in the above mentioned section entitled "Investment Policy" which are not defined shall have the meanings set forth in the Section entitled (*Description of the B223 Excess Return Strategy and its Components*) below.

#### **Investments in UCITS or UCIs**

In respect of the above investment policy, the Portfolio will not invest more than 10% of its net assets in any UCITS or UCIs at any time.

#### **IMPORTANT INVESTOR DISCLOSURE**

##### **Key Risks related to the Portfolio:**

An Investment in the Portfolio carries with it a degree of financial risk. The value of Shares and the return generated from them may go up or down, and investors may not recover the amount initially invested.

These are just key risks designed to provide the investor with a preliminary indication of the main risks related to his/her investment. In order to have a complete overview of the risks related to an investment in the Portfolio, investment risk factors to consider are set out under Section (Principal Risks of Investing in the Portfolio) in this Supplement as well as under Sections (Investment Risks), (What to Know Before You Invest in a Portfolio) and (Additional Overriding Risks) of the Prospectus.

Investors should pay particular attention to the following risks:

##### **No Capital Protection**

Neither the Portfolio nor any underlying components includes any element of capital protection or guaranteed return. Investors may lose all or a portion of the amount originally invested. Therefore, the value of the investment at any time could be significantly lower than the initial investment, and could be zero.

##### **Risks associated with securities linked to commodity-based underlyers:**

**Prices of commodity futures contracts may change unpredictably, affecting the value of Portfolio:** A number of factors, which are unpredictable and interrelated in complex ways, will influence the Net Asset

Value of the Shares in the Portfolio. These factors can include, amongst other things, the B223 Strategy Tradable Value; various economic, financial, regulatory and political, military or other events that affect commodity markets as further described under the section entitled "Principal Risks of Investing in the Portfolio"; and interest rates and yield rates in the market.

These factors may affect the value of the B223 Excess Return Strategy and the value of the Shares of the Portfolio in varying ways. They may also cause the value of different commodities included in the B223 Excess Return Strategy, and the volatilities of their prices, to move in inconsistent directions and at inconsistent rates. An investment linked to an underlying based on different commodities (as is the B223 Excess Return Strategy) may be impacted by volatile commodities prices.

**Volatility of Commodities:** Generally commodity prices and commodity index levels are volatile, and this volatility may continue in the future.

**"Long" strategies not outperforming the "short" indices:** The methodology on which each of the Components of the B223 Excess Return Strategy are based may result in such Components participating in the Alpha Basket B142 Excess Return Strategy (as more fully described in Sub-Appendix B142) from time to time. In the case of a Component participating in the Alpha Basket B142 Excess Return Strategy, these are "outperformance" strategies that seek to generate overall positive returns through synthetic "long" investments in certain strategies and corresponding synthetic "short" investments in certain indices or sub-indices, such strategies and indices of the Alpha Basket B142 Excess Return Strategy as set forth in Sub-Appendix B142 (*Description of the Alpha Basket B142 Excess Return Strategy*) below. Due to the manner in which the overall return on the B223 Excess Return Strategy is calculated, where the strategies do not outperform the indices and the overall returns on the indices are greater than the overall returns on the strategies, the returns on the Alpha Basket B142 Excess Return Strategy could be negative. Where returns on the Alpha Basket B142 Excess Return Strategy are negative, this will adversely affect the value of the B223 Excess Return Strategy and in turn the value of the Shares in the Portfolio.

**No entitlement to the underlying commodities:** Investing in the Portfolio will not make a Shareholder entitled to physical delivery of any of the commodities included in the B223 Excess Return Strategy or any commodity futures contracts with respect thereto.

**Unpredictable changes in commodity futures contract prices:** Prices of commodity futures contracts and other commodity contracts included in the B223 Excess Return Strategy are affected by a variety of factors, including weather, governmental programs and policies, national and international political and economic events and trading activities in commodities and related contracts. These factors are unpredictable and beyond the control of Goldman Sachs & Co, as sponsor of the Alpha Basket B142 Excess Return Strategy and the Investment Administrator.

**No assurance of source of value:** Although the B223 Excess Return Strategy is designed to capture certain fundamental commodity relationships, the relationships may or may not exist.

**No active management:** There will be no active management of the B223 Excess Return Strategy so as to enhance returns beyond those embedded in the underlying itself.

**Potentially different returns from those of the underlying Strategies:** Although the B223 Excess Return Strategy includes the same futures contracts that comprise the underlying Components, its value and returns will likely differ from those of the underlying Components. In addition, the shares in the Portfolio may fluctuate in value in a manner that is significantly different from the performance of the underlying.

**Market disruptions could impact liquidity in the B223 Excess Return Strategy:** The commodity markets can be subject to market disruptions or temporary distortions due to, amongst other things, regulations that limit the amount of fluctuation in contract prices which may occur during a single trading day. "Limit" prices may have the effect of precluding trading in a particular contract or forcing liquidation of contracts underlying the Components of the B223 Excess Return Strategy at disadvantageous times or prices. These circumstances could result in the Calculation Agent having to determine in its reasonable judgment the price of a Contract Expiration underlying a Component affected by a Market Disruption Event for the purposes of determining the B223 Strategy Tradable Value used for calculating the amount payable under the Swap Agreement should such Market Disruption Event in respect of any Contract Expiration underlying a Component of the B223 Excess Return Strategy occur on a scheduled valuation date under the Swap Agreement and continue for five (5) Exchange Business Days following such scheduled valuation date and/or the Disrupted Value of the Swap Agreement on which the Trading Net Asset Value of the Portfolio is

based for effecting subscriptions, conversions and/or redemptions, should such Market Disruption Event occur on a Valuation Day (i.e. a day on which the Trading Net Asset Value of the Portfolio is scheduled to be calculated). Therefore if a Market Disruption Event occurs in respect of a Contract Expiration underlying a Component of the B223 Excess Return Strategy, the Calculation Agent may in certain circumstances have discretion in determining the settlement price of such Contract Expiration. This exercise of discretion could adversely affect the value of the B223 Excess Return Strategy and in turn adversely affect the return on Shares in the Portfolio for potential or existing investors.

**Market Disruption Events may have a positive or negative impact on the Trading Net Asset Value of the Portfolio:** As more fully detailed in the section entitled “Investment Policy” above, if a Market Disruption Event occurs on a Valuation Day, a different procedure will be applied by the Calculation Agent for the B223 Excess Return Strategy to determine the B223 Strategy Tradable Value used for calculating the weekly settlement amount payable under the Swap Agreement to that for determining the B223 Strategy Tradable Value used for calculating the Disrupted Value of the Swap Agreement on which the Net Asset Value of the Portfolio will be based for the purposes of subscriptions, conversions and/or redemptions to be effected on any such Valuation Day.

Accordingly, these different procedures for determining the B223 Strategy Tradable Value should a Market Disruption Event occur on a Valuation Day, may result in the net weekly payment due under the Swap Agreement not precisely matching the return the Portfolio shall pay or receive in respect of any subscription, conversion and/or redemption of Shares in the Portfolio for such Valuation Day. The Trading Net Asset Value calculated on such Valuation Day will however be final, and will not be recalculated by the Umbrella Fund Administrator in the event that the B223 Strategy Tradable Value, used to determine the Disrupted Value of the Swap Agreement and on which the Trading Net Asset Value of the Portfolio was based for subscription, conversion and/or redemption applications effected for such Valuation Day, does not (due to the different calculation procedures noted above) match the B223 Strategy Tradable Value determined for calculating the weekly settlement amount payable under the Swap Agreement.

Investors subscribing, converting and/or redeeming on a Valuation Day affected by a Market Disruption Event may therefore be advantaged or disadvantaged. Investors are also made aware that should the above mentioned mismatch arise at any time following the occurrence of a Market Disruption Event on a Valuation Day, the Portfolio will not be compensated, meaning that the latter may potentially incur a loss or a profit, as the case may be, which may then have a negative or positive impact on any subsequent Net Asset Value of the Portfolio and in turn any investor who at such time is invested in the Portfolio.

**Conflicts of interest:** Goldman Sachs International (which is counterparty to the Swap Agreement with the Portfolio) and their affiliates actively trade in physical commodities and derivatives on a wide variety of commodities including those that underlie the B223 Excess Return Strategy and their interests in respect of such trading activity may be adverse to the interests of the holders of Shares in the Portfolio. Such trading activity could therefore adversely affect the value of the B223 Excess Return Strategy and the return on the Shares in the Portfolio.

### **Description of the B223 Excess Return Strategy and its Components**

All defined terms used in this section shall have the meanings given to them in Section B.2 (*Definitions*) below.

#### **A. The B223 Excess Return Strategy<sup>1</sup>**

##### **A.1 Information about B223 Excess Return Strategy (or the “Basket” as referred to below)**

The Alpha Basket B223 Excess Return Strategy (the “**B223 Excess Return Strategy**” or the “**Basket**”) is a strategy that seeks to replicate the performance of an investment in the Components according to their Single-day Component Weights. Each Component has a “Single-day Component Weight” of one-third. The Components and their Single-day Component Weights are set out in the columns entitled “Component” and “Single-day Component Weight” in the Basket Table in Section B.3 (*The Basket Table and Other Basket Variables*) below. On the first Basket Calculation Day of each month, the B223 Excess Return Strategy is rebalanced (otherwise referred to as the “Rebalancing Date”), at which time the “Adjusted Component Weight” of each Component will be reset to its Single-day Component Weight in accordance with the “Adjusted Component Weight” formula as set out in Section B.1 (*Determination of Basket Closing Value and*

<sup>1</sup> The B223 Excess Return Strategy shall be considered as a financial index within the meaning of article 9 of the Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions

*Basket Tradable Value*).

In addition, each such Component will be linked in respect of any given month to either the relevant Alpha Basket or the Beta Strategy and the decision as to whether such Component will invest in such Alpha Basket or Beta Strategy will be determined by an algorithm, as further described below in Section A.3 (*Information about the Components of the B223 Excess Return Strategy*). The key variation between each of the Components is that the algorithm assigned to it, will make its decision on the Basket Calculation Day immediately preceding the monthly Rebalancing Date to invest in either the Alpha Basket or the Beta Strategy by “looking back” to the performance of the Beta Strategy over different time periods: 6 months, 5 months and 4 months respectively.

The composition of the B223 Excess Return Strategy will in turn depend on whether the Components of such B223 Excess Return Strategy are participating in either the Alpha Basket or Beta Strategy in respect of any given month as determined by the relevant algorithm. The calculation methodology relevant for such Components is set out in Section A.3 (*Information about the Components of the B223 Excess Return Strategy*) below and a summary description of each Component of the B223 Excess Return Strategy and each of their possible constituents for any given month (i.e. the Alpha Basket or the Beta Strategy) is set out in the Appendices and Sub-Appendices hereto.

Any determinations required to be made in connection with the composition of, calculation methodology of, or adjustments to, the B223 Excess Return Strategy will be made by the Basket Sponsor. All calculations, announcements and publications in relation to any Component or any Strategy underlying such Component shall be made by the Strategy Sponsor. All calculations, announcements and publications in relation to any Index underlying a Component shall be made by the Index Sponsor.

The Basket Sponsor will calculate and publish a value for the B223 Excess Return Strategy (referred to as the “B223 Strategy Closing Value” or, with reference to Section B, the “Basket Closing Value”, the calculation methodology for which is set forth in Section B (*Determination of the Basket Closing Value and the Basket Tradable Value*)) on the Relevant Screen Page on each Basket Calculation Day even if a Non-Tradable Event, as defined under Section B.2 (*Definitions*) below. However if a value for the B223 Excess Return Strategy is published on a Basket Calculation Day on which a Non-Tradable Event is occurring, such published value (or B223 Strategy Closing Value) will not be used for the purposes of processing any subscriptions, conversions and/or redemptions of Shares in the Portfolio or for determining the net weekly settlement amount under the Swap Agreement.

For the purposes of any subscriptions, conversions and/or redemptions of Shares in the Portfolio or for determining the net weekly settlement amount under the Swap Agreement, Goldman Sachs International, in its capacity as the Calculation Agent with respect to the B223 Excess Return Strategy, will use the value which is based on trading values (otherwise referred to as the “B223 Strategy Tradable Value” or, with reference to Section B, the “Basket Tradable Value”). Therefore to the extent that any of the exchanges or trading facilities on which any of the Contract Expirations included in the B223 Excess Return Strategy are not open for trading, subscriptions, conversions and/or redemption of Shares in the Portfolio will not be possible (due to any such day not being a “Valuation Day”, such term as defined in the section entitled “Subscriptions, Conversions and Redemptions in the Portfolio: Pricing and Settlement” below).

Therefore the effective difference between Basket Tradable Value and the Basket Closing Value in respect of the B223 Excess Return Strategy, is that the Basket Tradable Value is based on Tradable Levels for the Components included in such strategy which will be adjusted for Non-Tradable Events should any occur using an alternative methodology set out under the definition of “First Tradable Date” and “Non-Tradable Event” in Section B.2 (*Definitions*) below. The Closing Levels of any Component used for the purposes of determining the B223 Strategy Closing Value will not be subject to such adjustments and as a result will not be used for settlement purposes.

Note that in the case of a Market Disruption Event occurring on a Valuation Day, the Calculation Agent will use the Basket Tradable Value to determine the Disrupted Value of the Swap Agreement and in turn the Net Asset Value of the Portfolio for any subscriptions, conversions and/or redemptions to be effected on such Valuation Day. Therefore, in order to facilitate any subscription, conversion and/or redemption for such Valuation Day, the Calculation Agent will not follow the procedure set out in the “First Tradable Date” definition in Section B.2 (*Definitions*) and therefore the Basket Tradable Value will be determined on such Valuation Day and shall not be postponed (as is the case for any scheduled valuation date under the Swap Agreement) until all Market Disruption Events in respect of the affected Contract Expirations have ceased. Instead the Calculation Agent will determine the Basket Tradable Value on such Valuation Day by estimating

prices for those Contract Expirations underlying the relevant Component affected by a Market Disruption Event on such Valuation Day. For further information as regards Market Disruptions Events and their impact on Valuation Days, refer to the section above entitled “Subscriptions, Conversions and/or Redemptions in the Portfolio and Market Disruption Events” and also to section B (*Determination of the B223 Strategy Closing Value and the B223 Strategy Tradable Value*).

## **A.2 Rebalancing of the B223 Excess Return Strategy (or the “Basket” as referred to below)**

The B223 Excess Return Strategy is rebalanced each month because the Performance of each Component included in such B223 Excess Return Strategy may vary from the Performance of the Basket on any day, with the result that the “Adjusted Component Weight” of each Component (being the weight on any such day of a Component in the B223 Excess Return Strategy adjusted according to its performance relative to the Basket’s performance) may no longer be equal to its “Target Component Weight”. The “Target Component Weight” with respect to each of the Components of the B223 Excess Return Strategy is one-third as set out under the column entitled “Single-day Component Weight” of the “Basket Table” (in Section B.3.1 (*Basket Table*)).

If a Non-Tradable Event is existing or occurring in respect of a Contract Expiration underlying a Component on a day on which the B223 Excess Return Strategy is rebalanced, then for so long as the Non-Tradable Event is continuing with respect to such Contract Expiration, a surplus exposure (which could be positive or negative) to such Contract Expiration may arise and such surplus exposure could in turn affect the Closing Level of the relevant Component and therefore the B223 Strategy Closing Value for such time as such Non-Tradable Event is occurring with respect to such Contract Expiration.

## **A.3 Information about the Components of the B223 Excess Return Strategy**

The Components of the B223 Excess Return Strategy are as follows: the Alpha-Beta B223A Switching Strategy (the “**B223A Basket**”); the Alpha-Beta B223B Switching Strategy (the “**B223B Basket**”); and the Alpha-Beta B223C Switching Strategy (the “**B223C Basket**”). Each such Component is an “Alpha-Beta Switching Strategy” and the calculation methodology followed in respect of such Component is the Alpha-Beta Switching Strategy Calculation methodology as described in further detail below.

Each Component will be invested in one of the two following strategies at any one time and will switch between them depending on the signal generated by the algorithm related to each such Component as further described below: one such strategy being a alpha type strategy namely, the Alpha Basket B142 Excess Return Strategy (the “**B142 Excess Return Strategy**” or “**Alpha Basket**”) and the other strategy being a beta type strategy namely, the Goldman Sachs Dow Jones-UBS Commodity Excess Return E95 Strategy (the “**E95 Strategy**” or the “**Beta Strategy**”).

As a result of each such Component only being invested in either the Alpha Basket or the Beta Strategy at any one time as determined by the Component algorithm (subject to any period over which such Component switches from one strategy to the other in which case the relevant Component may be partly invested in both such strategies but only for such period), the returns of such Component therefore will only ever reflect the Alpha Basket or the Beta Strategy. Summary descriptions of the B142 Excess Return Strategy (or Alpha Basket) or the E95 Strategy (or Beta Strategy) and the manner in which each are calculated are set forth in Sub-Appendix B142 and Sub-Appendix E95 of this Supplement respectively.

The performance of each Component or Alpha Beta Switching Strategy is therefore linked to the performance of either the Alpha Basket or the Beta Strategy at any given time, and the methodology described in this section is the basis on which the Alpha Beta Switching Strategy identifies in which such Alpha Basket or Beta Strategy to participate in for any given month. The Basket Sponsor will apply the same methodology for calculating the B223 Excess Return Strategy (as set out in Section B (*Determination of the B223 Strategy Closing Value and the B223 Strategy Closing Value*)) to each Component or Alpha Beta Switching Strategy to determine its value for any given Basket Calculation Day however in respect of each Rebalancing Date an additional factor will be introduced in order to identify whether such Component will participate in the Alpha Basket or the Beta Strategy for the month following such Rebalancing Date. This additional factor is an algorithm which will be applied to each such Component as set forth in each of the Appendices to this Supplement under the sections relating to determination of the Single Day Component Weight ( $Z_n(d_i)$ ) for the relevant Component (the “**Alpha-Beta Switching Strategy Calculation Methodology**”). This algorithm will identify by reference to the historical performance of the Beta Strategy whether on the relevant Augmented Rebalancing Date(s) the Component (or Alpha Beta Switching Strategy) will remain invested in whichever Alpha Basket or Beta Strategy it was participating in for that previous month or will switch from the Alpha Basket to the Beta Strategy or vice versa as the case may be (this historical performance is also called the

"lookback signal" and is measured according to the "Lookback Average Performance" as described in the sections relating to determination of the Single Day Component Weight ( $Z_n(d_i)$ ) for the relevant Component in each of Appendix B223A, Appendix B223B and Appendix B223C respectively).

