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GOLDMAN SACHS FUNDS

Société d'Investissement à Capital Variable

Registered Office

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By registered mail

30 November 2021

Notice to Shareholders of Goldman Sachs Funds (the "Fund")

Dear Shareholder,

We are writing to advise you of certain changes to the prospectus (the "**Base Prospectus**") and supplements (the "**Supplements**") of the Fund (together, unless the context requires otherwise, the "**Prospectus**"). The changes will be effective on 31 December 2021 (the "**Effective Date**").

Any Shareholder who does not agree with such changes may redeem its Shares or switch into another Portfolio of the Fund free of charge¹ on any Dealing Day prior to the Effective Date.

Capitalized terms used but not defined herein shall have the same meaning as defined in the Prospectus except otherwise provided.

The changes listed below are a summary of the updates made to the Prospectus, which include additional minor changes or clarifications. These changes may affect you irrespective of the Portfolio you are invested in. Shareholders should obtain and read the Prospectus, which is available free of charge from the registered office of the Fund or the Management Company.

I. Summary of amendments to the Base Prospectus

1. Section Important Information

In light of the discontinuation of LIBOR, the section will be updated, as further described below, with respect to the Benchmark used for the purpose of calculating the Adjusted High Water Mark for the following Portfolios:

¹ Any additional fees charged by intermediaries (authorized distributors) may still apply.

1. Goldman Sachs Emerging Markets Total Return Bond Portfolio;
2. Goldman Sachs Global Strategic Macro Bond Portfolio;
3. Goldman Sachs Global Dynamic Bond Portfolio; and
4. Goldman Sachs Strategic Absolute Return Bond II Portfolio.

Depending on the currency of the relevant share class, the current Benchmark, 3-month LIBOR (USD) will be replaced, with new rates, as of 31 December 2021. Information in relation to the relevant Benchmarks and their Administrator will be included under the paragraph “Use of benchmarks” of the Prospectus as follows:

Share Class Currency	Benchmark	Benchmark Administrator
Swiss Franc (CHF)	Swiss Average Rate 3M (SARON 3M)	SIX Financial Information AG
Euro (EUR)	ICE BofA 3 Month German Treasury Bill Index	ICE Data Services
Pound Sterling (GBP)	UK Generic Treasury Bills 3M	Bloomberg Index Services Limited
Japanese Yen (JPY)	3 Month TIBOR	Japan Bankers Association TIBOR Administration
United States Dollar (USD)	ICE BofA 3 month US T-Bill	ICE Data Services

For completeness, references to “Barclays” in the name of “Bloomberg Barclays” will be removed following a rebranding of the Benchmark and Benchmark administrator. This is not a change of benchmark but only a change of name.

In connection with the introduction of the aforementioned rates, the following attendant changes will be made in other parts of the base prospectus and appendices:

- the section “Definitions” the base prospectus will be updated to include a definition for “Benchmark Hurdle”;
- the section 4.8.9 “LIBOR and other similar reference rates” of the base prospectus will be updated accordingly;
- the section 19 “Fees and Expenses” of the base prospectus will be updated with respect to the calculation of performance fees; and
- the disclaimer regarding the Benchmark Contingency Plan in certain portfolios’ appendix will be deleted.

2. Section 4 “Risk Considerations”

The “Sustainable finance” risk disclosure in section 4.2.8 will be enhanced with a disclaimer that unless otherwise provided in the Portfolio’s appendix the investments of the underlying investments of the Portfolios do not take into account the EU criteria for environmentally sustainable economic activities as prescribed by Article 7 of the Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the “**EU Taxonomy Regulation**”). In addition, the section “Definitions” will be updated to include a definition of “Taxonomy Regulation”.

As already mentioned, section 4.8.9 will be amended to reflect the transition away from the 3 month LIBOR (USD).

A paragraph will be added in section 4.2.11 “Investments in China” to provide additional information in relation to risks associated with ChiNext market and/or the Science and Technology Innovation Board.

3. Section 19 “Fees and Expenses”

This section will be update to provide additional clarifications in relation to the calculation of the Adjusted High Water Mark.