The difference between each of the B223A Basket, the B223B Basket and the B223C Basket is that the length of time over which the lookback signal "looks back" or measures the historical performance of the Beta Strategy is different for each such Basket. Therefore, the B223A Basket "looks back" or compares the closing levels of the Beta Strategy over a period of five (5) consecutive Basket Calculation Days prior to the Basket Calculation Day immediately preceding the relevant Rebalancing Date to the closing levels of the Beta Strategy as of the dates falling six (6) months prior to each such Basket Calculation Day and then takes the average of such relative values; the B223B Basket "looks back" or compares the performance of the Beta Strategy over the same number of Basket Calculation Days as for the B223A Basket but to closing levels of the Beta Strategy as of dates falling five (5) months prior to those Basket Calculation Days; and the B223C Basket "looks back" or compares the performance of the Beta Strategy over the same number of Basket Calculation Days as for the B223A Basket and B223B Basket but to closing levels of the Beta Strategy as of dates falling four (4) months prior to those Basket Calculation Day.

If the lookback signal indicates that the relevant Component (or Alpha Beta Switching Strategy) is to be switched either from the Alpha Basket to the Beta Strategy or from the Beta Strategy to the Alpha Basket then the rebalancing of the Alpha Beta Switching Strategy will take place over five (5) Trading Days (i.e. the Augmented Rebalancing Dates shall comprise the Maximum Roll Period Length which shall include the relevant Rebalancing Date) and on each such Trading Day, a portion of the Component (or the Alpha Beta Switching Strategy) will be rolled from the Alpha Basket and into the Beta Basket (or vice versa) depending on whether the Component (or Alpha-Beta Switching Strategy) was invested in the Alpha Basket or the Beta Strategy immediately prior to relevant Rebalancing Date. The effect of this is that until the rebalancing of the Component (or Alpha-Beta Switching Strategy) is completed, the Alpha Beta Switching Strategy will be partly allocated to the Alpha Basket and partly allocated to the Beta Basket. If the lookback signal indicates that the relevant Component does not switch, then the rebalancing will take place over one (1) Trading Day (i.e. the Augmented Rebalancing Date shall comprise only one (1) Trading Day).

Following such switch (if any) on the relevant Augmented Rebalancing Date(s), each Component (or Alpha Beta Switching Strategy) will either replicate the performance of an investment in the Alpha Basket or the Beta Strategy as of such relevant Augmented Rebalancing Date as the case may be until the end of that month when the Alpha-Beta Switching Strategy Calculation Methodology will be applied to each such Component (or Alpha-Beta Switching Strategy) to determine how it will participate for the next month and so on. Accordingly, the performance of the Component (or Alpha-Beta Switching Strategy) between Rebalancing Dates will reflect the performance of either the Alpha Basket or Beta Strategy as the case may be.

## **B. Determination of the B223 Strategy Closing Value and the B223 Strategy Tradable Value**

The following section describes the calculation methodology for the B223 Strategy Closing Value and the B223 Strategy Tradable Value (also referred to as Basket Closing Value and Basket Tradable Value respectively). As described above, the Basket Sponsor will calculate and publish a value for the B223 Excess Return Strategy (referred to as the B223 Strategy Closing Value or Basket Closing Value), the calculation methodology for which is further described in Section B.1 (*Determination of Basket Closing Value and Basket Tradable Value*) below, based on the Basket Closing Values for each Component of the B223 Excess Return Strategy on the Relevant Screen Page for such B223 Excess Return Strategy on each Basket Calculation Day even if a Non-Tradable Event is occurring in respect of a Component on such Basket Calculation Day.

For the purposes of determining the Trading Net Asset Value (on which subscriptions, conversions and/or redemption applications are effected) and also for calculating the net weekly amount payable under the Swap Agreement, Goldman Sachs International, in its capacity as Calculation Agent in respect of the B223 Excess Return Strategy will use the B223 Strategy Tradable Value (or Basket Tradable Value). The calculation methodology operates to make any necessary adjustments for Non-Tradable Events to the extent such event is occurring on a Basket Calculation Day. Non-Tradable Event encompasses Market Disruption Events as described more fully in Section B.2 (*Definitions*) below specifically under the definition of "First Tradable Day", "Market Disruption Event" and "Non-Tradable Event".

As described above under the section entitled "Subscriptions, Conversions and/or Redemptions in the Portfolio and Market Disruption Events", these adjustments however will not be applied (and a different procedure will be used as described more fully in the section entitled "Investment Policy" above) for the purposes of determining the B223 Strategy Tradable Value (or Basket Tradable Value) if a Market Disruption

Event is occurring on a Valuation Day.

### B.1 Determination of Basket Closing Value and Basket Tradable Value

The “**Basket Closing Value**” (also expressed as “ $V(d)$ ”) for each Basket Calculation Day (also expressed as “ $d$ ”) shall be published on the Relevant Screen Page. The Basket Closing Value for any Basket Calculation Day ( $d$ ) is calculated by the Calculation Agent as the product of (i) the Basket Closing Value ( $V(d')$ ) for the Preceding Basket Calculation Day (also expressed as “ $d'$ ”), and (ii) the sum of one (1) and the Basket Return ( $R(d,d')$ ) measured from such Preceding Basket Calculation Day ( $d'$ ) to such Basket Calculation Day ( $d$ ) in accordance with the following formula:

$$V(d) = (1 + R(d, d')) \times V(d')$$

Where:

“**Basket Return ( $d, d'$ )**” (also expressed as “ $R(d,d')$ ”) means, in respect of a Basket Calculation Day ( $d$ ), the Basket Return measured from the Preceding Basket Calculation Day ( $d'$ ) to such Basket Calculation Day ( $d$ ), calculated by the Calculation Agent in accordance with the following formula:

$$R(d, d') = \sum_n W_n^a(d') \times (P(I_n, d, d') - 1) + \sum_e S_e(d') \times (P(C_e, d, d') - 1)$$

Where for the purpose of determining Basket Return ( $d, d'$ ) or  $R(d, d')$ , the first summation runs over all Components of the Basket indexed by “ $n$ ” and the second summation runs over all Contract Expirations indexed by “ $e$ ” and where:

“**Adjusted Component Weight ( $n$ )**” (also expressed as “ $W_n^a(d')$ ”) means, in respect of each Component ( $n$ ) and any Preceding Basket Calculation Day ( $d'$ ), a value equal to the Target Component Weight for such Component ( $n$ ) for the Relevant Augmented Rebalancing Date (expressed as  $W_n(d_r^*(d'))$ , as defined below) adjusted according to the Performance for such Component ( $n$ ) from the Relevant Augmented Rebalancing Date (expressed as “ $d_r^*(d')$ ” as defined below) to such Preceding Basket Calculation Day ( $d'$ ) (“ $P(I_n, d', d_r^*(d'))$ ”), relative to the Performance for the Basket for the same period (“ $P(V, d', d_r^*(d'))$ ”), as determined by the Calculation Agent in accordance with the following formula:

$$W_n^a(d') = W_n(d_r^*(d')) \times \frac{P(I_n, d', d_r^*(d'))}{P(V, d', d_r^*(d'))}$$

where:

“**Target Component Weight ( $n$ )**” (also expressed as “ $W_n(d_r^*(d'))$ ”) means, in respect of each Component ( $n$ ) and any Relevant Augmented Rebalancing Date ( $d_r^*(d')$ ), a value determined by the Calculation Agent for such Component ( $n$ ) in accordance with the following formula:

$$W_n(d_r^*) = \frac{Z_n(d_r(d_r^*)) - Z_n(d_r'(d_r^*))}{K(d_r(d_r^*))} \times [j(d_r^*) + 1] + Z_n(d_r'(d_r^*))$$

where

$d_r^*$  is used as a short-hand notion for  $d_r^*(d')$ .

“**Single-day Component Weight ( $n$ )**” (also expressed as “ $Z_n(d_r)$ ”) means in respect of each Component ( $n$ ) and each Rebalancing Date ( $d_r$ ), the value specified in the column entitled “Single-day Component Weight” of the Basket Table (as set out under Section B.3 (*The Basket Table and other Basket Variables*) below) corresponding to such Component ( $n$ ), as adjusted from time to time in accordance with provisions as set out under the section “Determination of the Single-day Component Weight”. For the purposes of the B223 Excess Return Strategy only, the value of the Single-day Component Weight as specified in the column entitled “Single-day Component Weight” of the Basket Table (as set out in Section B.3 (*The Basket Table and other Basket Variables*) below) will not be



adjusted.

**“Roll Period Length”** (also expressed as “ $K(d_r)$ ”) means the number of Trading Days required to reset the Adjusted Component Weight of each Component (n) to its Single-day Component Weight. The Roll Period Length is determined as follows: On each Rebalancing Date ( $d_r$ ), if the Single-day Component Weight ( $Z_n(d_r)$ ) for any Component (n) changes its sign compared to the sign of its Single-day Weight ( $Z_n(d'_r(d_r))$ ) of the Preceding Rebalancing Date  $d'_r(d_r^*)$  i.e. the Single-day Component Weight for such Component (n) changes from positive to zero or vice-versa, from positive to negative or vice-versa or from negative to zero or vice-versa, the Roll Period Length ( $K(d_r)$ ) is set to Maximum Roll Period Length. Otherwise the Roll Period Length ( $K(d_r)$ ) is set to one (1) Trading Day.

**“Augmented Rebalancing Date(s)”** means in respect of each Rebalancing Date ( $d_r$ ), (i) such Rebalancing Date ( $d_r$ ) only where the Roll Period Length ( $K(d_r)$ ) is set to one (1) Trading Day, or (ii) each of the Trading Days equal to the Maximum Roll Period Length where the Roll Period Length ( $K(d_r)$ ) is set to the Maximum Roll Period Length, and such Rebalancing Date ( $d_r$ ) shall count as the first such Trading Day of such Maximum Roll Period Length.

**“ $j(d_r^*)$ ”** is the number of Trading Days between the Relevant Augmented Rebalancing Date ( $d_r^*$ ) and the Relevant Rebalancing Date ( $d_r(d_r^*)$ ).

**“Relevant Rebalancing Date”** (also expressed as “ $(d_r(d_r^*))$ ”) means for the Relevant Augmented Rebalancing Date ( $d_r^*$ ), the Rebalancing Date ( $d_r$ ) falling on or prior to such Relevant Augmented Rebalancing Date ( $d_r^*$ ). For the avoidance of doubt, the Relevant Rebalancing Date ( $d_r(d_r^*)$ ) for such Relevant Augmented Rebalancing Date ( $d_r^*$ ) can be such Relevant Augmented Rebalancing Date ( $d_r^*$ ).

**“Relevant Augmented Rebalancing Date”** (also expressed as “ $d_r^*(d')$ ” or its shorthand notation  $d_r^*$ ) means for the Preceding Basket Calculation Day ( $d'$ ), the Augmented Rebalancing Date falling on or prior to the Preceding Basket Calculation Day ( $d'$ ). For the avoidance of doubt, the Relevant Augmented Rebalancing Date ( $d_r^*(d')$ ) can be such Preceding Basket Calculation Day ( $d'$ ).

**“Preceding Rebalancing Date”** (also expressed as “ $d'_r(d_r^*)$ ”) means for the Relevant Augmented Rebalancing Date ( $d_r^*$ ), the Rebalancing Date immediately preceding the Relevant Rebalancing Date ( $d_r(d_r^*)$ ) for such Relevant Augmented Rebalancing Date ( $d_r^*$ ).

1.1.a **“ $P(I_n, d', d_r^*(d'))$ ”** means the Performance of Component (n) from the Relevant Augmented Rebalancing Date ( $d_r^*(d')$ ) to the Preceding Basket Calculation Day ( $d'$ ) and shall be calculated in accordance with the definition of “ **$P(X, d_{end}, d_{begin})$** ” (as further detailed in Section B.2 (*Definitions*) below) where “**X**” shall mean the performance of Component (n), “ **$d_{end}$** ” shall be the Preceding Basket Calculation Day ( $d'$ ) and “ **$d_{begin}$** ” shall be the Relevant Augmented Rebalancing Date ( $d_r^*(d')$ ).

**“ $P(V, d', d_r^*(d'))$ ”** means the Performance of the Basket from the Relevant Augmented Rebalancing Date ( $d_r^*(d')$ ) to the Preceding Basket Calculation Day ( $d'$ ) and shall be calculated in accordance with the definition of “ **$P(X, d_{end}, d_{begin})$** ” (as further detailed in Section B.2 (*Definitions*) below) where “**X**” shall mean the performance of Component (n), “ **$d_{end}$** ” shall be the Preceding Basket Calculation Day ( $d'$ ) and “ **$d_{begin}$** ” shall be the Relevant Augmented Rebalancing Date ( $d_r^*(d')$ ).

**“ $P(I_n, d, d')$ ”** means the Performance of Component (n) from the Preceding Basket Calculation Day ( $d'$ ) to the Basket Calculation Day ( $d$ ) and shall be calculated in accordance with the definition of “ **$P(X,$**

**d<sub>end</sub>, d<sub>begin</sub>**)” (as further detailed in Section B.2 (*Definitions*) below) where “**X**” shall mean the performance of Component (n), “**d<sub>end</sub>**” shall be the Preceding Basket Calculation Day (d') and “**d<sub>begin</sub>**” shall be the Basket Calculation Day (d)).

“**P(C<sub>e</sub>,d,d')**” means the Performance of Contract Expiration (e) from the Preceding Basket Calculation Day (d') to the Basket Calculation Day (d) and shall be calculated in accordance with the definition of “**P( X, d<sub>end</sub>, d<sub>begin</sub>)**” (as further detailed in Section B.2 (*Definitions*) below) where “**X**” shall mean the performance of the Contract Expiration (e), “**d<sub>end</sub>**” shall be the Preceding Basket Calculation Day (d') and “**d<sub>begin</sub>**” shall be the Basket Calculation Day (d).

“**Surplus Contract Expiration**” (also expressed as “**S<sub>e</sub>(d')**”) means any surplus Contract Expiration (e) on the Preceding Basket Calculation Day (d') that may arise due to a Non-Tradable Event occurring on such Preceding Basket Calculation Day (d'). On any Basket Calculation Day if a Non-Tradable Event in respect of a Contract Expiration (e) does not arise, then the Surplus Contract Expiration (S<sub>e</sub>(d')) shall be zero. With respect to any other day, Surplus Contract Expiration (S<sub>e</sub>(d')) is calculated by subtracting (i) the sum of, for each Component (n), the products of its Adjusted Component Weight on the Preceding Basket Calculation Day (d') (W<sub>n</sub><sup>α</sup>(d')) and its Contract Expiration Dollar Weight on such Preceding Basket Calculation Day (d') (D<sub>n,e</sub>(d')) from (ii) the product of (x) the Basket Contract Expiration Dollar Weight of such Contract Expiration (e) on the Immediately Prior Basket Calculation Day (d'') (D<sub>e</sub>(d'')); (y) the Performance of such Contract Expiration (e) (P(C<sub>e</sub>,d',d'')) divided by the Performance of the Basket (P(V,d',d'')), in each case from the Immediately Prior Basket Calculation Day (d'') to the Preceding Basket Calculation Day (d'), in accordance with the following formula:

$$S_e(d') = D_e(d'') \times \frac{P(C_e, d', d'')}{P(V, d', d'')} - \sum_n W_n^\alpha(d') \times D_{n,e}(d')$$

Where:

**D<sub>e</sub>(d'')** means the Contract Expiration Dollar Weight for such Contract Expiration (e) in the Basket on such Immediately Prior Basket Calculation Day (d'').

**D<sub>n,e</sub>(d')** means the Contract Expiration Dollar Weight for such Contract Expiration (e) in Component (n) on such Preceding Basket Calculation Day (d').

“**P(C<sub>e</sub>, d', d'')**” means the Performance of the Contract Expiration of Contract Expiration (e) from the Immediately Prior Basket Calculation Day (d'') to the Preceding Basket Calculation Day (d') and shall be calculated in accordance with the definition of “**P( X, d<sub>end</sub>, d<sub>begin</sub>)**” (as further detailed in Section B.2 (*Definitions*) below) where “**X**” shall mean the Performance of Contract Expiration (e), “**d<sub>end</sub>**” shall be the Preceding Basket Calculation Day (d') and “**d<sub>begin</sub>**” shall be the Basket Calculation Day (d).

“**P(V, d', d'')**” means the Performance of the Basket from the Immediately Prior Basket Calculation Day (d'') to the Preceding Basket Calculation Day (d') and shall be calculated in accordance with the definition of “**P( X, d<sub>end</sub>, d<sub>begin</sub>)**” (as further detailed in Section B.2 (*Definitions*) below) where “**X**” shall mean the Performance of Basket, “**d<sub>end</sub>**” shall be the Preceding Basket Calculation Day (d') and “**d<sub>begin</sub>**” shall be the Basket Calculation Day (d).

Note that on any Basket Calculation Day on which a Non-Tradable Event does not arise, then the Surplus Contract Expiration shall be zero.

## B.2 Definitions

The following definitions and variables are relevant for determining the Basket Closing Value and the Basket Tradable Value for any relevant day:

“**Basket**” means the Alpha Basket B223 Excess Return Strategy (or B223 EXCESS RETURN Strategy) that seeks to replicate the performance of an investment in the Components (all such Components as set forth in the Basket Table in Section B.3 (*The Basket Table and other Basket Variables*) below) according to their Single-Day Component Weights as determined on each Rebalancing Date, as more fully described in

Section A (The B223 Excess Return Strategy) above.

**"Basket Calculation Day"** means any day on which the offices of the Basket Sponsor in New York are open for business.

**"Basket Closing Value"** means, in respect of the Basket and a Basket Calculation Day (d), the value of such Basket for such Basket Calculation Day as determined by the Calculation Agent in accordance with the calculation methodology as set forth above in Section B.1 (*Determination of Basket Closing Value and Basket Tradable Value*) of this Supplement using the Closing Levels for such Basket Calculation Day.

**"Basket Contract Expiration Dollar Weight"** (also expressed as " $D_e(d)$ ") means the dollar weight of Contract Expiration (e) in the Basket on Basket Calculation Day (d), determined in the same manner as (iii) of Contract Expiration Dollar Weight, but dropping the subscript "n" and where "m" is summed over all Components of the Basket.

**"Basket Sponsor"** means Goldman, Sachs & Co. (or successor thereto).

**"Basket Table"** means the table as set forth in Section B.3 (*Basket Table and other Basket Variables*) of this Supplement.