II. Summary of Amendments to the Supplements

1. **Goldman Sachs Emerging Markets Equity ESG Portfolio, Goldman Sachs Global Equity Partners ESG Portfolio, Goldman Sachs US Equity Portfolio, Goldman Sachs ESG-Enhanced Emerging Markets Short Duration Bond Portfolio, Goldman Sachs ESG-Enhanced Euro Short Duration Bond Plus Portfolio, Goldman Sachs ESG-Enhanced Europe High Yield Bond Portfolio, Goldman Sachs ESG-Enhanced Global Income Bond Portfolio, Goldman Sachs ESG-Enhanced Sterling Credit Portfolio, Goldman Sachs ESG-Enhanced Global Multi-Asset Balanced Portfolio (Supplement I)**

A paragraph will be added in the section “Investment Policies” of the respective Portfolios to ensure compliance with the disclosure requirement imposed by article 6 of the Taxonomy Regulation, since these Portfolios qualify as article 8 financial product under the SFDR.

This change does not represent a change to the investment strategy or risk profile of the Portfolio.

2. Goldman Sachs US Equity Portfolio (Supplement I)

The Goldman Sachs US Focused Growth Equity Portfolio will be merged into the Goldman Sachs US Equity Portfolio (the “**Receiving Portfolio**”). Prior to the merger, the investment objective and investment policies of the Receiving Portfolio will be repositioned into an ESG portfolio. More particularly, and effective as from 31 December 2021, the Receiving Portfolio will specify in its investment objective section that it will seek to invest primarily in a concentrated portfolio of equity securities of US companies that adhere to the Portfolio’s ESG criteria. The denomination of the Receiving Portfolio will also be amended accordingly in order to include a reference to the ESG strategy. The denomination, the investment objective and the investment policies of the Receiving Portfolio will also be updated as follows:

Former Portfolio denomination	New Portfolio denomination
Goldman Sachs US Equity Portfolio	Goldman Sachs US Equity ESG Portfolio

Receiving Portfolio’s updated investment objective and investment policies
<p>The Goldman Sachs US Equity <u>ESG</u> Portfolio (the “Portfolio”) seeks long-term capital appreciation by investing primarily in <u>a concentrated portfolio of equity securities of US companies that the Investment Adviser believes adhere to the Portfolio’s environmental, social and governance (“ESG”) criteria, exhibit a strong or improving ESG leadership, a strong industry position and financial resiliency relative to their regional peers. As part of the ESG investment process, the Portfolio will also seek to exclude from its investment universe companies that are, in the opinion of the Investment Adviser, directly engaged in and/or generating significant revenues from different sectors which, as at the date of the Prospectus, include but are not limited to tobacco, alcohol, weapons, adult entertainment and gambling. The list of excluded categories may be amended at the discretion of the Investment Adviser from time to time.</u></p> <p>The Portfolio will, under normal circumstances, invest at least two thirds of its net assets <u>in a concentrated portfolio of equity and/or equity related Transferable Securities and Permitted Funds which provide exposure to companies that are domiciled in, or which derive the predominant proportion of their revenues or profits from the US. These companies are expected to exhibit strong or improving environmental, social and governance (ESG) leadership, a strong industry position and financial resiliency relative to their regional peers. The Portfolio will typically invest in 30-50 companies. As part of the ESG investment process, the</u></p>

Investment Adviser will generally seek to avoid investing in companies that are, in the opinion of the Investment Adviser, directly engaged in, and/or deriving significant revenues from the following activities, which as at the date of the Prospectus include but are not limited to:

- tobacco;
- alcohol;
- controversial weapons (including nuclear weapons);
- extraction and/or production of certain fossil fuels (including thermal coal, oil sands, Arctic oil and gas);
- adult entertainment;
- for-profit prisons; and
- civilian firearms.

Equity and equity related Transferable Securities may include common stock, preferred stock, warrants and other rights to acquire stock, ADRs, EDRs and GDRs.

~~The Investment Adviser will generally seek to avoid investing in companies that are, in the opinion of the Investment Adviser, directly engaged in, and/or deriving significant revenues from the following activities, which as at the date of the Prospectus include but are not limited to:~~

- ~~—controversial weapons (including nuclear weapons);~~
- ~~—tobacco;~~
- ~~—extraction and/or production of certain fossil fuels;~~
- ~~—adult entertainment;~~
- ~~—for-profit prisons; and~~
- ~~—civilian firearms.~~

Adherence to these ESG characteristics will be based on thresholds pre-determined by the Investment Adviser in its sole discretion and applying such thresholds to proprietary data and/or data provided by one or more third party vendor(s). The Investment Adviser will rely on third-party data that it believes to be reliable, but it does not guarantee the accuracy of such third-party data. The Investment Adviser, in its sole discretion, retains the right to disapply data provided by third party vendors where it deems the data to be inaccurate or inappropriate. In some cases, data on specific companies may not be available or may be estimated by the Investment Adviser using internal processes or reasonable estimates. Potential omissions from the ESG criteria may include but are not limited to newly listed companies to which a third party vendor may not yet have data mapped. In the course of gathering data, vendors may make certain value judgements. The Investment Adviser does not verify those judgements, nor quantify their impact upon its analysis.