**"Basket Tradable Value"** means in respect of the Basket and a Basket Calculation Day, the value of such Basket determined by the Calculation Agent in the same manner as the Basket Closing Value but using Tradable Levels and Tradable Contract Prices, instead of Closing Levels and Daily Contract Reference Prices respectively for each Component and each Contract Expiration respectively for such (and only such) Basket Calculation Day.

**"Closing Level"** means, in respect of each Component and any Basket Calculation Day, the official closing price of such Component on such Basket Calculation Day as determined by the relevant Strategy Sponsor or the Index Sponsor, as applicable, using the Daily Contract Reference Prices for the Contract Expiration(s) underlying such Component, as is announced and published on the Component Ticker, if any, for such Component, provided however that in respect of any Basket Calculation Day that is not an Exchange Business Day for such Contract Expiration(s) underlying such Component, the Closing Level for such Component will be determined using the Daily Contract Reference Price for such Contract Expiration(s) on the most recent Exchange Business Day for such Contract Expiration(s), or if the relevant Strategy Sponsor or the Index Sponsor fails to publish an official closing price for the relevant Component or if there is no Component Ticker specified for the relevant Component, the Closing Level will be determined by the Calculation Agent, in its sole discretion, in a commercially reasonable manner in accordance with Section B.4 (*Adjustment Events*) of this Supplement.

**"Component (n)"** means for each number assigned to "n" in the column entitled "n" of the Basket Table, the Component corresponding to such number as set out in the column entitled "Component" of the same table.

**"Components"** means each Strategy and/or Index in respect of each Component (n) (and **"Component"** means any Strategy or Index), each such Component as more fully described in **Appendix B223A**, **Appendix B223B**, **Appendix B223C**, **Sub-Appendix B142** and **Sub-Appendix E95** as the case may be.

**"Component Ticker"** means the Bloomberg ticker reference (or any official successor thereto) specified in the column entitled "Bloomberg Ticker for Component" in the Basket Table corresponding to the Component as set out in the column entitled "Component" in the same table.

**"Contract Expiration"** means, in respect of a Component (n), where the Component relates to S&P GSCI, such term as defined in the S&P GSCI Manual or where the Component relates to DJ-UBS, the term "futures contract month" as used in the DJ-UBS Handbook (and "Lead Future" and "Next Future" as defined in the DJ-UBS Handbook shall each constitute a futures contract month), in each case as the terms are applied to the relevant Component (n) and **"Contract Expirations"** shall mean all such Contract Expirations in respect of each of the Components.

**"Contract Expiration Dollar Weight"** (also expressed as " $D_{n,e}(d)$ ") means the dollar weight of Contract Expiration (e) in respect of Component (n) on Basket Calculation Day (d), determined in accordance with the

following formula:

- (i) If Component (n) is a Strategy or Index calculated in accordance with the methodology as set out in the S&P GSCI Manual, the “Contract Expiration Dollar Weight” is calculated as follows:

$$D_{n,e}(d) = \frac{TDWC_d^e}{TDW_e}$$

- a) where the “Total Dollar Weight For Contract Expiration (e)” (also expressed as “ $TDWC_d^e$ ”) is calculated when Basket Calculation Day (d) is on a Non-Roll Day (as defined in the S&P GSCI Manual), then:

$$TDWC_d^e = CPW^e \times C_e(d)$$

- (a) during a Roll Period (as defined in the S&P GSCI Manual) other than a Roll Period in which a re-weighting of such Component (n) is affected, then:

$$TDWC_d^e = CPW^e \times (CRW1_d^e + CRW2_d^e) \times C_e(d)$$

- (b) during a Roll Period (as defined in the S&P GSCI Manual) in which a re-weighting of such Component (n) is affected, then:

$$TDWC_d^e = \left( \frac{NC_{new}}{NC_{old}} \times CPW1^e \times CRW1_d^e + CPW2^e \times CRW_d^e \right) \times C_e(d)$$

where:

“ $CPW^e$ ” represents the Contract Production Weight of the Designated Contract of such Contract Expiration (e)

“ $CRW1_d^e$ ” and “ $CRW2_d^e$ ” represent the Contract Roll Weight of the First Nearby Contract Expiration and Roll Contract Expiration respectively, provided that in each case if such Contract Expiration (e) is not the First Nearby Contract Expiration or Roll Contract Expiration respectively,  $CPW1_d^e$  or  $CPW2_d^e$  and  $CRW1_d^e$  or  $CRW2_d^e$  shall be set to zero respectively.

“ $NC_{new}$ ” and “ $NC_{old}$ ” are the Normalizing Constants for the old and the new Roll Periods respectively;

“ $CPW1^e$ ” and “ $CPW2^e$ ” are the Contract Production Weights of the First Nearby Contract Expiration and the Roll Contract Expiration respectively; and

“ $C_e(d)$ ” represents the Daily Contract Reference Price of such Contract Expiration (e).

Note that following terms used above in (i) shall have the meanings given to them in the S&P GSCI Manual: “Contract Production Weight”, “Contract Roll Weight”, “Designated Contract”, “Daily Contract Reference Price”, “First Nearby Contract Expiration”, “Normalizing Constant”, “Roll Contract Expiration” and “Roll Period”.

“ $TDW_d$ ” means the “Total Dollar Weight” (as defined in the S&P GSCI Manual) on such Basket Calculation Day (d).

- (ii) If Component (n) is calculated in accordance with the methodology as set out in the DJ-UBS Handbook, the “Contract Expiration Dollar Weight” is calculated using

$$D_{n,e}(d) = \frac{TCDW_e(d)}{\sum_{e'} TCDW_{e'}(d)}$$

where the summation runs over all Contract Expirations indexed by “e” underlying the relevant Component (n) and where:

$$\text{TCDW}_e(d) = (\text{CIM1}_e \times \text{ARP}_{e,d+1} + \text{CIM2}_e \times (1 - \text{ARP}_{e,d+1})) \times C_e(d)$$

where:

“CIM1<sub>e</sub>” and “CIM2<sub>e</sub>” are Commodity Index Multipliers for the Roll Out Contract Expiration and Roll In Contract Expiration respectively, provided that if such Contract Expiration (e) is not equal to the Roll Out Contract Expiration or the Roll In Contract Expiration respectively, CIM1<sub>e</sub> or CIM2<sub>e</sub> shall be set to zero respectively.

“ARP<sub>e,d+1</sub>” represents the Actual Roll Percentage applied to the Index Commodity underlying such Contract Expiration (e) on the Business Day following such Index Calculation Day (d).

Note that any of the following terms used in (ii) above shall have the meanings given to them in the DJ-UBS Handbook: “Commodity Index Multipliers”, “Index Commodity”, “Lead Future” and “Next Future”.

- (iii) If Component (n) is calculated in accordance with Section B of this Supplement, the “Contract Expiration Dollar Weight” is calculated as follows:

$$D_{n,e}(d) = \sum_m W_m^\alpha(d) \times D_{m,e}(d) + S_{n,e}(d)$$

where the summation runs over all Components (m) included in such Component (n) and S<sub>n,e</sub>(d) is the Surplus Contract Expiration (S<sub>e</sub>(d')) (as defined in Section B.1 (*Determination of Basket Closing Value and Basket Tradable Value*) above) of such Contract Expiration (e) on such Basket Calculation Day (d) in such Component (n).

“**Daily Contract Reference Price**” (otherwise expressed as “**C<sub>e</sub>(d)**”) in respect of a Contract Expiration (e), where Component (n) is calculated in accordance with (a) the S&P GSCI Manual, has the meaning given to such term in the S&P GSCI Manual and shall be expressed in U.S. dollars only; or (b) the DJ-UBS Handbook, has the meaning given to “Settlement Price” in the DJ-UBS Handbook, and in either case such term shall the meaning ascribed to it as of the relevant Basket Calculation Day (d).

“**Designated Contract**” means where Component (n) is calculated in accordance with the (a) the S&P GSCI Manual, has the meaning given to such term in the S&P GSCI Manual or (b) the DJ-UBS Handbook, has the meaning given to in the DJ-UBS Handbook, as applicable.

“**DJ-UBS**” shall mean the Dow Jones-UBS Commodity Index<sup>SM</sup> calculated and maintained by the Index Sponsor.

“**DJ-UBS Handbook**” shall mean the Dow Jones-UBS Commodity Index<sup>SM</sup> Handbook available on website <http://www.djindexes.com/ubs/index.cfm?go=handbook> (or successor thereto and as amended by any announcement published by the Index Sponsor relating to revisions to the Dow Jones-UBS Commodity Index, including but not limited to, changes to the composition of or rules relating to such index).

**Exchange Business Day** means, in respect of any Contract Expiration (e), any day (i) which is a Basket Calculation Day (d); and (ii) on which the relevant Trading Facility on which such Contract Expiration (e) is traded is scheduled to be open for trading for its regular trading session, notwithstanding any such Trading Facility closing prior to its scheduled closing time.

“**First Tradable Date**” means, in respect of a Basket Calculation Day (d) (the “**Relevant Day**”) and in respect of any given Contract Expiration underlying a Component, the first Relevant Day (measured from and including the Relevant Day) on which a Non-Tradable Event has ceased to exist with respect to such Contract Expiration, provided that if a Non-Tradable Event in respect of such Contract Expiration continues to exist for each of the five (5) consecutive Exchange Business Days immediately following such Relevant Day, the sixth (6<sup>th</sup>) Exchange Business Day immediately following such Relevant Day shall be deemed to be the First Tradable Date for such Contract Expiration, notwithstanding the fact that a Non-Tradable Event may be existing on such day. On such First Tradable Date in respect of such Contract Expiration, the Calculation

Agent will determine the Tradable Contract Price of such Contract Expiration (such date being, in respect of such Contract Expiration, the “**Determination Date**” of such Contract Expiration). The Calculation Agent will calculate the Tradable Level of the related Component and the Basket Tradable Value on the Determination Date that falls latest in time (the “**Latest Determination Date**”).

“**Immediately Prior Basket Calculation Day**” (also expressed as “**(d’)**”) means in respect of a Preceding Basket Calculation Day (d’), the Basket Calculation Day (d) immediately preceding such Preceding Basket Calculation Day (d’), as determined by the Calculation Agent.

“**Index**” means any of the indices as specified in the column entitled “Component” in the Basket Table.

“**Index Sponsor**” means (i) Standard & Poor’s, a division of The McGraw Hill Companies, Inc. (or successor thereto) and/or (ii) Dow Jones and Company Inc (or successor thereto) and UBS AG, and UBS Securities LLC (or successor thereto).

“**Market Disruption Event**” means, in respect of each Contract Expiration and a Basket Calculation Day if, in the sole opinion of the Calculation Agent, any one of the following occurs:

- (i) the settlement price for such Contract Expiration on such day remains at a “limit price” which means that the price for such Contract Expiration on such day has increased or decreased from the previous day’s settlement price for such Contract Expiration by the maximum amount permitted under applicable rules of the relevant Trading Facility;
- (ii) there is a failure by the applicable Trading Facility or other price source to announce or publish the settlement price for such Contract Expiration on such Basket Calculation Day (if such Basket Calculation Day is an Exchange Business Day for such Contract Expiration); or
- (iii) trading in such Contract Expiration on the relevant Trading Facility is suspended or interrupted subsequent to the opening of trading and trading in such Contract Expiration does not recommence at least ten (10) minutes prior to the regular scheduled close of trading in such Contract Expiration, or in the event trading in such Contract Expiration does recommence at least ten (10) minutes prior to the regular scheduled close of trading, trading does not continue until the regular scheduled close of trading in such Contract Expiration.

“**Non-Tradable Event**” means in relation to each Contract Expiration with respect to a Designated Contract, (i) a Basket Calculation Day (d) that is not an Exchange Business Day in respect of such Contract Expiration, or (ii) on which a Market Disruption Event (as defined above) has occurred or is existing in respect of such Contract Expiration. In such case a Market Disruption Event occurring in respect of a Contract Expiration as contemplated in (ii) above on a Basket Calculation Day, where the Calculation Agent determines that the Surplus Contract Expiration of such Contract Expiration affected by a Market Disruption Event is any number other than zero (whether positive or negative), on such Basket Calculation Day (d), a Non-Tradable Event shall be deemed to have occurred in respect of all Contract Expirations in respect of such Designated Contract.

“**Performance of the Basket, a Component or a Contract Expiration (each denoted by X) in respect of period from d<sub>begin</sub> to d<sub>end</sub>**” (also expressed as “P( X, d<sub>end</sub>, d<sub>begin</sub>)”) means (i) the performance of such Basket (where X can be V); (ii) the performance of such Component (where X can be I<sub>n</sub>); and (iii) the performance of such Contract Expiration (where X can be C<sub>e</sub>) in each case measured from such Basket Calculation Day (d<sub>begin</sub>) (falling on or before the Basket Calculation Day (d<sub>end</sub>)) to the Basket Calculation Day (d<sub>end</sub>), being a value determined by the Calculation Agent as being in each case equal to the quotient of: (i) the Basket Closing Value, Basket Tradable Value, Closing Level, Tradable Level, Daily Contract Reference Price or Tradable Contract Price on such Basket Calculation Day (d<sub>end</sub>) (being “**X (d<sub>end</sub>)**”) and (ii) the Basket Closing Value, Basket Tradable Value, Closing Level, Tradable Level, Daily Contract Reference Price or Tradable Contract Price, on the Basket Calculation Day (d<sub>begin</sub>) (being “**X (d<sub>begin</sub>)**”) respectively, represented formulaically as follows:

$$P(X, d_{end}, d_{begin}) = \frac{X(d_{end})}{X(d_{begin})}$$

**2** “**Preceding Basket Calculation Day (d’)**” means in respect of a Basket Calculation Day (d), the Basket Calculation Day (d) immediately preceding such Basket Calculation Day (d), as determined by the

Calculation Agent.

“**S&P GSCI**” shall mean the S&P GSCI<sup>®</sup> calculated and maintained by the Index Sponsor.

“**S&P GSCI Manual**” shall mean the S&P GSCI Index Methodology available on website [http://www2.standardandpoors.com/spf/pdf/index/SP\\_GSCI\\_Index\\_Methodology\\_Web.pdf](http://www2.standardandpoors.com/spf/pdf/index/SP_GSCI_Index_Methodology_Web.pdf) (or successor thereto).

“**Strategy**” means any of the strategies as specified in the column entitled “Component” in the Basket Table.

“**Strategy Sponsor**” means Goldman, Sachs & Co. (or successor thereto).

“**Tradable Contract Price**” means, in respect of a Contract Expiration underlying a Component in respect of which a Non-Tradable Event is occurring, and any Basket Calculation Day (d), the price of such Contract Expiration determined by the Calculation Agent in respect of the First Tradable Date for Basket Calculation Day (d).

“**Tradable Level**” means, in respect of each Component and any Basket Calculation Day (d), the value determined by the Calculation Agent with respect to such Component provided that if a Non-Tradable Event has occurred or is existing on such Basket Calculation Day in respect of any Contract Expiration underlying such Component, the Tradable Contract Price instead of the Daily Contract Reference Price shall be used for such Contract Expiration for such (and only such) Basket Calculation Day (d).

“**Trading Day**” means any day (i) which is a Basket Calculation Day (d); and (ii) all of the Trading Facilities are scheduled to be open for trading, notwithstanding any such Trading Facility closing prior to its scheduled closing time.

“**Trading Facility**” means the exchange, facility or platform on or through which a Contract Expiration with respect to a Designated Contract is traded.

### **B.3 Basket Table and other Basket Variables**

#### **B.3.1 Basket Table**

The following table (“**Basket Table B223**”) sets out the Strategies and/or Indices and their respective Single-day Component Weight:

<b>n</b>	<b>Component</b>	<b>Single-Day Component Weight (<math>Z_n(d_r)</math>)</b>	<b>Bloomberg Ticker for Component</b>
0	Alpha-Beta B223A Switching Strategy	1/3	ABGS223A <Index>
1	Alpha-Beta B223B Switching Strategy	1/3	ABGS223B <Index>
2	Alpha-Beta B223C Switching Strategy	1/3	ABGS223C <Index>

Each such Component of the B223 Excess Return Strategy are more fully described in the Appendices to this Supplement as follows: the Alpha-Beta B223A Switching Strategy is as described in **Appendix B223A**; the Alpha-Beta B223B Switching Strategy is as described in **Appendix B223B** and the Alpha-Beta B223C Switching Strategy is as described in **Appendix B223C**.

#### **B.3.2 Other Basket Variables**

References to the following terms in Sections B.1 and B.2 shall have the following meanings:

**“Rebalancing Date”** means the first Basket Calculation Day (d) of each month, or if such day is not a Trading Day, the immediately following Trading Day.

**“Relevant Screen Page”** means in respect of the Basket, Bloomberg ticker **ABGS223P <Index>** (or any official successor thereto).

**“Maximum Roll Period Length”** means one (1) Trading Day.

#### **B. 4 Adjustment Events**

(i) If any Component or the Basket, as applicable, is:

- (a) not calculated and announced by the Strategy Sponsor in the case of a Component that is a Strategy, or Index Sponsor in the case of a Component that is an Index, as applicable, or the Basket Sponsor in the case of the Basket, but is calculated and announced by a successor sponsor acceptable to the Calculation Agent; or
- (b) replaced by a successor strategy, index or basket using as applicable, in the good faith determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the relevant Component or the Basket, as applicable,

then the relevant Component or the Basket, as applicable, will be deemed to be that Strategy, Index or Basket, as applicable, so calculated and announced by that successor sponsor or that successor strategy, Index or basket, as the case may be.

(ii) If, in respect of any Component or the Basket, as applicable, the Calculation Agent determines that:

- (a) the Strategy Sponsor or Index Sponsor, as applicable, in the case of any Component, or Basket Sponsor in the case of the Basket, makes, in the reasonable judgment of the Calculation Agent, a material change in the formula for or the method of calculating, or determining the composition of any Component or the Basket, as the case may be or in any other way materially modifies any such Component or the Basket (other than a modification prescribed in that formula or method relating to the composition or weighting of such Component or Basket such other routine events or modifications which do not in any other way materially modify such Component); or
- (b) in the absence of a Non-Tradable Event: (a) the Basket Sponsor fails to calculate and announce the Basket Closing Value for the or the Basket or the Strategy Sponsor fails to calculate the Closing Level for any Component that is a Strategy, or the Basket or a Component that is a Strategy has ceased to be calculated by the Basket Sponsor or Strategy Sponsor, as the case may be and has not been replaced by a successor strategy (in either case, any such failure or cessation shall not constitute a Non-Tradable Event); or (b) the Index Sponsor fails to calculate and announce, the Closing Level for any Component that is an Index, or a Component that is an Index has ceased to be calculated by the Index Sponsor, as the case may be and has not been replaced by a successor index (in either case, no such failure or cessation by the Index Sponsor shall constitute a Non-Tradable Event),

then the Calculation Agent shall calculate the level of the Basket or the relevant Component, in lieu of a published level for the Basket Closing Value or the Closing Level of any such Component, as the case may be, in a commercially reasonable manner and using the same formula for and method of calculating such Basket Closing Value or Closing Level for such Component last in effect prior to such change, failure to calculate or cessation.