The Investment Adviser in its sole discretion may periodically update its screening process, amend the type of activities that are excluded for investment or revise the thresholds applicable to any such activities.

~~In addition to applying the~~Once the Investment Adviser determines that a company meets the Portfolio's ESG criteria as set forth~~described above, the Investment Adviser may integrate ESG conducts a supplemental analysis of individual companies' corporate governance factors with~~and a range of environmental and social factors that may vary across asset classes, sectors and strategies. This supplemental analysis will be conducted alongside traditional fundamental factors as part of its fundamental research process to seek to assess overall business quality and valuation, as well as potential risks.~~Traditional fundamental factors that~~, bottom-up financial analysis of individual companies, using traditional fundamental metrics. The Investment Adviser may consider include, but are not limited to, cash flows, balance sheet leverage, return on invested capital, industry dynamics, earnings quality and profitability. ESG factors that the Investment Adviser may consider include, but are not limited to, carbon intensity and emissions profiles, workplace health and safety, community impact,engage in active dialogues with company management teams to further inform investment decision-making and to foster best corporate governance practices and stakeholder relations, employee relations, board structure, transparency and management incentives. using its fundamental and ESG analysis. The Portfolio may invest in a company

prior to completion of the supplemental analysis or without engaging with company management. Instances in which the supplemental analysis may not be completed prior to investment include but are not limited to IPOs, in-kind transfers, corporate actions, and/or certain short-term holdings. The Investment Adviser employs a dynamic fundamental investment process that considers a wide range of factors, and no one factor or consideration is determinative.

The identification of a risk related to an ESG factor will not necessarily exclude a particular security and/or sector that, in the Investment Adviser's view, is otherwise suitable for investment. The relevance of specific traditional fundamental factors and ESG factors to the fundamental investment process varies across asset classes, sectors and strategies. ~~The Investment Adviser may utilise data sources provided by third party vendors and/or engage directly with companies when assessing~~

The Portfolio promotes amongst others environmental characteristics. As such, it is required as per Article 6 of the Taxonomy Regulation to state that the "do no significant harm" principle applies only to those investments underlying the Portfolio that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this Portfolio do not take into account the EU criteria for environmentally sustainable economic activities.

It should however be noted that notwithstanding the above factors. ~~The Investment Adviser employs a dynamic fundamental investment process that considers a wide range of factors, and no one factor or consideration is determinative.~~ this Portfolio generally does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the EU Taxonomy and its portfolio alignment with such EU Taxonomy is not calculated. Therefore, the "do not significant harm" principle does not apply to any of the investments of this financial product.

The Portfolio may also invest up to one third of its net assets in equity and/or equity related Transferable Securities of other companies and non-equity related Transferable Securities and Permitted Funds, including Money Market Instruments for the purposes of cash management.

The Portfolio may invest up to 10% of its net assets in Permitted Funds to the extent that such investment is consistent with its investment policy and restrictions and may not invest in Permitted Funds that allow leverage, as this may result in losses exceeding the Net Asset Valuation (NAV) of the portfolio of the Permitted Fund.

The Portfolio may also use financial derivative instruments as part of its investment policy or for hedging purposes. These may include, but are not limited to, foreign currency forward contracts, futures and option contracts (on equity securities and markets) and swaps (including equity swaps and total return swaps). For further information on the use of financial derivative instruments and associated risks, please refer to Appendix C - "Derivatives and Efficient Portfolio Management Techniques" together with Section 4 "Risk Considerations" in the Prospectus.

The Portfolio may also hold ancillary liquid assets and, in exceptional and temporary circumstances, may hold liquid assets in excess of such restriction, provided that the Investment Adviser considers this to be in the best interests of the Shareholders.

The Investment Adviser intends to engage in SFTR techniques on, amongst other things, equity securities, markets and other Permitted Investments in line with the exposures set out below (in each case as a percentage of net asset value).

Type of transaction	Under normal circumstances it is generally expected that the principal amount of such transactions would represent a proportion of the Portfolio's net asset value indicated below.*	Under normal circumstances it is generally expected that the principal amount of the Portfolio's assets that can be subject to the transaction may represent up to a maximum of the proportion of the Portfolio's net asset value indicated below.
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Total return swaps	0%	20%
Repurchase, including reverse repurchase, transactions	0%	20%
Securities lending transactions	2%	15%

For completeness, a reference to risks associated with investments in concentrated investments and strategies has also been added to the Portfolios' appendix. Section 5 "Principal Risks of Portfolio" will be amended to include the risk factors listed in Section 4.2.6 "Concentration of investments and strategies".

3. Goldman Sachs Emerging Markets Debt Blend Portfolio (Supplement I)

Section 3 "Calculation of Global Exposure and Expected Level of Leverage" will be amended to reflect that the proportion of the different rates in the Reference Benchmark of the Portfolio have been slightly adjusted.

These changes do not represent a change to the investment strategy or risk profile of the Portfolio.

4. Goldman Sachs ESG-Enhanced Emerging Markets Short Duration Bond Portfolio, (Supplement I)

Section "Calculation of Global Exposure and Expected Level of Leverage" of the respective Portfolios will be amended in order reflect the replacement of the 3 month LIBOR (USD) by the ICE BofA 3 month US T-Bill as the new Benchmark of these Portfolios.

Section "Principal Risks of the Portfolio" will be updated by removing the warning paragraph regarding the Benchmark Contingency Plan, which will no longer be relevant following the replacement of the 3 month LIBOR (USD).

5. Goldman Sachs Short Duration Opportunistic Corporate Bond Portfolio (Supplement I)

Section "Calculation of Global Exposure and Expected Level of Leverage" of the Portfolios will be amended in order reflect the replacement of the BofA Merrill Lynch USD LIBOR 1 Month Constant Maturity by the ICE BofA 3 month US T-Bill as the new Benchmark of the Portfolio.

Section "Principal Risks of the Portfolio" will be updated by removing the warning paragraph regarding the Benchmark Contingency Plan, which will no longer be relevant following the replacement of the BofA Merrill Lynch USD LIBOR 1 Month Constant Maturity.

6. Goldman Sachs Emerging Markets Total Return Bond Portfolio, Goldman Sachs Global Absolute Return Portfolio, Goldman Sachs Global Dynamic Bond Portfolio, Goldman Sachs Global Dynamic Bond Plus Portfolio, Goldman Sachs Global Strategic Macro Bond Portfolio, Goldman Sachs Strategic Absolute Return Bond II Portfolio (Supplement II)

Section "Calculation of Global Exposure and Expected Level of Leverage" of the respective Portfolios will be amended in order reflect the replacement of the 3 month LIBOR (USD) by the ICE BofA 3 month US T-Bill as the new Benchmark of these Portfolios.

Section "Principal Risks of the Portfolio" will be updated by removing the warning paragraph regarding the Benchmark Contingency Plan, which will no longer be relevant following the replacement of the 3 month LIBOR (USD).

7. Goldman Sachs Absolute Return Tracker Portfolio, Goldman Sachs Alternative Trend Portfolio (Supplement V)

Section "Calculation of Global Exposure and Expected Level of Leverage" of the respective Portfolios will be amended in order reflect the replacement of the 3 month LIBOR (USD) by the ICE BofA 3 month US T-Bill as the new Benchmark of these Portfolios.

Section "Principal Risks of the Portfolio" will be updated by removing the warning paragraph regarding the Benchmark Contingency Plan, which will no longer be relevant following the replacement of the 3 month LIBOR (USD).

III. **Other ancillary amendment to the Base Prospectus and various Supplements**

Any reference to the LIBOR will be removed and replaced, where needed, by the relevant replacement rate.

Please contact the Shareholder Services team on +44 (0)20 7774 6366 or your Goldman Sachs professional if you wish to redeem your investment or switch into another Portfolio of the Fund prior to the Effective Date.

Shareholders are advised to consult their advisers regarding the effect of the Portfolios changes, as well as any consequences of investing in a Luxembourg-based fund, in light of their individual circumstances.

Yours sincerely,



Glenn Thorpe
[Director]

On behalf of the Board of Directors of Goldman Sachs Funds