(iii) If in respect of any Component and any given Basket Calculation Day, a Designated Contract underlying such Component is removed or modified from the S&P GSCI<sup>®</sup> and/or Dow Jones-UBS Commodity Index<sup>SM</sup>, as applicable, the Calculation Agent shall, for the purposes of the relevant Component(s) (a **“Modified Component”**), generally follow the decision of the S&P GSCI Index Committee (as defined in the S&P GSCI Manual) or Dow Jones-UBS Commodity Index Supervisory Committee (as defined in the DJ-UBS Handbook), as applicable, and make the corresponding change for the purposes of the relevant Modified Component. However, in the event that Calculation Agent determines, in its reasonable judgment, that the removal of such Designated Contract and/or the introduction of an alternative contract by the S&P GSCI Index Committee and/or DJ-UBS Commodity Index Supervisory Committee, as the case may be, and any such corresponding change to the Modified Component could adversely affect the subsequent performance of such Modified Component and/or materially alter the nature of the Basket, it may elect to: (1) remove the relevant



Modified Component(s) from the Basket on the next Relevant Rebalancing Date or such other day as mutually determined, to be relevant in the circumstances then existing; (2) retain the Designated Contract removed from the S&P GSCI<sup>®</sup> and/or Dow Jones-UBS Commodity Index<sup>SM</sup>, as applicable, and the corresponding Modified Component(s) in the Basket, notwithstanding its removal from the S&P GSCI<sup>®</sup> and/or Dow Jones-UBS Commodity Index<sup>SM</sup>, as applicable, on the grounds of ineligibility or otherwise; or (3) use an alternative contract for the relevant Modified Component whether or not a replacement contract was introduced to the S&P GSCI<sup>®</sup> by the S&P GSCI Index Committee and/or Dow Jones-UBS Commodity Index<sup>SM</sup> by the Dow Jones-UBS Commodity Index Supervisory Committee, as applicable.

- (iv) If a Closing Level published on the relevant Component Ticker on any Basket Calculation Day is subsequently corrected and the correction is published by the Strategy Sponsor or Index Sponsor with respect to a Component, as applicable, no later than 12 noon New York time on the Basket Calculation Day immediately following such Basket Calculation Day, then the corrected Closing Level shall be deemed the Closing Level for such Component for such Basket Calculation Day and the Calculation Agent shall use the corrected Closing Level in its determination of the Basket Closing Value for such Basket Calculation Day.
- (v) Any calculation or determination made by the Calculation Agent in respect of the Basket or any relevant Component in any such circumstances described above shall be subject to the provisions of Section B.5 (*Calculation Agent*) of this Supplement.

#### **B.5 Calculation Agent**

All determinations and calculations made by the Calculation Agent shall (in the absence of manifest error) be final and binding on all parties, and the Calculation Agent shall have no responsibility to any person for any good faith errors or omissions in any determination or calculation..

## Principal Risks of Investing in the Portfolio

The following are the principal risks related to any investment in the Portfolio. For a complete overview of the risk factors, investor should also read the Sections (*What to Know Before You Invest in a Portfolio*) and (*Additional Overriding Risks*) of the Prospectus.

**Goldman Sachs' roles with respect to the Portfolio.** Goldman Sachs International performs several roles with respect to the Portfolio: it is acting as Investment Administrator on behalf of the Portfolio and it will also act as the counterparty to derivative transactions with the Portfolio and as the Calculation Agent in respect of those derivative transactions and in respect of the B223 Excess Return Strategy on which the Portfolio and those derivative transactions are linked.

In particular, investors should be aware that to the extent the Portfolio trades with Goldman Sachs International as dedicated counterparty, Goldman Sachs will make a profit from the price of the derivative instruments, which may not be the best price available in the market.

Goldman Sachs International and its affiliates also actively trade futures contracts and options on futures contracts on the commodities that underlie the B223 Excess Return Strategy, over-the-counter contracts on these commodities, the underlying commodities included in the B223 Excess Return Strategy and other instruments and derivative products based on numerous other commodities. Goldman Sachs International and its affiliates also trade instruments and derivative products based on one or more indices included in the B223 Excess Return Strategy. Trading in the futures contracts on commodities included in the B223 Excess Return Strategy, the underlying commodities and related over-the-counter products by Goldman Sachs International and its affiliates and unaffiliated third parties could adversely affect the value of the B223 Excess Return Strategy which could in turn affect the return on and the value of the Shares in the Portfolio. Goldman Sachs International, its affiliates and other parties may issue or underwrite additional securities or trade other products the return on which is linked to the value of the B223 Excess Return Strategy or one or more indices or strategies included in B223 Excess Return Strategy or other similar strategies. An increased level of investment in these products may negatively affect the level of the B223 Excess Return Strategy, and therefore the value of the Shares in the Portfolio.

Any of these activities by any of Goldman Sachs International or its affiliates could be adverse to the interests of a holder of Shares in the Portfolio.

**Counterparty risk.** The ability of the Portfolio to meet its obligations to investors will depend on the receipt by it of payments owed to the Portfolio by Goldman Sachs International for the swap transaction under the Swap Agreement and the repurchase transaction under the Repurchase Agreement. As a result, the Portfolio will be exposed to the creditworthiness of Goldman Sachs International. Although both the Swap Agreement and the Repurchase Agreement are collateralised, the value of such collateral may decline in between collateral rebalancing dates. In addition, returns for the repurchase transaction on the Repurchase Agreement and for the swap transaction under the Swap Agreement are not collateralized.

**Termination of the Swap Agreement.** The Swap Agreement (as defined above) will be documented on an International Swaps and Derivatives Association, Inc. Master Agreement and will include the standard and customary termination provisions under that Master Agreement, as well as additional termination events that are specific to the Portfolio, if any. In particular, the Swap Agreement may be terminated by Goldman Sachs International, as counterparty of the Portfolio to the Swap Agreement, in case that, as a result of existing, announced or new legal or regulatory framework, or any interpretation thereof by an authority with competent jurisdiction, (i) Goldman Sachs International is unable to hedge the Swap Agreement, or (ii) Goldman Sachs International incurs additional costs to carry out such hedging (each such event being a "Hedging Disruption Early Unwind Event"). The full definition of Hedging Disruption Early Unwind Event is further detailed in the Swap Agreement. For further information on the content of the Swap Agreement, investors may obtain, free of charge, on request, a copy of the Swap Agreement.

**As Calculation Agent for B223 Excess Return Strategy and the Swap Agreement, Goldman Sachs International will have the authority to make determinations that could affect the Net Asset Value of the Shares in the Portfolio.** In its capacity as Calculation Agent for B223 Excess Return Strategy and the Swap Agreement as described in this Supplement, Goldman Sachs International will have discretion in making various determinations that may affect the value of the Shares in the Portfolio and therefore any subscription, conversion, redemption and/or termination of the Portfolio, such as those determinations described in the section entitled "Subscriptions, Conversions and/or Redemptions in the Portfolio and Market

Disruption Events” above and as set out in Section B.4 (*Adjustment Events*) of this Supplement. The exercise of such discretion by Goldman Sachs International could adversely affect the value of the Shares in the Portfolio and may present Goldman Sachs International with a conflict of interest of the kind described under the risk factor entitled “Goldman Sachs’ Roles with respect to the Portfolio” above.

**Trading and other transactions by Goldman, Sachs & Co. and its affiliates relating to the B223 Excess Return Strategy and their respective underlying commodity contracts and commodities may adversely affect the Net Asset Value of the Shares in the Portfolio.** Goldman, Sachs & Co., and its affiliates actively trade futures contracts and options on futures contracts on the commodities that underlie the B223 Excess Return Strategy, over-the-counter (“OTC”) contracts on these commodities, the underlying commodities included in the B223 Excess Return Strategy and other instruments and derivative products based on numerous other commodities. Goldman, Sachs & Co., and its affiliates also trade instruments and derivative products based on the Dow Jones – UBS Commodity Index<sup>SM</sup> (the “DJ-UBSCI<sup>SM</sup>”). Trading in the futures contracts on commodities included in the DJ-UBSCI<sup>SM</sup>, the underlying commodities and related OTC products by Goldman, Sachs & Co., and its affiliates and unaffiliated third parties could adversely affect the value of the B223 Excess Return Strategy given its Components invest in strategies based on the DJ-UBSCI<sup>SM</sup>. This in turn could affect the Net Asset Value of the Shares in the Portfolio.

Goldman, Sachs & Co. and its affiliates and other parties may also issue or underwrite additional securities or trade other products the return on which is linked to the value of the B223 Excess Return Strategy or other similar strategies. In addition, Dow Jones (as Index Sponsor of the DJ-USCI<sup>SM</sup>) has licensed and may continue to license the DJ-UBSCI<sup>SM</sup> for use by other market participants, for publication in newspapers and periodicals, for distribution by information and data dissemination services and for various other purposes, any of which may contribute to an increased level of investment in, or other similar strategies linked to, the DJ-UBSCI<sup>SM</sup> which may negatively affect the value of the B223 Excess Return Strategy.

Although Goldman, Sachs & Co. is not obligated to do so, we have elected to hedge our obligations with respect to the Portfolio with an affiliate of Goldman, Sachs & Co. That affiliate, in turn, will most likely directly or indirectly hedge any of its obligations through transactions in the futures and options markets. Goldman, Sachs & Co. and its affiliates may also issue or underwrite financial instruments with returns indexed to the B223 Excess Return Strategy.

**The Net Asset Value of the Shares of the Portfolio may be influenced by many factors that are unpredictable and interrelated in complex ways**

A number of factors, many of which are beyond the control of the Umbrella Fund or Goldman Sachs International or any its affiliates, will influence the Net Asset Value of the Shares in the Portfolio, including:

- the B223 Excess Return Strategy level;
- the volatility – i.e. the frequency and magnitude of changes in the level of the B223 Excess Return Strategy;
- various economic, financial, regulatory and political, military or other events that affect commodity markets generally and the market segments of which the commodities underlying the B223 Excess Return Strategy are a part, and which may in turn affect the level of the B223 Excess Return Strategy as further described in the risk factor entitled “Prices of commodity contracts may change unpredictably, affecting the value of the Shares of the Portfolio in unforeseeable ways”;
- the creditworthiness of the Goldman Sachs; and
- interest rates and yield rates in the market.

These factors interrelate in complex ways and the effect of one factor on the value of the B223 Excess Return Strategy and in turn the value of the Portfolio may offset or enhance the effect of another factor. Moreover these factors will influence the price at which investors subscribe for and/or convert or redeem their Shares in the Portfolio and could result in an investor receiving less than its initial investment.

### **The B223 Excess Return Strategy is made up of Components that are algorithmic based strategies**

The calculation methodology for the Components of the B223 Excess Return Strategy as described in the Section A.3 of this Supplement (*Information about the Components of the B223 Excess Return Strategy*) above and as further described in the Appendices to this Supplement are Alpha-Beta Switching Strategies and employ an algorithm which determines the participation of each Component of the B223 Excess Return Strategy in either the Alpha Basket (that is, the “Alpha Basket B142 Excess Return Strategy”) or the Beta Strategy (that is, the Goldman Sachs Dow Jones-UBS Commodity Excess Return E95 Strategy) by reference to the historical performance of such Beta Strategy (this historical performance is also called the “Lookback Average Performance” or “lookback signal” and the period over which the historical performance is measured varies for each such Component) and will according to such Lookback Average Performance or “lookback signal” switch between the Alpha Basket and the Beta Strategy.

The lookback signal is thus predicated on the assumption that the past performance of Beta Strategy may in general provide some predicative value as to whether a Component of the B223 Excess Return Strategy should be in the Alpha Basket or in the Beta Strategy. As a result of this reliance on historical data and many factors that are unpredictable including future prices of the constituent commodity futures contracts underlying the Beta Strategy, there can be no assurance that the Lookback Average Performance (or lookback signal) will result in either or any of the Components optimally switching between the Alpha Basket and Beta Strategy, as applicable. Accordingly, there is the risk that the Basket methodology (by reference to the algorithm) may not actually be successful at producing consistently positive returns due to a number of factors, including volatile commodity prices that are beyond the control of the Basket Sponsor and are unpredictable and will in turn generate sub-optimal participation by the Components in the Alpha Basket and Beta Strategy. In such circumstances where the Lookback Average Performance or lookback signal might not achieve its intended effect and signal the Component at any given time to invest sub-optimally in the Alpha Basket rather than the Beta Strategy (or vice versa), this may adversely affect the value of such Component and in turn, the B223 Excess Return Strategy, which is comprised of an equally-weighted basket of each of these Alpha-Beta Switching Strategies. In such circumstances, there could be a substantial loss of income by the Portfolio on an investment linked to the B223 Excess Return Strategy and/or loss of the principal invested by the investor in the Portfolio.

### **The rebalancing of the Components may adversely affect the value of B223 Excess Return Strategy**

If on any Rebalancing Date with respect to any of the Components, the algorithm for such Component signals a switch from the Alpha Basket to the Beta Strategy or vice versa, then the Basket Sponsor will be required to switch the exposure of the Component to such Alpha Basket or Beta Strategy as applicable. In the case of any such switch, this rolling procedure will occur over five (5) Trading Days and on each such Trading Day, a portion of the relevant Component will be rolled from the Alpha Basket into the Beta Strategy (or vice versa) as applicable. This means that until the rebalancing of the Component has been completed, the relevant Component will be partly allocated to the Alpha Basket and partly allocated to the Beta Strategy. The effect of this therefore is that until the switch has been completed over the rebalancing period, the relevant Component will not reflect the full performance of the relevant strategy which the algorithm corresponding to such Component has selected for the given month. Due to this partial allocation, the returns of the Component over the rebalancing period may differ from that of the Alpha Basket or Beta Strategy and the value of the B223 Excess Return Strategy may be adversely affected.

### **The past performance of the B223 Excess Return Strategy is no guide to future performance**

The actual performance of the B223 Excess Return Strategy may bear little relation to the historical levels of the B223 Excess Return Strategy or any of its Components. The future performance of the B223 Excess Return Strategy cannot be predicted.

### **Prices of commodity contracts may change unpredictably, affecting the value of the Shares in the Portfolio in unforeseeable ways**

Trading in commodities can be speculative and prices of commodities have been and can be extremely volatile. Commodity prices are affected by a variety of factors that are unpredictable, including, without limitation, changes in supply and demand relationships, weather, governmental programs and policies, national and international political, military, terrorist and economic events, fiscal, monetary and exchange control programs, changes in interest and exchange rates and changes, suspensions or disruptions of

market trading activities in commodities and related contracts, production costs, consumer demand, hedging and trading strategies of market participants, disruptions of supplies or transportation, and global macroeconomic factors.

These factors may cause the value of different commodities underlying the Components of the B223 Excess Return Strategy and the volatilities of their prices to move in inconsistent directions and at inconsistent rates which may adversely affect the level of the B223 Excess Return Strategy in varying ways and in turn a decline in the value of the Shares in the Portfolio.

**The B223 Excess Return Strategy and its Components do not track the performance of the DJ-UBSCI<sup>SM</sup> and the returns on the B223 Excess Return Strategy will therefore differ from those of the DJ-UBSCI<sup>SM</sup>**

The B223 Excess Return Strategy has different rules from the DJ-UBSCI<sup>SM</sup> governing the procedure for determining its composition. Specifically the composition of the B223 Excess Return Strategy is determined by each of its Components which are Alpha-Beta Switching Strategies. The composition of each such Component is in turn determined by an algorithm referred to as the “Lookback Average Performance” or “lookback signal” such that at any one time each such Component may be invested in either the Alpha Basket or the Beta Strategy. Further, while the DJ-UBSCI<sup>SM</sup> represents a measure of commodity market return over time, the B223 Excess Return Strategy seeks to generate returns by its Components participating optimally in either the Alpha Basket or in the Beta Strategy as identified by the algorithm referred to as the lookback signal. As such, an investment in an instrument linked to the value of the B223 Excess Return Strategy is not comparable to and should not be benchmarked against an investment in an instrument linked to the value of the DJ-UBSCI<sup>SM</sup>. The investor should understand that the Shares in the Portfolio are linked to the returns on the B223 Excess Return Strategy and therefore the returns on its Components (or Alpha-Beta Switching Strategies) and not linked to the DJ-UBSCI<sup>SM</sup> and that these differences between the DJ-UBSCI<sup>SM</sup> on the one hand and the B223 Excess Return Strategy on the other, are likely to produce different values for the DJ-UBSCI<sup>SM</sup> and the B223 Excess Return Strategy at any given time and, therefore, may produce differing returns.

**The commodity futures contracts underlying the Components of the B223 Excess Return Strategy may in the future include contracts that are not traded on regulated futures exchanges**

The DJ-UBSCI<sup>SM</sup> was originally based solely on contracts traded on regulated futures exchanges (referred to in the United States as “designated contract markets”). At present, the DJ-UBSCI<sup>SM</sup> and therefore, the Components of the B223 Excess Return Strategy, continue to be comprised exclusively of regulated futures contracts. As described below, however, the DJ-UBSCI<sup>SM</sup> may in the future include OTC contracts (such as swaps and forward contracts) traded on trading facilities that are subject to lesser degrees of regulation or, in some cases, no substantive regulation. In that event, the contracts underlying the Components of the B223 Excess Return Strategy are likely to change as well. Trading in contracts that are not listed futures contracts, and the manner in which prices and volumes are reported by the relevant trading facilities, may not be subject to the same provisions of, and the protections afforded by, the U.S. Commodity Exchange Act of 1936, as amended, or other applicable statutes and related regulations, that govern trading on regulated futures exchanges. In addition, many electronic trading facilities have only recently initiated trading and do not have significant trading histories. As a result, the trading of contracts on such facilities and the possible inclusion in the future of such contracts in the Components of the B223 Excess Return Strategy following any change to the composition of the DJ-UBSCI<sup>SM</sup> (as more fully described in Section B.4 (*Adjustment Events*) above) may be subject to certain risks not presented by most exchange-traded futures contracts, including risks related to the liquidity and price histories of the relevant contracts.

**Higher future prices of commodity futures contracts underlying the Components of the B223 Excess Return Strategy relative to their current prices may affect the value of the B223 Excess Return Strategy and therefore the value of Shares in the Portfolio**

As discussed above, each of the Components of the B223 Excess Return Strategy at any one time are either invested in the Alpha Basket (that is, the Alpha Basket B142 Excess Return Strategy) or the Beta Strategy (i.e. Goldman Sachs Dow Jones-UBS Commodity Excess Return E95 Strategy), as determined algorithmically by the “lookback signal”. If at any time a Component of the B223 Excess Return Strategy is invested in the Beta Strategy, the process referred to as “rolling” will impact on the value of such Beta Strategy and in turn the Component tied to that strategy. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for delivery of the underlying physical commodity (referred to as the contract expiration with respect to such commodities

futures contract). As the commodity futures contracts that underlie the Beta Strategy approach expiration, they are replaced by contracts that have a later expiration. Thus, for example, a contract purchased and held in August may specify an October expiration. As time passes, the contract expiring in October is replaced by a contract for delivery in a later month, for example, November. This is accomplished by selling the October contract and purchasing the November contract. This is the process referred to as “rolling” as noted above. If the market for these commodity futures contracts underlying the Beta Strategy is (putting aside other considerations) in “backwardation”, where the prices are lower in the distant delivery months than in the nearer delivery months, the sale of the October contract would take place at a price that is higher than the price of the November contract, thereby creating a “roll yield”. While many of the commodity futures contracts underlying the Beta Strategy have historically exhibited consistent periods of backwardation, backwardation is not likely to exist at all times. Some futures contracts have historically traded in “contango” markets. The presence of contango in the commodity markets (i.e. where the prices for the relevant futures contract are higher in the distant delivery month than in the nearby delivery month) could result in negative “roll yields” which could adversely affect the value of the Beta Strategy in which a Component of the B223 Excess Return Strategy may be invested at any given time. In such case the value of the B223 Excess Return Strategy could be adversely affected.

**Investors in the Portfolio have no rights with respect to commodities or commodities futures contracts underlying any of the Components or rights to receive any contracts or commodities**

The investment exposure provided by the B223 Excess Return Strategy is synthetic, reflecting the returns of the Components that invested in certain strategies which comprise certain commodity futures contracts. An investment linked to the B223 Excess Return Strategy will therefore not make the investor a holder of, or give an investor a direct investment position in, any of the commodities underlying any Component of the B223 Excess Return Strategy or any futures contracts with respect thereto. Any amounts payable in respect of Shares in the Portfolio will be made in cash and investors will not have any rights to receive delivery of any commodity or commodity futures contract underlying any Component included in the B223 Excess Return Strategy.

**The commodity futures contracts underlying the Components of the B223 Excess Return Strategy are subject to legal and regulatory regimes that may change in ways that could affect the value of the Strategy**

Futures contracts and options on futures contracts markets, including those commodity futures contracts underlying the Components of the B223 Excess Return Strategy, are subject to extensive statutes, regulations, and margin requirements. The U.S. Commodity Futures and Trading Commission (the “CFTC”) and the exchanges on which such futures contracts trade, are authorized to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily limits and the suspension of trading. In addition, U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuation in options futures contract prices that may occur during a single business day as described further under “Suspensions or disruptions of market trading in the commodity and related options futures markets may adversely affect the B223 Excess Return Strategy and in turn the Net Asset Value of the Shares in the Portfolio”. The regulation of commodity transactions in the U.S. is subject to ongoing monitoring and/or modification by government and judicial action. In addition, various national governments have expressed concern regarding the disruptive effects of speculative trading in the commodity markets and the need to regulate the derivative markets in general. The effects of any future regulatory change on the value of the B223 Excess Return Strategy is impossible to predict, but could be substantial and adverse to the interests of anyone holding an investment linked to the B223 Excess Return Strategy, including the Shares in the Portfolio.

**Suspensions or disruptions of market trading in the commodity and related options futures markets may adversely affect the B223 Excess Return Strategy and in turn the Net Asset Value of the Shares in the Portfolio**

The commodity markets are subject to temporary distortions or other disruptions due to various factors, including activities of market participants and such factors as set out in the risk factor entitled “Prices of commodity contracts may change unpredictably, affecting the value of the investor’s Shares in unforeseeable ways” below. In addition, U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuation in futures contract prices which may occur during a single business day. These limits are generally referred to as “daily price fluctuation limits” and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a “limit price”. Once the limit price has been reached in a particular contract, trading in the contract will follow the regulations set forth by the trading facility on which the contract is listed. Limit prices may have the effect of precluding trading in a particular Contract Expiration underlying a Component of the B223 Excess Return Strategy, which may impact on the

value of such Component and, therefore, the value of the B223 Excess Return Strategy and the Shares in the Portfolio.

If a Market Disruption Event occurs on any Contract Expiration underlying a Component of the B223 Excess Return Strategy on any scheduled valuation date under the Swap Agreement, the value of that Contract Expiration underlying the relevant Component of the B223 Strategy Tradable Value will not be calculated until the Tradable Contract Price for such Contract Expiration and in turn the Tradable Level of the Component can be calculated in accordance with the procedure for determining the First Tradable Date with respect to such Contract Expiration as described in Section B.2 (*Definitions*) of this Supplement. As a result of this procedure being followed, the determination of the Tradable Contract Price in respect of Contract Expiration affected by a Market Disruption Event will be postponed until the First Tradable Date (i.e. the first Basket Calculation Day falling on or after the scheduled valuation date under the Swap Agreement on which no Market Disruption Event exists with respect to Contract Expiration underlying such Component subject to a maximum postponement of five (5) Exchange Business Days immediately following such scheduled valuation date). Therefore if a Market Disruption Event occurs on the scheduled valuation date under the Swap Agreement the amount payable under the Swap Agreement may be delayed. In addition, the Tradable Levels for such affected Components and in turn the B223 Strategy Tradable Value may be subject to the judgment of the Calculation Agent and may be different from the B223 Strategy Closing Value published by the Basket Sponsor on the applicable Relevant Screen Page for such scheduled valuation date under the Swap Agreement.

In addition if a Market Disruption Event occurs with respect to any Contract Expiration underlying a Component of the B223 Excess Return Strategy on a Rebalancing Date, while such Market Disruption Event is continuing, such affected Contract Expiration underlying such Component may temporarily be over- or under-invested with respect to the other unaffected Components included in the B223 Excess Return Strategy. Therefore the execution by the Calculation Agent of the rebalancing for any such Component containing a Contract Expiration affected by a Market Disruption Event, as described in Section A.2 (*Rebalancing of the B223 Excess Return Strategy*) above, will be further delayed.

#### **Subscriptions, Conversions and/or Redemptions in the Portfolio and Market Disruption Events**

If a Market Disruption Event occurs in respect of any Contract Expiration underlying a Component of the B223 Excess Return Strategy on a Valuation Day (as such term is defined in section entitled “Subscriptions, Conversions and Redemptions in the Portfolio: Pricing and Settlement” below), the Net Asset Value of the Portfolio for the purposes of subscription, conversion and/or redemption applications received for processing on such Valuation Day (i.e. the Trading Net Asset Value) will continue to be calculated by the Umbrella Fund Administrator for such Valuation Day and will not be subject to any postponements in accordance with the procedure for determining the First Tradable Date as would be the case for determining the B223 Strategy Tradable Value for calculating the amount payable under the Swap Agreement. Instead the value of the Swap Agreement on which the Trading Net Asset Value is based will be calculated using the B223 Strategy Tradable Value determined by the Calculation Agent in its reasonable judgment on such Valuation Day (and not on the First Tradable Date, as described in Section B.2 (*Definitions*)) using estimates for the Tradable Contract Prices of those Contract Expirations affected by the Market Disruption Event (the such value referred to as the Disrupted Value of the Swap Agreement). Therefore should a Market Disruption Event occur on a Valuation Day, the Trading Net Asset Value will be calculated, on the basis of the Disrupted Value of the Swap Agreement (and the procedure of postponing the determination of the B223 Strategy Tradable Value until the First Tradable Date for any such Contract Expirations above in Section B (Determination of the B223 Strategy Closing Value and the B223 Strategy Tradable Value) will not be followed in such circumstances).

As a result of the differences between the aforementioned procedures for the calculation of the B223 Strategy Tradable Value for (i) determining the Trading Net Asset Value for effecting any subscription, redemption and/or conversion application in respect of the Portfolio on a Valuation Day on which a Market Disruption Event is occurring and (ii) determining the amount payable under the Swap Agreement in such circumstances and the likely postponement of the scheduled valuation date under the Swap Agreement if a Market Disruption Event is occurring in respect of a Contract Expiration underlying a Component on such scheduled valuation date, the net weekly payment due to the Portfolio under the Swap Agreement may not precisely match the return the Portfolio may pay or receive in respect of any subscription, redemption and/or conversion application effected based on the Disrupted Value of the Swap Agreement for such relevant Valuation Day. The Trading Net Asset Value which uses the Disrupted Value of the Swap Agreement for such Valuation Day affected by a Market Disruption Event will however be final, and will not be recalculated by the Umbrella Fund Administrator in case that the B223 Strategy Tradable Value, as calculated to determine the Disrupted Value of the Swap Agreement on which the Trading Net Asset Value was based for processing any subscription, conversion and/or redemption on the relevant Valuation Day, does not match

the B223 Strategy Tradable Value determined for the purpose of determining the amount payable under the Swap Agreement.

Potential and current investors in the Portfolio are therefore made aware that they may end up subscribing for Shares, and/or converting or redeeming their Shares on a Valuation Day affected by a Market Disruption Event, and that the Trading Net Asset Value of the Portfolio (that will be used to process such subscription, conversion and/or redemption applications) will use the Disrupted Value of the Swap Agreement. Such subscribing, converting and/or redeeming investors may therefore be advantaged or disadvantaged, as the case may be, in the event that the Valuation Day relating to their subscription, conversion and/or redemption requests is affected by any Market Disruption Event.

Investors are also made aware that the aforementioned mismatch will not be compensated, meaning that the Portfolio may potentially incur a loss or a profit, as the case may be, as a result of using the Disrupted Value of the Swap Agreement which may in turn have a negative or positive impact on any subsequent Net Asset Value of the Portfolio and the investors who continue to be invested in the Portfolio.

### **Changes in the composition of the DJ-UBSCI<sup>SM</sup>**

Each of the Components of the B223 Excess Return Strategy invest in strategies (i.e. the Alpha Basket and the Beta Strategy) which are based on the DJ-UBSCI<sup>SM</sup>. The composition of the DJ-UBSCI<sup>SM</sup> may change over time, as additional contracts satisfy the eligibility criteria of the DJ-UBSCI<sup>SM</sup> or contracts currently included in the DJ-UBSCI<sup>SM</sup> fail to satisfy such criteria or cease trading. Any such change could impact the composition of the strategies underlying the Components of the B223 Excess Return Strategy. A number of modifications to the methodology for determining the contracts to be included in the DJ-UBSCI<sup>SM</sup> and for valuing the DJ-UBSCI<sup>SM</sup>, have been made in the past several years and further modifications may be made in the future. It is likely that any such change to the composition or methodology of the DJ-UBSCI<sup>SM</sup> will be reflected by the Calculation Agent in strategies underlying the Components of the B223 Excess Return Strategy however if the Calculation Agent determines that making such change or modification would materially alter the nature of the B223 Excess Return Strategy, it may exercise certain discretions with respect to the B223 Excess Return Strategy relating to such change to the DJ-UBSCI<sup>SM</sup> (as more fully described in Section B.4 (*Adjustment Events*) above). In the event that the Calculation Agent exercises such discretion in accordance with the provisions as set forth herein and does not implement the change made to the DJ-UBSCI<sup>SM</sup> with respect to the B223 Excess Return Strategy, the returns on the B223 Excess Return Strategy may deviate, and may deviate significantly, from the returns that would have been obtained had the Calculation Agent implemented such change with respect to the strategies underlying the Components of the B223 Excess Return Strategy. Accordingly, the performance of the B223 Excess Return Strategy may be adversely affected as a result of the exercise by the Calculation Agent of its discretion in this regard.

### **The B223 Excess Return Strategy has a limited operating history and may perform in unanticipated ways**

The B223 Excess Return Strategy has been in operation since 14 July 2010. As the B223 Excess Return Strategy is relatively new and limited historical performance data exists with respect to the B223 Excess Return Strategy, an investment linked to returns generated by the B223 Excess Return Strategy may involve greater risk than an investment linked to returns generated by an investment strategy with a proven track record. Whilst a longer history of actual performance could provide more reliable information on which to assess the validity of the B223 Excess Return Strategy and on which to base an investment decision, the fact that the B223 Excess Return Strategy is relatively new does not allow this. There can be no guarantee or assurance that the B223 Excess Return Strategy will operate in a manner consistent with the data available.

### **The B223 Excess Return Strategy is not actively managed**

The B223 Excess Return Strategy seeks to generate returns from the performance of its Components and the strategies (i.e. the Alpha Basket and the Beta Strategy) in which its Components may participate from time to time are selected algorithmically each month based on a signal generated by such algorithm (i.e. the lookback signal as explained in Section A.3 above (*Information about the Components of the B223 Excess Return Strategy*)). Accordingly, there will be no active management of the B223 Excess Return Strategy so as to enhance returns beyond those embedded in the Component algorithms. Market participants often adjust their investment promptly in view of market, political, financial or other factors. An actively managed investment may potentially respond more directly and appropriately to immediate market, political, financial or other factors than a non-actively managed strategy such as the B223 Excess Return Strategy. No assurance can be given that the B223 Excess Return Strategy will replicate or outperform a comparable



strategy which is actively managed and therefore the return on the B223 Excess Return Strategy may be lower than the return on an actively managed strategy.

The B223 Excess Return Strategy is operated by the Basket Sponsor according to algorithms operating within pre-determined rules as described herein. Accordingly, the B223 Excess Return Strategy and its underlying investments will not provide any form of managed exposure. Operation of the algorithms may result in negative performance including returns that deviate materially from historical performance, both actual and pro-forma, and in such circumstances there will not be any form of active management to amend the algorithms or otherwise attempt to mitigate loss. The aforementioned potential consequences of the absence of active management within the B223 Excess Return Strategy could be further exacerbated during abnormal market conditions that may not have been taken into account in the construction of the algorithms.

**Any back-testing or similar analysis in respect of the B223 Excess Return Strategy must be considered illustrative only and may be based on estimates or assumptions not used by Goldman, Sachs & Co., as Basket Sponsor, when determining the B223 Excess Return Strategy**

Certain presentations and back-testing or other statistical analysis materials that may have been provided for information in connection with explanations of the mechanics and/or potential returns of the B223 Excess Return Strategy use simulated analysis and hypothetical circumstances to estimate how the B223 Excess Return Strategy may have performed prior to its actual existence. Goldman, Sachs & Co., as Basket Sponsor, provides no assurance or guarantee that the B223 Excess Return Strategy will operate, or would have operated in the past, in a manner consistent with those materials. As such, any historical returns projected in such materials, or any hypothetical simulations based on such analysis, provided in relation to the B223 Excess Return Strategy may not reflect the performance of, and are no guarantee or assurance in respect of the performance or returns of, the B223 Excess Return Strategy.

**The B223 Excess Return Strategy may perform poorly during periods characterized by short-term volatility**

The B223 Excess Return Strategy is designed to be effective at identifying the current market direction in trending markets. However, in non-trending, sideways markets, the B223 Excess Return Strategy may be subject to “whipsaws.” A whipsaw occurs when the market reverses and does the opposite of what is indicated by the algorithm, resulting in a trading loss during the particular period. Consequently, the B223 Excess Return Strategy may perform poorly in non-trending, “choppy” markets characterized by short-term volatility.

**No assurance can be given that the B223 Excess Return Strategy will produce “absolute returns”**

Alternative investments such as the B223 Excess Return Strategy may often be purchased on the basis of their potential to produce “absolute returns”, or returns independent of the overall direction of the commodity markets. However, there can be no assurance that the B223 Excess Return Strategy will actually be successful at producing consistently positive returns or returns independent of the overall direction of commodity markets, nor does the Basket Sponsor nor the Investment Administrator make any representation or warranty, express or implied, that the B223 Excess Return Strategy will do so in the future.

**The Components included in the B223 Excess Return Strategy reflect excess returns, not total returns**

The Components included in the B223 Excess Return Strategy reflect the returns that are potentially available through an unleveraged investment in contracts underlying those Components. The Components included in the B223 Excess Return Strategy are not, however, linked to a “total return” index or strategy which, in addition to reflecting those excess returns, would also reflect interest that could be earned on funds committed to the trading of the contracts underlying each such Component. The return on the B223 Excess Return Strategy will therefore not include such a total return feature or interest component however through the repurchase transaction under the Repurchase Agreement an interest component shall be generated.

#### **Particularities of the Swap Agreement and of the Repurchase Agreement**

The Investment Administrator will on behalf of the Portfolio enter into the Swap Agreement and the Repurchase Agreement. The notional amounts of the swap transaction under the Swap Agreement and the repurchase transaction under the Repurchase Agreement will be adjusted to reflect new subscriptions, conversions and redemptions.

Dividends earned on the eligible securities and cash (if any) held under the Repurchase Agreement will be paid by the Portfolio to the counterparty to the Repurchase Agreement. The collateral received by the Portfolio will be held for its benefit by the Custodian. The Umbrella Fund for the account of the Portfolio will at all times remain the legal and beneficial owner of the collateralized eligible securities and cash (if any) kept by the Custodian.

The portion of the collateral relating to the Repurchase Agreement will be adjusted daily in order to reflect current market values.

The swap transaction under the Swap Agreement will be an excess return swap on the B223 Excess Return Strategy. The notional amounts of the swap transaction under the Swap Agreement will be an amount in US Dollars which will be approximately equivalent to the value of the Portfolio in Euros. In addition, the Swap Agreement will be reset on a weekly basis. On each such weekly reset date, the Portfolio will be able to increase or decrease the notional amounts of the swap transaction under the Swap Agreement. Under the terms of the Swap Agreement, the Portfolio will be required to make periodic payments to Goldman Sachs International, as swap counterparty, if the performance of the B223 Excess Return Strategy is negative and Goldman Sachs International will be obligated to make periodic payments to the Portfolio if the performance of the B223 Excess Return Strategy is positive, in each case multiplied by the notional amounts of the swap transaction under the Swap Agreement. The performance of the B223 Excess Return Strategy will be determined by reference to the B223 Strategy Tradable Value as determined for the relevant valuation date.

The Swap Agreement will include a stop/loss mechanism which will operate such that the Swap Agreement will terminate prior to the scheduled termination date (the "**Scheduled Termination Date**") should the B223 Strategy Tradable Value on any Basket Calculation Day (the "**Stop Loss Date**"), be equal to or below 50% of the B223 Strategy Tradable Value as of the initial subscription day in respect of the Portfolio. In such case, the Swap Agreement will terminate on the Stop Loss Date rather than the Scheduled Termination Date and the settlement amount under the Swap Agreement will be determined on the basis of the B223 Strategy Tradable Value for the next Basket Calculation Day following such Stop Loss Date subject to any adjustment for any Non-Tradable Event in respect of the B223 Excess Return Strategy or for any scheduled closure of a trading facility on which any contract underlying a Component included in the B223 Excess Return Strategy is traded.

The Swap Agreement will be documented on an International Swaps and Derivatives Association, Inc. Master Agreement and will include the standard and customary termination provisions under that Master Agreement as well as additional termination events that are specific to the Portfolio, if any. In particular, the Swap Agreement may be terminated by Goldman Sachs International, as counterparty of the Portfolio to the Swap Agreement, in case that, as a result of existing, announced or new legal or regulatory framework, or any interpretation thereof by an authority with competent jurisdiction, (i) Goldman Sachs International is unable to hedge the Swap Agreement, or (ii) Goldman Sachs International incurs additional costs to carry out such hedging (each such event being a "**Hedging Disruption Early Unwind Event**"). The full definition of Hedging Disruption Early Unwind Event is further detailed in the Swap Agreement. In addition, the Swap Agreement will provide that, in the event of certain Non-Tradable Events as defined above in Section B.2 (Definitions) with respect to the Contract Expirations underlying the Components included in the B223 Excess Return Strategy, payments due to the swap transaction under the Swap Agreement may be delayed and/or the Tradable Level of a Component affected by a Non-Tradable Event may be determined in an alternative manner by the Calculation Agent as outlined in the definition of "First Tradable Date" in Section B.2 (Definitions) above. In any event, Non-Tradable Event and its consequences as contained in the Swap Agreement will mirror those set out in this Supplement. For further information on the content of the Swap Agreement, investors may obtain, free of charge, on request, a copy of the Swap Agreement.

The Repurchase Agreement and Swap Agreement will be valued in accordance with industry standards based upon prices from the Repurchase Agreement and Swap Agreement's counterparties under the overall control and supervision of the Umbrella Fund Administrator and the Management Company under applicable law. In reaching pricing determinations for the Swap Agreement, the following factors will be considered, amongst others: the strike price, the market risk free interest rate, the B223 Strategy Tradable Value and the remaining period until the maturity of the Swap Agreement. Goldman Sachs International approved valuation and pricing models will be used for the valuation of the Swap Agreement. Such valuation method will be used on a consistent basis. In case of subscription, redemption or conversion of Shares, the notional amounts of the swap transaction under the Swap Agreement and the repurchase transaction under the Repurchase Agreement will be adjusted by the Repurchase Agreement and Swap Agreement's

counterparties. Auditors of the Umbrella Fund will verify the valuation of the Swap Agreement and the Repurchase Agreement for each adjustment.

The returns generated to the Portfolio under the Repurchase Agreement are at the following rate: Effective Federal Funds rate plus/minus spread.

The Swap Agreement sets out the consequences of certain events which may impact investors in the Portfolio:

#### *Manifest Error in Publication*

If the B223 Strategy Tradable Value used for the making of any determination under the Swap Agreement is corrected to remedy a material error in its original publication whether following a correction as contemplated by Section B.4 (*Adjustment Events*) (iv) above or otherwise, the Calculation Agent under the Swap Agreement will notify the Umbrella Fund and the Swap Counterparty of such correction; and (a) the Calculation Agent under the Swap Agreement will determine and notify the Umbrella Fund and the Swap Counterparty of the amount that is payable by the Umbrella Fund or the Swap Counterparty as a result of that correction as an adjustment payment to previous amounts paid for the swap transaction under the Swap Agreement; and (b) the Calculation Agent under the Swap Agreement will adjust the terms of the Swap Agreement to account for such correction. Following any such adjustment the Board of Directors of the Umbrella Fund shall consider whether any adjustments are necessary to the terms of the Shares.

Where, as the result of a miscalculation of the Net Asset Value per Share of any class, including as a result of an error in publication of the B223 Excess Return Strategy or the levels of any of its Components, a Shareholder has received a payment or Shares in excess of the correct value, the beneficial holder, upon determination on behalf of the Umbrella Fund of the correct Net Asset Value of such Shares (a) agrees to repay or surrender such excess value to the Umbrella Fund and (b) in cases where excess Shares have been issued as a result of such error the Shareholder authorizes the Umbrella Fund to cancel or redeem such Shares in order to correct such error and effect such repayment.

#### *Strategy Substitution*

If at any time notwithstanding the Section B.4 (*Adjustment Events*) provisions any of the following events occur and the Calculation Agent of the Swap Agreement determines that such events have a material effect on the Portfolio and the ability to issue, convert and/or redeem Shares in the Portfolio: (i) the level of B223 Excess Return Strategy is not published for a period of 15 Basket Calculation Days; or (ii) the Strategy Sponsor discontinues the calculation and publication of the B223 Excess Return Strategy; or (iii) the Strategy Sponsor materially changes the formula for or the method of calculating the B223 Excess Return Strategy or the nature of the Components underlying the B223 Excess Return Strategy or in any other way materially modifies the B223 Excess Return Strategy, then the Calculation Agent under the Swap Agreement may decide, by giving not less than 15 calendar days' notice, to designate a date (the "Substitution Date"), by which date the Umbrella Fund and the Swap Counterparty shall agree on a substitute strategy (any strategy so identified by the parties, a "Substitute Strategy" in relation to such B223 Excess Return Strategy).

Following identification of a Substitute Strategy, the Calculation Agent under the Swap Agreement shall, following consultation in good faith with the Umbrella Fund and the Swap Counterparty, as of the Substitution Date make adjustments to the past levels of the Substitute Strategy so that the Substitute Strategy reflects the same historical performance as the B223 Excess Return Strategy or otherwise make adjustments such that, as of the Substitution Date, the value of the closing level of the B223 Excess Return Strategy shall be reflected in the opening level of the Substitute Strategy.

Any such substitution shall not affect any prior payments made under the Swap Agreement or to investors. Shareholders will be notified of any Substitute Strategy and so to redeem their shares should they disagree with the contemplated change.

If the Calculation Agent under the Swap Agreement and the Umbrella Fund are unable to identify a suitable Substitute Strategy and suitable modifications to that strategy, the Swap Agreement will terminate and the Board of Directors of the Umbrella Fund shall consider whether to dissolve the Portfolio and liquidate the assets thereof in accordance with the provisions of the Prospectus.

#### *Termination of the Swap Agreement in the event of a prolonged Non-Tradable Event*

In the event of a prolonged Non-Tradable Event which the Calculation Agent of the Swap Agreement (acting in conjunction with Umbrella Fund and the Swap Counterparty) believes materially affects the Umbrella

Fund's ability to issue, convert and/or redeem Shares of any class, the Swap Agreement will be terminated. If no suitable Substitute Strategy can be determined in a reasonable time period by the Calculation Agent using its discretion, the Portfolio will be liquidated and the investors will receive *pro-rata* redemption amounts.

## Characteristics

### Available Share classes

Class "C" Shares: class of Shares dedicated to Institutional Investors;  
 Class "C (EUR Hedged)" Shares: class of Shares dedicated to Institutional Investors;  
 Class "C (AUD Hedged)" Shares: class of Shares dedicated to Institutional Investors;  
 Class "C (CHF Hedged)" Shares: class of Shares dedicated to Institutional Investors;  
 Class "C (GBP Hedged)" Shares: class of Shares dedicated to Institutional Investors;  
 Class "I" Shares: class of Shares dedicated to Institutional Investors;  
 Class "I (EUR Hedged)" Shares: class of Shares dedicated to Institutional Investors;  
 Class "I (AUD Hedged)" Shares: class of Shares dedicated to Institutional Investors;  
 Class "I (CHF Hedged)" Shares: class of Shares dedicated to Institutional Investors;  
 Class "I (GBP Hedged)" Shares: class of Shares dedicated to Institutional Investors.

### Characteristics of the Share classes available in the Portfolio

Share Class	Pricing Currency	Dividend Policy	ISIN Codes	Listing on the Luxembourg stock exchange
C	USD	Accumulation	LU0436058019	None
C (EUR Hedged)	EUR	Accumulation	LU0436058100	None
C (AUD Hedged)	AUD	Accumulation	LU0436058282	None
C (CHF Hedged)	CHF	Accumulation	LU0459238357	None
C (GBP Hedged)	GBP	Accumulation	LU0479334046	None
I	USD	Accumulation	LU0436058365	None
I (EUR Hedged)	EUR	Accumulation	LU0436058449	None
I (AUD Hedged)	AUD	Accumulation	LU0436058522	None
I (CHF Hedged)	CHF	Accumulation	LU0459238274	None
I (GBP Hedged)	GBP	Accumulation	LU0479331885	None

Share Class	Maximum Sales Charge	Deferred Sales Charge*	Investment Administrator Fee	Minimum Subsequent Investment	Minimum Holding and Initial Investment
C	5%	5%	0.30% p.a.	USD 1,000	USD 1,000,000

Share Class	Maximum Sales Charge	Deferred Sales Charge*	Investment Administrator Fee	Minimum Subsequent Investment	Minimum Holding and Initial Investment
C (EUR Hedged)	5%	5%	0.30% p.a.	EUR 1,000	EUR 1,000,000
C (AUD Hedged)	5%	5%	0.30% p.a.	AUD 1,000	AUD 1,000,000
C (CHF Hedged)	5%	5%	0.30% p.a.	CHF 1,000	CHF 1,000,000
C (GBP Hedged)	5%	5%	0.30% p.a.	GBP 1,000	GBP 1,000,000
I	5%	5%	1.00% p.a.	USD 1,000	USD 150,000
I (EUR Hedged)	5%	5%	1.00% p.a.	EUR 1,000	EUR 150,000
I (AUD Hedged)	5%	5%	1.00% p.a.	AUD 1,000	AUD 150,000
I (CHF Hedged)	5%	5%	1.00% p.a.	CHF 1,000	CHF 150,000
I (GBP Hedged)	5%	5%	1.00% p.a.	GBP 1,000	GBP 150,000

\* A deferred sales charge may be imposed if Shareholders redeem Shares within a specific period of time for the Portfolio. Redemption of Shares within the Portfolio will be subject to a deferred sales charge equal to 5% if redemptions occur within the first seven years.

On any Business Day the Directors may determine to apply an alternative valuation methodology (to include such reasonable factors as they see fit) to the net asset value per Share. This method of valuation is intended to pass the estimated costs of underlying investment activity of the Umbrella Fund to the active Shareholders by adjusting the net asset value of the relevant Share and thus to protect the Umbrella Fund's long-term Shareholders from costs associated with ongoing subscription and redemption activity.

This alternative valuation methodology may take account of trading spreads on the Umbrella Fund's investments, the value of any duties and charges incurred as a result of trading and includes an allowance for market impact. It is envisaged that in the ordinary course any valuation adjustment will not exceed 5% of the net asset value of the Shares being redeemed or subscribed.

Where the Directors, based on the prevailing market conditions and the level of subscriptions or redemptions requested by Shareholders or potential Shareholders in relation to the size of the relevant Portfolio, have determined for a particular Portfolio to apply an alternative valuation methodology, the Portfolio may be valued either on at bid or offer basis (which would include the factors referenced in the preceding paragraph).

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

Further detail on fees, charges and expenses, including other fees that are attributable to the Shares of the Umbrella Fund, can be found in the Prospectus. Investors should note that the Fees and Expenses referred to under items I. Expenses and II. Fees of the section "Expenses, Fees and Costs" of the Prospectus attributable to each class of Share of the Portfolio (except fees payable to the Investment Administrator) are capped to 0,165% of the average net asset value of the Portfolio attributable to the relevant class of Shares. The Promoter of the Umbrella Fund will bear any fees and expenses that exceed this fee cap.

### **Subscriptions, Conversions and Redemptions in the Portfolio: Pricing and Settlement**

Valuation Day	Subscription/Conversion/ Redemption Date and Cut-Off Time	Settlement Date
Every Business Day *	Subscription, Redemption and Conversion within the Portfolio and into another Portfolio	Valuation Day + 3 Local Business Days**
	Every Luxembourg and London business day before 4 p.m. CET Luxembourg time prior to the relevant Valuation Day	

\* Any day (1) on which banks are open for normal banking business in Luxembourg and London, (2) which is a Basket Calculation Day for the purposes of the B223 Strategy Tradable Value, and (3) on which a Non-Tradable Event other than a Market Disruption Event does not arise (each such capitalised term in subsections (2) and (3) shall have the meaning given to it in the Section B (*Determination of B223 Strategy Closing Value and B223 Strategy Tradable Value*) above).

\*\* Day on which commercial banks are open for business in Luxembourg, London and in the principal financial centers of the currencies of payment for the relevant Share class and the Base Currency of the Portfolio.

Subscription proceeds must be paid within three Local Business Days from the relevant Valuation Day. Redemptions proceeds are normally paid within three Local Business Days from the relevant Valuation Day. The Umbrella Fund or the Management Company are not responsible for any delays or charges incurred at any receiving bank or settlement system. If, in specific circumstances and for whatever reason, redemption proceeds cannot be paid within three Local Business Days from the relevant Valuation Day, the payment will be made as soon as reasonably practicable thereafter. Investors should therefore contact their local paying agent to know the exact timeframe applicable to the settlement of their redemptions proceeds.

Investors in the Portfolio are made aware that they will be bound by any subscription, conversion and/or redemption order sent on any Luxembourg and London business day, notwithstanding the fact that such day is not a Valuation Day. In addition if the next available Valuation Day is affected by a Market Disruption Event in respect of the B223 Excess Return Strategy such subscription, conversion and/or redemption order sent on that previous Local Business Day shall be processed on such next available Valuation Day even if affected by any such Market Disruption Event (for the definition of Market Disruption Event, refer to Section B.2 (*Definitions*) above).

If the Calculation Agent determines that a Market Disruption Event has occurred on any scheduled Valuation Day, the Net Asset Value for such scheduled Valuation Day shall continue to be calculated by the Umbrella Fund Administrator but using the Disrupted Value of the Swap Agreement which will be based on the B223 Strategy Tradable Value determined by the Calculation Agent of the B223 Excess Return Strategy using estimates for the Tradable Contract Prices of those Contract Expirations included in the B223 Excess Return Strategy affected by a Market Disruption Event. Accordingly, there will be no postponement of any subscription, conversion and/or redemption scheduled for such Valuation Day on which a Market Disruption Event is occurring with respect to the B223 Excess Return Strategy. For further information as regards the impact of Market Disruption Events on Valuation Days, refer to the section entitled “*Subscriptions, Conversions and/or Redemptions in the Portfolio and Market Disruption Events*” above.

A Net Asset Value may be calculated on days different from the Valuation Days. Any such Net Asset Value published on non-Valuation Days will be (i) indicative only and made available solely for information purposes on the Bloomberg pages as set out below; and (ii) based on previously available net asset values with adjustments made for the expense accrual. Accordingly, Net Asset Values for the Portfolio calculated and published on non-Valuation Days will not be used by the Umbrella Fund Administrator to effect any such subscription, redemption and/or conversion.

### **Bloomberg Tickers**

Class C	GSBETAC LX
Class C (EUR Hedged)	GSBECUR LX
Class C (AUD Hedged)	GSBECAU LX
Class C (CHF Hedged)	GSBECSF LX
Class C (GBP Hedged)	GSBECGB LX
Class I	GSBETAI LX

Class I (EUR Hedged)	GSBEIUR LX
Class I (AUD Hedged)	GSBIAUD LX
Class I (CHF Hedged)	GSBEISF LX
Class I (GBP Hedged)	GSBEIGB LX

### **Subscriptions in Kind**

The Umbrella Fund may in its discretion accept payment for subscriptions in the Portfolio in the form of securities and other instruments, provided that such securities or instruments comply with the investment objectives and policies of the Portfolio and are in compliance with the conditions set forth by Luxembourg law, in particular, the obligation to deliver a valuation report from the Umbrella Fund's Auditors (*réviseur d'entreprises agréé*) which shall be available for inspection. Any costs incurred in connection with a contribution in kind of securities or other instruments shall be borne by the relevant Shareholders. Subscriptions in kind will have to be previously and expressly authorized by the Board of Directors of the Umbrella Fund or its duly appointed delegate.

### **Redemptions in Kind**

Notwithstanding anything to the contrary in the Prospectus, no Share may be redeemed in kind and the Umbrella Fund will not accept any requests for redemption in kind.

### **Base Currency of the Portfolio**

USD

### **Investment Administrator of the Portfolio**

Goldman Sachs International

### **Dividend Policy**

The Portfolio does not intend to pay dividends. Income earned by the Portfolio will be reinvested.

### **Targeted Investors**

The Portfolio is dedicated to Institutional Investors wishing to participate in the returns of the B223 Excess Return Strategy.

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This Supplement relates only to the Portfolio and does not relate to the exchange-traded physical commodities underlying any of the Dow Jones-UBS Commodity Index<sup>SM</sup> components. Purchasers of the Portfolio should not conclude that the inclusion of a futures contract in the Dow Jones-UBS Commodity Index<sup>SM</sup> is any form of investment recommendation of the futures contract or the underlying exchange-traded physical commodity by Dow Jones, UBS, UBS Securities or any of their subsidiaries or affiliates. The information in this Supplement regarding the Dow Jones-UBS Commodity Index<sup>SM</sup> components has been derived solely from publicly available documents. None of Dow Jones, UBS, UBS Securities or any of their subsidiaries or affiliates has made any due diligence inquiries with respect to the Dow Jones-UBS Commodity Index<sup>SM</sup> components in connection with the Portfolio. None of Dow Jones, UBS, UBS Securities or any of their subsidiaries or affiliates makes any representation that these publicly available documents or any other publicly available information regarding the Dow Jones-UBS Commodity Index<sup>SM</sup> components, including without limitation a description of factors that affect the prices of such components, are accurate or complete.

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## Appendix B223A

### **Description of the Alpha-Beta B223A Switching Strategy (B223A)**

The Alpha-Beta B223A Switching Strategy shall be calculated in accordance with methodology defined in Section B of this Supplement, however, with the following modifications for the purposes of calculating this particular Alpha-Beta B223A Switching Strategy:

For the purposes of determining the Basket Closing Value and Basket Tradable Value in respect of the B223A, the following terms shall be substituted for the corresponding terms as set out in Section B.2 (*Definitions*) and B.3 (*The Basket Table and other Basket Variables*) of this Supplement:

(a) in respect of Section B.2:

**“Basket”** means the Alpha-Beta B223A Switching Strategy that seeks to replicate the performance of an investment in the Components according to their Single-Day Component Weights as determined on each Rebalancing Date, as more fully described in Section A.3 (*Information about the Components of the B223 Excess Return Strategy*).

(b) For the purposes Sections B.1 and B.2 above, the following terms as currently set out in Section B.3 shall in relation to the B223 Excess Return Strategy have the following meanings in respect of the Alpha-Beta B223A Switching Strategy:

(i) The "Basket Table" defined in Section B.3 of the Supplement shall be substituted as follows :

**Basket Table B223A**

n	Component	Single-Day Component Weight if ( $Z_n(d_r)$ )	
		Lookback (dr) >1	Lookback(dr) ≤1
0	Alpha Basket B142 Excess Return Strategy ("B142 Excess Return Strategy")	0%	100%
	<b>Beta Strategy</b>		
1	Goldman Sachs Dow Jones-UBS Commodity Excess Return E95 Strategy	100%	0%

Where the Alpha Basket B142 Excess Return Strategy is as described in **Sub-Appendix B142**; and the Goldman Sachs Dow Jones-UBS Commodity Excess Return E95 Strategy is as described in **Sub-Appendix E95**.

(ii) **“Maximum Roll Period Length”** means five (5) Trading Days.

(iii) **“Rebalancing Date”** means the first Basket Calculation Day (d) of each month, or if such day is not a Trading Day, the immediately following Trading Day.

(iv) **Determination of the Single-day Component Weight ( $Z_n(d_r)$ ) for the Components of the Alpha-Beta B223A Switching Strategy:**

The Single-day Component Weights, (also expressed as " $Z_0(d_r)$ " and " $Z_1(d_r)$ " respectively) correspond to Components 0 and 1 respectively in the Basket Table above. They shall be valued at **0% and 100%**, respectively. Thereafter, the Single-day Component Weights for any Rebalancing Date ( $d_r$ ) will be set to **0% and 100%** respectively if the Lookback Average Performance ( $L_{avg}(d_d(d_r))$ ) on the Relevant Decision Date ( $d_d(d_r)$ ) for such Rebalancing Date ( $d_r$ ) is greater than one (1). Otherwise they will be set to 100% and 0% respectively.

**“Lookback Average Performance”** (also expressed as  $L_{avg}(d_d(d_r))$ ) means the average of the value of the Performance of Component 1 from the Basket Calculation Day  $d_{d-a}^{6m}$  to Basket Calculation Day  $d_{d-a}$  over the 5 consecutive Basket Calculation Days up to, and including, the Relevant Decision Date ( $d_d(d_r)$ ) and shall be determined in accordance with the following formula:

$$L_{avg}(d_d(d_r)) = \frac{1}{5} \times \sum_{a=0}^4 P(I_1, d_{d-a}, d_{d-a}^{6m})$$

**“Relevant Decision Date ( $d_d(d_r)$ )”** means the Basket Calculation Day immediately preceding such Rebalancing Date ( $d_r$ ).

**“ $d_{d-a}$ ”** means in respect of any Relevant Decision Date ( $d_d$ ), the  $a^{th}$  Basket Calculation Day immediately preceding such Relevant Decision Date. For the avoidance of doubt if the “a” is zero, then  $d_{d-a}$  shall be such Relevant Decision Date.

**“ $d_{d-a}^{6m}$ ”** means in respect of any Basket Calculation Day ( $d_{d-a}$ ), the day falling six (6) months before such Basket Calculation Day ( $d_{d-a}$ ) provided that (a) if such day is not a Basket Calculation Day, the immediately following day that is a Basket Calculation Day shall be the  $d_{d-a}^{6m}$  unless that day falls in the next calendar month, in which case that  $d_{d-a}^{6m}$  will be the first preceding day that is a Basket Calculation Day, or (b) if such Basket Calculation Day ( $d_{d-a}$ ) falls on the last day of the relevant calendar month, then regardless of the relevant date on which such  $d_{d-a}^{6m}$  would otherwise fall, an adjustment will be made such that  $d_{d-a}^{6m}$  shall fall on the last calendar day of the relevant calendar month.

**“ $P(I_1, d_{d-a}, d_{d-a}^{6m})$ ”** means the Performance of Component 1 from the Basket Calculation Day ( $d_{d-a}$ ) to the Basket Calculation Day ( $d_{d-a}^{6m}$ ).

## **Appendix B223B**

### **Description of the Alpha-Beta B223B Switching Strategy**

The Alpha-Beta B223B Switching Strategy shall be calculated in accordance with methodology defined in Section B of the Supplement, however, with the following modifications for the purposes of calculating this particular Alpha-Beta B223B Switching Strategy:

For the purposes of determining the Basket Closing Value and Basket Tradable Value in respect of the Alpha-Beta B223B Switching Strategy, the following terms shall be substituted for the corresponding terms as set out in Section B.2 (*Definitions*) and B.3 (*The Basket Table and other Basket Variables*) of this Supplement:

(a) in respect of Section B.2:

**“Basket”** means the Alpha-Beta B223B Switching Strategy that seeks to replicate the performance of an investment in the Components according to their Single-Day Component Weights as determined on each Rebalancing Date, as more fully described in Section A.3 (*Information about the Components of the B223 Excess Return Strategy*).

(b) For the purposes Sections B.1 and B.2 above, the following terms as currently set out in Section B.3 shall in relation to the B223 Excess Return Strategy have the following meanings in respect of the Alpha-Beta B223B Switching Strategy:

(c) :

(i) The "Basket Table" defined in Section B.3 of the Supplement shall be as follows :

**Basket Table B223B**

n	Component	Single-Day Component Weight if ( $Z_n(d_r)$ )	
		Lookback (dr) >1	Lookback(dr) ≤1
0	Alpha Basket Alpha Basket B142 Excess Return Strategy ("B142 Excess Return Strategy")	0%	100%
1	Beta Strategy Goldman Sachs Dow Jones-UBS Commodity Excess Return E95 Strategy	100%	0%

Where the Alpha Basket B142 Excess Return Strategy is as described in **Sub-Appendix B142**; and the Goldman Sachs Dow Jones-UBS Commodity Excess Return E95 Strategy is as described in **Sub-Appendix E95**.

- (ii) **"Maximum Roll Period Length"** means five (5) Trading Days.
- (iii) **"Rebalancing Date"** means the first Basket Calculation Day (d) of each month, or if such day is not a Trading Day, the immediately following Trading Day.
- (iv) **"Determination of the Single-day Component Weight ( $Z_n(d_r)$ ) for the Components of the Alpha-Beta B223B Switching Strategy:**

The Single-day Component Weights, (also expressed as " $Z_0(d_r)$ " and " $Z_1(d_r)$ " respectively) correspond to Components 0 and 1 respectively in the Basket Table above. They shall be valued at **0% and 100%**, respectively. Thereafter, the Single-day Component Weights for any Rebalancing Date ( $d_r$ ) will be set to **0% and 100%** respectively if the Lookback Average Performance ( $L_{avg}(d_d(d_r))$ ) on the Relevant Decision Date ( $d_d(d_r)$ ) for such Rebalancing Date ( $d_r$ ) is greater than one (1). Otherwise they will be set to 100% and 0% respectively.

**"Lookback Average Performance"** (also expressed as " $L_{avg}(d_d(d_r))$ ") means the average of the value of the Performance of Component 1 from the Basket Calculation Day  $d_{d-a}^{5m}$  to Basket Calculation Day  $d_{d-a}$  over the 5 consecutive Basket Calculation Days up to, and including, the Relevant Decision Date ( $d_d(d_r)$ ) and shall be determined in accordance with the following formula:

$$L_{avg}(d_d(d_r)) = \frac{1}{5} \times \sum_{a=0}^4 P(I_1, d_{d-a}, d_{d-a}^{5m})$$

**"Relevant Decision Date ( $d_d(d_r)$ )"** means the Basket Calculation Day immediately preceding such Rebalancing Date ( $d_r$ ).

**" $d_{d-a}$ "** means in respect of any Relevant Decision Date ( $d_d$ ), the  $a^{th}$  Basket Calculation Day immediately preceding such Relevant Decision Date. For the avoidance of doubt if the "a" is zero, then  $d_{d-a}$  shall be such Relevant Decision Date.

**" $d_{d-a}^{5m}$ "** means in respect of any Basket Calculation Day ( $d_{d-a}$ ), the day falling five (5) months before such Basket Calculation Day ( $d_{d-a}$ ) provided that (a) if such day is not a Basket Calculation Day, the immediately following day that is a Basket Calculation Day shall be the  $d_{d-a}^{5m}$  unless that day falls in the next calendar month, in which case that  $d_{d-a}^{5m}$  will be the first preceding day that is a Basket Calculation Day, or (b) if such Basket Calculation Day ( $d_{d-a}$ ) falls on the last day of the relevant calendar month, then regardless of the relevant date on which such  $d_{d-a}^{5m}$  would otherwise fall, an adjustment will be made such that  $d_{d-a}^{5m}$  shall fall on the last calendar day of the relevant calendar month.

**" $P(I_1, d_{d-a}, d_{d-a}^{5m})$ "** means the Performance of Component 1 from the Basket Calculation Day ( $d_{d-a}$ ) to the Basket Calculation Day ( $d_{d-a}^{5m}$ ).

## Appendix B223C

### **Description of the Alpha-Beta B223C Switching Strategy**

The Alpha-Beta B223C Switching Strategy shall be calculated in accordance with methodology defined in Section B of the Supplement, however, with the following modifications for the purposes of calculating this particular Alpha-Beta B223C Switching Strategy:

For the purposes of determining the Basket Closing Value and Basket Tradable Value in respect of the Alpha-Beta B223C Switching Strategy, the following terms shall be substituted for the corresponding terms as set out in Section B.2 (*Definitions*) and B.3 (*The Basket Table and other Basket Variables*) of this Supplement:

(a) in respect of Section B.2:

**“Basket”** means the Alpha-Beta B223C Switching Strategy that seeks to replicate the performance of an investment in the Components according to their Single-Day Component Weights as determined on each Rebalancing Date, as more fully described in Section A.3 (*Information about the Components of the B223 Excess Return Strategy*).

(c) For the purposes Sections B.1 and B.2 above, the following terms as currently set out in Section B.3 shall in relation to the B223 Excess Return Strategy have the following meanings in respect of the Alpha-Beta B223C Switching Strategy:

(i) The "Basket Table" defined in Section B.3 of the Supplement shall be as follows:

**Basket Table B223C**

n	Component	Single-Day Component Weight if ( $Z_n(d_r)$ )	
		Lookback (dr) >1	Lookback(dr) ≤1
0	Alpha Basket B142 Excess Return Strategy ("B142 Excess Return Strategy")	0%	100%
1	Beta Strategy Goldman Sachs Dow Jones-UBS Commodity Excess Return E95 Strategy	100%	0%

Where the Alpha Basket B142 Excess Return Strategy is as described in **Sub-Appendix B142**; and the Goldman Sachs Dow Jones-UBS Commodity Excess Return E95 Strategy is as described in **Sub-Appendix E95**.

(ii) **“Maximum Roll Period Length”** means five (5) Trading Days.

(iii) **“Rebalancing Date”** means the first Basket Calculation Day (d) of each month, or if such day is not a Trading Day, the immediately following Trading Day.

(iv) **Determination of the Single-day Component Weight ( $Z_n(d_r)$ ) for the Components of Alpha-Beta B223C Switching Strategy:**

The Single-day Component Weights, (also expressed as " $Z_0(d_r)$ " and " $Z_1(d_r)$ " respectively) correspond to Components 0 and 1 respectively in the Basket Table above. They shall be valued

at **0% and 100%**, respectively. Thereafter, the Single-day Component Weights for any Rebalancing Date ( $d_r$ ) will be set to **0% and 100%** respectively if the Lookback Average Performance ( $L_{avg}(d_d(d_r))$ ) on the Relevant Decision Date ( $d_d(d_r)$ ) for such Rebalancing Date ( $d_r$ ) is greater than one (1). Otherwise they will be set to 100% and 0% respectively.

**“Lookback Average Performance”** (also expressed as “ $L_{avg}(d_d(d_r))$ ”) means the average of the value of the Performance of Component 1 from the Basket Calculation Day  $d_{d-a}^{4m}$  to Basket Calculation Day  $d_{d-a}$  over the 5 consecutive Basket Calculation Days up to, and including, the Relevant Decision Date ( $d_d(d_r)$ ) and shall be determined in accordance with the following formula:

$$L_{avg}(d_d(d_r)) = \frac{1}{5} \times \sum_{a=0}^4 P(I_1, d_{d-a}, d_{d-a}^{4m})$$

**“Relevant Decision Date ( $d_d(d_r)$ )”** means the Basket Calculation Day immediately preceding such Rebalancing Date ( $d_r$ ).

**“ $d_{d-a}$ ”** means in respect of any Relevant Decision Date ( $d_d$ ), the  $a^{th}$  Basket Calculation Day immediately preceding such Relevant Decision Date. For the avoidance of doubt if the “a” is zero, then  $d_{d-a}$  shall be such Relevant Decision Date.

**“ $d_{d-a}^{4m}$ ”** means in respect of any Basket Calculation Day ( $d_{d-a}$ ), the day falling four (4) months before such Basket Calculation Day ( $d_{d-a}$ ) provided that (a) if such day is not a Basket Calculation Day, the immediately following day that is a Basket Calculation Day shall be the  $d_{d-a}^{4m}$  unless that day falls in the next calendar month, in which case that  $d_{d-a}^{4m}$  will be the first preceding day that is a Basket Calculation Day, or (b) if such Basket Calculation Day ( $d_{d-a}$ ) falls on the last day of the relevant calendar month, then regardless of the relevant date on which such  $d_{d-a}^{4m}$  would otherwise fall, an adjustment will be made such that  $d_{d-a}^{4m}$  shall fall on the last calendar day of the relevant calendar month.

**“ $P(I_1, d_{d-a}, d_{d-a}^{4m})$ ”** means the Performance of Component 1 from the Basket Calculation Day ( $d_{d-a}$ ) to the Basket Calculation Day ( $d_{d-a}^{4m}$ ).

## **Sub-Appendix B142**

### **Description of Alpha Basket B142 Excess Return Strategy (B142)**

The Alpha Basket B142 Excess Return Strategy shall be calculated in accordance with methodology defined in Section B of the Supplement, however, with the following modifications for the purposes of calculating this particular Alpha Basket B142 Excess Return Strategy:

For the purposes of determining the Basket Closing Value and Basket Tradable Value in respect of the Alpha Basket B142 Excess Return Strategy, the following terms shall be substituted for the corresponding terms as set out in Section B.2 (*Definitions*) and B.3 (*The Basket Table and other Basket Variables*) of this Supplement:

(a) in respect of Section B.2:

**“Basket”** means the Alpha Basket B142 Excess Return Strategy that seeks to replicate the performance of an investment in the Components according to their Single-Day Component Weights, each such Component and the Single-day Component Weight, each as set forth in the columns entitled “Component” and “Single-day Component Weight” respectively in the Basket Table in respect of such Alpha Basket B142 Excess Return Strategy.

(b) For the purposes Sections B.1 and B.2 above, the following terms as currently set out in Section B.3 shall in relation to the Alpha Basket B142 Excess Return Strategy have the following meanings:

(i) The “Basket Table” defined in Section B.3 of the Supplement shall be as follows :

<b>n</b>	<b>Component</b>	<b>Single-Day Component Weight (<math>Z_n(d_r)</math>)</b>	<b>Bloomberg Ticker for Component</b>
0	Goldman Sachs Dow Jones-UBS Commodity Excess Return E95 Strategy	100%	ENHGD95P <Index>
	<b>Index</b>		
1	Dow Jones-UBS Commodity Index <sup>SM</sup>	-100%	DJAIG <Index>

Where the Goldman Sachs Dow Jones-UBS Commodity Excess Return E95 Strategy is as described in **Sub-Appendix E95** and DJ-UBS Commodity Index is as published on <http://www.djindexes.com/aig/index.cfm?go=handbook> (or any successor thereto).

**“Rebalancing Date”** means the first Basket Calculation Day (d) of each month, or if such day is not a Trading Day, the immediately following Trading Day.

(ii) **“Relevant Screen Page”** means Bloomberg ticker **ABGS142P <Index>** (or any official successor thereto) with respect to the Basket Closing Value.

(iii) **“Maximum Roll Period Length”** means one (1) Trading Day

## Sub-Appendix E95

### Description of the Goldman Sachs Dow Jones-UBS E95 Excess Return Strategy

*For the purposes of the Goldman Sachs Dow Jones-UBS E95 Excess Return Strategy description only, all capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in The Dow Jones-UBS Commodity Index<sup>SM</sup> Handbook dated as of June 2009 available at [http://www.djindexes.com/mdsidx/downloads/meth\\_info/Dow\\_Jones\\_UBS\\_Commodity\\_Index\\_Methodology.pdf](http://www.djindexes.com/mdsidx/downloads/meth_info/Dow_Jones_UBS_Commodity_Index_Methodology.pdf) (the “**Dow Jones - UBS Handbook**”)*

#### Overview of the Goldman Sachs Dow Jones-UBS E95 Excess Return Strategy

The Goldman Sachs Dow Jones-UBS E95 Excess Return Strategy (hereinafter referred to as the “**E95 Strategy**”) reflects the returns that are potentially available through an unleveraged investment in the same Designated Contracts that are included in the Dow Jones-UBS Commodity Index<sup>SM</sup> Excess Return (the “**DJ-UBS CI**”), with certain modifications made by Goldman Sachs & Co. as sponsor of the E95 Strategy (the “**Strategy Sponsor**”) to the methodology for calculating the DJ-UBS CI. In particular, the E95 Strategy is calculated on a basis similar to the DJ-UBS CI, but is adjusted to apply certain dynamic and modified rolling rules to certain of the Designated Contracts in the DJ-UBS CI and a different Hedge Roll Period, all as described further below. The E95 Strategy is calculated and published by the Strategy Sponsor.

#### Overview of the Dow Jones-UBS Commodity Index<sup>SM</sup> Excess Return

The DJ-UBS CI is composed of futures contracts on physical commodities and reflects the returns that are potentially available through an unleveraged investment in those commodities futures contracts included in the DJ-UBS CI. The indexes in the DJ-UBS CI family are calculated on both an excess return and total return basis. The excess return index reflect the return of underlying commodity futures price movements only, whereas the total return index reflect the theoretical return on fully-collateralized futures positions. The E95 Strategy is based on the DJ-UBS CI which is calculated on an “excess return” basis. The DJ-UBS CI is calculated and published by CME Indexes and UBS Securities LLC (jointly, the “**Index Sponsor**”). Please refer to the section below entitled “Summary Description of the Dow Jones-UBS Commodity Index<sup>SM</sup>”. The description herein of the DJ-UBS CI is intended for informational purposes only. The returns on the DJ-UBS CI will not be indicative of the returns in respect of the E95 Strategy.

#### Dynamic Rolling Rules for the E95 Strategy

In order to gain exposure to the longer end of the curve when the front end is in contango (which occurs when the prices of the Designated Contracts in more distant delivery months are higher than the prices of the Designated Contracts in the nearer delivery months), the E95 Strategy modifies the standard DJ-UBS CI rolling rules in respect of the NYMEX West Texas Intermediate Crude Oil Futures Contract (the “**WTI Contract**”) included in the DJ-UBS CI. Specifically, on the third DJ-UBS Business Day prior to the first day of the Strategy Hedge Roll Period (the “**Dynamic Roll Determination Date**”), the E95 Strategy applies the following dynamic rolling rules when determining the Next Future into which the WTI Contract is rolled during such Strategy Hedge Roll Period. Note that the dynamic rolling rules are based on the measure of contango (or backwardation, as the case may be) of the WTI Contract determined by reference to the prices and contract expirations of the WTI Contract included in S&P GSCI®. “**DJ-UBS Business Day**” means “Business Day” as defined in the Dow Jones-UBS Handbook.

- **Contango Greater than 0.50%:** If on the Dynamic Roll Determination Date, (a) the Daily Contract Reference Price of the relevant Designated Contract Expiration with respect to the WTI Contract that the S&P GSCI® is rolling into in the S&P GSCI® Roll Period (referred to as the “Roll Period” in the S&P GSCI® Index Methodology – see below) corresponding to the current Strategy Hedge Roll Period minus the Daily Contract Reference Price of the relevant Designated Contract Expiration with respect to the WTI Contract that the S&P GSCI® is rolling out of in that same S&P GSCI® Roll Period corresponding to that current Strategy Hedge Roll Period (the “**Roll-Out Contract Expiration**”) is greater than (b) the value equivalent to 0.50% (0.005) multiplied by the Daily Contract Reference Price of the relevant Roll-Out Contract Expiration (in each case, “**Threshold Amount**”), then for the purposes of the E95 Strategy, the contract month into which the WTI Contract rolls during the Strategy Hedge Roll Period related to the relevant calendar month starting with January is set out in the following table:

Trading Facility	Commodity	Designated Contract	Contango Greater than 0.50% - Contract Months for relevant Strategy Hedge Roll Period											
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
NYMEX	Crude Oil	WTI	Jun	Dec	Dec	Dec	Dec	Dec	Dec	Jun*	Jun*	Jun*	Jun*	Jun*

\* Denotes contract months in the following year.

- Contango Less than or Equal to 0.50% or Backwardation:** If on the Dynamic Roll Determination Date, (a) the Daily Contract Reference Price of the relevant Contract Expiration with respect to the WTI Contract that the S&P GSCI® is rolling into in the S&P GSCI® Roll Period corresponding to the current Strategy Hedge Roll Period minus the Daily Contract Reference Price of the relevant Contract Expiration with respect to the WTI Contract that the S&P GSCI® is rolling out of in that same S&P GSCI® Roll Period corresponding to that current Strategy Hedge Roll Period is less than or equal to (b) the Threshold Amount then for the purposes of the E95 Strategy, the contract month into which the WTI Contract rolls during the Strategy Hedge Roll Period related to the relevant calendar month starting with January is set out in the following table. Therefore the WTI Contract will roll in accordance with the table below when the measure of contango for the WTI Contract (determined by reference to the prices and contract expirations of the WTI Contract included in S&P GSCI®) is less than or equal to 0.50% or when the market for the WTI Contract is in backwardation (which occurs when the price of the WTI Contract in more distant delivery months is lower than the price of the WTI Contract in the nearer delivery months).

Trading Facility	Commodity	Designated Contract	Contango Less than or Equal to 0.50% or Backwardation - Contract Months for relevant Strategy Hedge Roll Period											
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
NYMEX	Crude Oil	WTI	Mar	May	May	Jul	Jul	Sep	Sep	Nov	Nov	Jan*	Jan*	Mar*

\* Denotes contract months in the following year.

For the purposes of this section entitled “Dynamic Rolling Rules for the E95 Strategy”, the terms “Daily Contract Reference Price”, “Contract Expiration” and “Roll Period” in relation to the WTI Contract have the meanings given to such terms in the S&P GSCI® Index Methodology dated January 2010 available at [http://www.standardandpoors.com/servlet/BlobServer?blobheadname3=MDT-Type&blobcol=urldata&blobtable=MungoBlobs&blobheadervalue2=inline%3B+filename%3DMethodology\\_S\\_P\\_GSCI\\_Web.pdf&blobheadervalue1=application%2Fpdf&blobkey=id&blobheadervalue1=content-Disposition&blobheadervalue1=application%2Fpdf&blobkey=id&blobheadervalue1=content-type&blobwhere=1243629616412&blobheadervalue3=UTF-8](http://www.standardandpoors.com/servlet/BlobServer?blobheadname3=MDT-Type&blobcol=urldata&blobtable=MungoBlobs&blobheadervalue2=inline%3B+filename%3DMethodology_S_P_GSCI_Web.pdf&blobheadervalue1=application%2Fpdf&blobkey=id&blobheadervalue1=content-Disposition&blobheadervalue1=application%2Fpdf&blobkey=id&blobheadervalue1=content-type&blobwhere=1243629616412&blobheadervalue3=UTF-8).

### Modified Rolling Rules for the E95 Strategy

With the exception of the Unleaded Gasoline Contract, Soybean Oil Contract, Copper – Grade A Contract, Gold Contract and Silver Contract, the E95 Strategy modifies the rolling rules applied to the Designated Contracts included in the DJ-UBS CI by varying the contract months into which those Designated Contracts are rolled during each Strategy Hedge Roll Period. The table below indicates the contract month **out of** which the E95 Strategy rolls during the Strategy Hedge Roll Period related to the relevant calendar month starting with January and the shaded rows indicate those Designated Contracts for which the rolling rules have been modified from that of the DJ-UBS CI. In summary:

- The Chicago Board Of Trade (CBOT) Corn contract is rolled only twice annually out of the December contract month during the June Strategy Hedge Roll Period and out of the July contract month during the November Roll Period);
- The ICE Futures US (ICE- US) Cotton contract is rolled only into the July contract month (such that the Cotton contract is rolled only once annually during the June Strategy Hedge Roll Period);
- The New York Mercantile Exchange (NYMEX) Heating Oil contract is rolled only into the December contract month (such that the Heating Oil contract is rolled only once annually during the November Strategy Hedge Roll Period);
- The London Metal Exchange (LME) Aluminium, Nickel and Zinc contracts are rolled during each Strategy Hedge Roll Period pursuant to the contracts months identified in the table below);
- The ICE Futures US Coffee contract is rolled only into the May contract month (such that the Coffee contract is rolled only once annually during the April Strategy Hedge Roll Period);



- The Chicago Mercantile Exchange (CME) Live Cattle contract is rolled only out of the April and October contract months (such that the Live Cattle contract is rolled only twice annually out of the October contract month during the September Strategy Hedge Roll Period and out of the April contract month during the March Roll Period);
- The CME Lean Hogs contract is rolled only twice annually out of the April contract month during the March Strategy Roll Period and out of the August contract month during the July Hedge Roll Period;
- The NYMEX Natural Gas contract is rolled only into the December contract month (such that the Natural Gas contract is rolled only once annually during the November Strategy Hedge Roll Period);
- The CBOT Soybeans contract is rolled only into the July and January contract months (such that the Soybeans contract is rolled only twice annually out of the July contract month during the June Strategy Hedge Roll Period and out of the January contract month during the December Hedge Roll Period);
- The ICE Futures US Sugar contract is rolled only into the March contract month (such that the Sugar contract is rolled only once annually during the February Strategy Hedge Roll Period);
- The CBOT Wheat contract is rolled only into the December contract month (such that the Wheat contract is rolled only once annually during the November Strategy Hedge Roll Period).

Trading Facility	Commodity	Designated Contract	Lead Future (#)											
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
CBOT	Soybean Oil	Soybean Oil	Mar	Mar	May	May	Jul	Jul	Dec	Dec	Dec	Dec	Jan*	Jan*
CBOT	Corn	Corn	Dec	Dec	Dec	Dec	Dec	Dec	Jul*	Jul*	Jul*	Jul*	Jul*	Dec*
ICE - US	Cotton	Cotton	Jul	Jul	Jul	Jul	Jul	Jul	Jul*	Jul*	Jul*	Jul*	Jul*	Jul*
COMEX	Gold	Gold	Feb	Apr	Apr	Jun	Jun	Aug	Aug	Dec	Dec	Dec	Dec	Feb*
COMEX	Copper	Copper	Mar	Mar	May	May	Jul	Jul	Sep	Sep	Dec	Dec	Dec	Mar*
NYMEX	Heating Oil	Heating Oil	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec*
LME	Aluminum	High Grade Primary Aluminum	Jul	Aug	Sep	Oct	Nov	Dec	Jan*	Feb*	Mar*	Apr*	May*	Jun*
LME	Nickel	Primary Nickel	Jul	Aug	Sep	Oct	Nov	Dec	Jan*	Feb*	Mar*	Apr*	May*	Jun*
LME	Zinc	Special High Grade Zinc	Jul	Aug	Sep	Oct	Nov	Dec	Jan*	Feb*	Mar*	Apr*	May*	Jun*
NYBOT	Coffee	Coffee "C"	May	May	May	May	May*	May*	May*	May*	May*	May*	May*	May*
CME	Live Cattle	Live Cattle	Apr	Apr	Apr	Oct	Oct	Oct	Oct	Oct	Oct	Apr*	Apr*	Apr*
CME	Lean Hogs	Lean Hogs	Apr	Apr	Apr	Aug	Aug	Aug	Aug	Apr*	Apr*	Apr*	Apr*	Apr*
NYMEX	Natural Gas	Henry Hub Natural Gas	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec*
NYMEX	Unleaded Gasoline (RBOB)	Reformulated Blendstock for Oxygen Blending	Mar	Mar	May	May	Jul	Jul	Sep	Sep	Nov	Nov	Jan*	Jan*
CBOT	Soybeans	Soybeans	Jul	Jul	Jul	Jul	Jul	Jul	Jan*	Jan*	Jan*	Jan*	Jan*	Jan*
ICE – US	Sugar	World Sugar No. 11	Mar	Mar	Mar*	Mar*	Mar*	Mar*	Mar*	Mar*	Mar*	Mar*	Mar*	Mar*
COMEX	Silver	Silver	Mar	Mar	May	May	Jul	Jul	Sep	Sep	Dec	Dec	Dec	Mar*
CBOT	Wheat	Wheat	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec*

(#) This table indicates the contract months which the E95 Strategy rolls **out of** during the Strategy Hedge Roll Period related to the indicated month starting with January.

\* Denotes contract month in the following year.

In the event that the dynamic and seasonal rolling procedure set forth above occurs and the relevant contract month that a Designated Contract would have rolled into is no longer listed for trading or is otherwise unavailable for trading, then the E95 Strategy shall revert to the standard DJ-UBS CI rolling procedure rather than making the adjustments set forth above, *provided, that*, if, in the reasonable judgment of the Calculation Agent, it is not practicable to revert to the standard DJ-UBS CI rolling procedure, or

reverting to such procedure would not preserve for the parties the economics of the E95 Strategy, the Calculation Agent may determine and utilize another methodology for effecting the rolling of the Designated Contract included in the E95 Strategy that, in its reasonable judgment, is reasonably designed to preserve such economics.

### **The Strategy Hedge Roll Period**

The E95 Strategy also varies the Hedge Roll Period with respect to the DJ-UBS CI. The Hedge Roll Period with respect to the DJ-UBS CI comprises five (5) DJ-UBS Business Days beginning on the fifth DJ-UBS Business Day of each calendar month and ending on the ninth DJ-UBS Business Day of such month. In contrast, the Hedge Roll Period applicable to the Strategy (the **"Strategy Hedge Roll Period"**) comprises four (4) DJ-UBS Business Days beginning on the fifth DJ-UBS Business Day prior to the end of the month immediately preceding the month in which the roll is scheduled to occur and ending on and including the second DJ-UBS Business Day prior to the end of such preceding calendar month. For example, the November Strategy Hedge Roll Period will take place in October.

The Designated Contracts included in the E95 Strategy are therefore rolled over a period of four (4) DJ-UBS Business Days (instead of five (5) with respect to the DJ-UBS CI), at the rate of 25% of the relevant Designated Contract per DJ-UBS Business Day (instead of 20% with respect to the DJ-UBS CI) and therefore increasing the weighting of the new contract month into which the Designated Contract is rolled into from 0% to 25%, 50%, 75% and finally 100% at the time the Strategy Hedge Roll Period is completed. In the same manner as the DJ-UBS CI, the E95 Strategy is calculated as if the weighting adjustments occur at the close of each day of the Strategy Hedge Roll Period, with the adjusted weights used for the next day's calculations.

Like the Hedge Roll Period with respect to the DJ-UBS CI, the Strategy Hedge Roll Period is subject to adjustment in accordance with the procedures set forth in the Dow Jones-UBS Handbook, as summarised in the section below entitled "Market Disruption Events and the Strategy Hedge Roll Period".

The Roll Period applicable to the DJ-UBS CI also comprises five (5) DJ-UBS Business Days but begins on the sixth DJ-UBS Business Day and ends on the tenth DJ-UBS Business Day of the relevant month. In contrast, the Roll Period applicable to the Strategy (the **"Strategy Roll Period"**) comprises four (4) DJ-UBS Business Days beginning on the fourth DJ-UBS Business Day prior to the end of the month immediately preceding the month in which the roll is scheduled to occur and ending on and including the last DJ-UBS Business Day of such preceding calendar month. During the Strategy Roll Period the value of the Strategy is gradually shifted from the utilization of weight average values of each commodity included in the Strategy based on the Lead Future (or the current contract month) to the utilization of weight average values of each commodity included in the Strategy based on the Next Future (or the next contract month), at the rate of 25% per DJ-UBS Business Day.

### *Market Disruption Events and the Strategy Hedge Roll Period*

If on any DJ-UBS Business Day during a Strategy Hedge Roll Period (other than the February Strategy Hedge Roll Period) any of the following circumstances exist with respect to a Designated Contract for a commodity included in the E95 Strategy, the portion of the roll that would otherwise have taken place on that day with respect to such commodity only is deferred until the next available DJ-UBS Business Day on which such circumstances do not exist:

- the termination or suspension of, or material limitation or disruption in, the trading of any Lead Future or Next Future,
- the Settlement Price of any such contract reflects the maximum permitted price change from the previous day's Settlement Price,
- the failure of an exchange to publish official Settlement Prices for any such contract, or
- with respect to any such contract that trades on the London Metals Exchange, a Business Day on which the London Metals Exchange is not open for trading.

If, however, during the February Strategy Hedge Roll Period, any of the above circumstances exist with respect to a commodity included in the E95 Strategy on any DJ-UBS Business Day, then the rolling of the relevant contract month will always occur over four DJ-UBS Business Days on which such circumstances do not exist at a rate of 25% of the relevant Designated Contract per DJ-UBS Business Day. This means that the February Strategy Hedge Roll Period will be extended such that the portions of a particular contract month rolled will always be distributed equally over four DJ-UBS Business Days and any portion of the roll with respect to a commodity that did not take place as a result of the existence of any of the above

circumstances will not be “doubled up” on the next available DJ-UBS Business Day on which such circumstances do not exist.

### *Commodity Index Multiplier*

The Commodity Index Multiplier (CIM) in respect of each Index Commodity included in the DJ-UBS CI is calculated by the Index Sponsor on the fourth DJUBS Business Day of the month of January of each year (referred to as the “CIM Determination Date”). Given that the CIM Determination Date falls in January, the E95 Strategy will in respect of the Strategy Hedge Roll Period and the Strategy Roll Period falling in January and in respect of calculating the value of the E95 Strategy during January, set the CIM for each such commodity included in the E95 Strategy as the value for CIM for such commodity determined and published by the Index Sponsor in relation to the DJ-UBS CI for the year immediately preceding such CIM Determination Date. The new CIM determined on the CIM Determination Date by the Index Sponsor will be used in respect of the Strategy Hedge Roll Period and the Strategy Roll Period falling in the months from and including the February following such CIM Determination Date until but excluding the February in the immediately succeeding year and in respect of the calculation of the value of the E95 Strategy in those months.

### **The Dow Jones-UBS Commodity Index<sup>SM</sup>**

To better understand the E95 Strategy, it is useful to understand the DJ-UBS CI.

The DJ-UBS CI was introduced in July 1998 to provide a diversified and liquid benchmark for investment in commodities as an asset class. The DJ-UBS CI is currently comprised of nineteen exchange-traded futures contracts on physical commodities. The DJ-UBS CI is reweighted and rebalanced each year on a price-percentage basis. The annual composition and weightings of the DJ-UBS CI are determined in June of each year by UBS Securities LLC under the supervision of the Dow Jones-UBS Commodity Index Supervisory and Advisory Committees and take effect in the following January. The Supervisory Committee has a significant degree of discretion in making determinations relating to the DJ-UBS CI.

Investors in the E95 Strategy should make their own investigations into the DJ-UBS CI. In addition, Dow Jones & Company, Inc. and UBS Securities LLC, as the sponsors of the DJ-UBS CI, reserve the right to make changes to the methodology of the DJ-USB CI, and any information regarding the DJ-UBS CI set out in this Sub-Appendix E95 may be subject to change without notice and might not be accurate after the date of this document. For more information on the DJ-UBS CI please refer to <http://www.djindexes.com/ubs/index.cfm?go=handbook>.