GOLDMAN SACHS GROUP INC
Form 424B2
February 25, 2019
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Filed Pursuant to Rule 424(b)(2)

Registration Statement No. 333-219206

GS Finance Corp.

$595,000,000*

Large Cap Growth Index-Linked ETNs due 2028

guaranteed by

The Goldman Sachs Group, Inc.

The notes do not bear interest. The amount that you will be paid on your notes at stated maturity (April 3, 2028) or redemption (**which could be postponed up to 30 calendar days if a market disruption event occurs**) is based on the leveraged performance of the Russell 1000® Growth Total Return Index, **less significant applicable fees**.

Due to the complexity and number of features of these notes, the following is, at best, a high level summary of the terms of the notes and the risks associated therewith. You may lose all or a significant portion of your investment. In order to make an informed investment in the notes you must read the disclosure herein to better understand the terms and all of the risks of your investment, including the credit risk of GS Finance Corp. and The Goldman Sachs Group, Inc. *See pages S-27 and S-41.*

The notes had two times leverage on the inception date (March 29, 2018), have 1.8160 times leverage on the date hereof and are rebalanced to approximately two times leverage both quarterly and in the event of a decline in the index level of 20% or more since the prior rebalancing date. **As a result, the actual leverage may be greater or less than two times between rebalancing dates (which could be postponed up to 5 trading days if a market disruption event occurs, potentially causing leverage to significantly exceed two). These notes are not appropriate for long-term or passive investors or investors who lack experience investing in leveraged products.**

Because the notes rebalance at least quarterly to approximately two times leverage, you should closely monitor the performance of the index and the notes. If on a rebalancing date the index has declined since the last rebalancing date, you should carefully consider redeeming or selling your notes. Due to the fee payable upon redemption and potential delays due to the minimum redemption amount and potential redemption postponements, selling your notes will have less risk as to timing and might pay you more net of fees despite an offered price lower than the redemption value.

There are four separate significant fees payable by you in connection with holding or redeeming your notes or payment at maturity (**Due to the variable nature of these fees and the fact that they are uncapped, the total amount of such fees cannot be estimated for any given period. These fees will significantly reduce the performance of your notes. Even if the index appreciates, due to the rebalancing features and the fees payable by you, you may suffer a significant loss on your investment):**

Daily financing fee: 3-month USD LIBOR *plus* 0.81% per annum *times* the financing level on the prior rebalancing date (including the inception date);

Additional daily fee: 0.65% per annum *times* 50% of the asset position on the prior trading day (the asset position reflects the levered investment in the index);

Rebalancing fee: 0.06% *times* the absolute value of the rebalancing amount; and

Settlement fee upon redemption by you or at maturity: 0.06% *times* the asset position of your note.

The notes are redeemable by you, subject to a **minimum aggregate redemption amount of $500,000 (5,000 notes) and a settlement fee which may exceed 0.06% of the face amount.** We will redeem your notes automatically if the index has declined 30% or more since the last rebalancing date or at our option on any day.

At maturity (if your notes have not been previously redeemed) or upon redemption of the notes by you, the amount that you will be paid on your notes is based on the closing indicative note value, **minus the settlement fee**. The closing indicative note value is equal to (i) the asset position ($200 on the inception date, $186.3565 on the date hereof and which will increase or decrease depending on the index performance), *minus* (ii) the financing level ($100 on the inception date, $83.7350 on the date hereof and which will increase due to the daily investor fee and the rebalancing fee, if any, and will increase or decrease on each rebalancing date based on the index performance since the last rebalancing date).

Original issue date: for the fifteenth reopened notes*, February 26, 2019

Original issue price: for the fifteenth reopened notes*, $102.6215 for each $100 face amount (equal to the closing indicative note value on the date hereof), representing 102.6215% of the aggregate face amount of the fifteenth reopened notes

Underwriting commission: for the fifteenth reopened notes*, $0.05 for each $100 face amount (approximately 0.04872% of the closing indicative note value on the date hereof), representing 0.05% of the aggregate face amount of the fifteenth reopened notes

Net proceeds to the issuer: for the fifteenth reopened notes*, $102.6215 for each $100 face amount (100% of the closing indicative note value on the date hereof), representing 102.6215% of the aggregate face amount of the fifteenth reopened notes

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense. The notes are not bank deposits and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency, nor are they obligations of, or guaranteed by, a bank.

Goldman Sachs & Co. LLC

Amendment No. 15 dated February 21, 2019 to Prospectus Supplement No. 3,160 dated March 29, 2018

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*This amendment no. 15 dated February 21, 2019 (prospectus supplement) to prospectus supplement no. 3,160 dated March 29, 2018 relates to $50,000,000 face amount of the notes, which we call the fifteenth reopened notes, which are initially being offered on the date of this prospectus supplement. $50,000,000 face amount of notes, which we call the original notes , were offered on March 29, 2018, as described in the accompanying prospectus supplement no. 3,160 dated March 29, 2018. $25,000,000 face amount of the notes, which we call the first reopened notes, were offered on April 30, 2018, as described in the accompanying amendment no. 1 dated April 30, 2018 to prospectus supplement no. 3,160 dated March 29, 2018. $25,000,000 face amount of the notes, which we call the second reopened notes, were offered on May 17, 2018, as described in the accompanying amendment no. 2 dated May 17, 2018 to prospectus supplement no. 3,160 dated March 29, 2018. $25,000,000 face amount of the notes, which we call the third reopened notes, were offered on June 1, 2018, as described in the accompanying amendment no. 3 dated June 1, 2018 to prospectus supplement no. 3,160 dated March 29, 2018. $50,000,000 face amount of the notes, which we call the fourth reopened notes, were offered on June 20, 2018, as described in the accompanying amendment no. 4 dated June 20, 2018 to prospectus supplement no. 3,160 dated March 29, 2018. $40,000,000 face amount of the notes, which we call the fifth reopened notes, were offered on July 12, 2018, as described in the accompanying amendment no. 5 dated July 12, 2018 to prospectus supplement no. 3,160 dated March 29, 2018. $35,000,000 face amount of the notes, which we call the sixth reopened notes, were offered on August 16, 2018, as described in the accompanying amendment no. 6 dated August 16, 2018 to prospectus supplement no. 3,160 dated March 29, 2018. $35,000,000 face amount of the notes, which we call the seventh reopened notes, were offered on September 6, 2018, as described in the accompanying amendment no. 7 dated September 6, 2018 to prospectus supplement no. 3,160 dated March 29, 2018. $35,000,000 face amount of the notes, which we call the eighth reopened notes, were offered on September 28, 2018, as described in the accompanying amendment no. 8 dated September 28, 2018 to prospectus supplement no. 3,160 dated March 29, 2018. $35,000,000 face amount of the notes, which we call the ninth reopened notes, were offered on October 18, 2018, as described in the accompanying amendment no. 9 dated October 18, 2018 to prospectus supplement no. 3,160 dated March 29, 2018. $35,000,000 face amount of the notes, which we call the tenth reopened notes, were offered on November 5, 2018, as described in the accompanying amendment no. 10 dated November 5, 2018 to prospectus supplement no. 3,160 dated March 29, 2018. $35,000,000 face amount of the notes, which we call the eleventh reopened notes, were offered on November 28, 2018, as described in the accompanying amendment no. 11 dated November 28, 2018 to prospectus supplement no. 3,160 dated March 29, 2018. $35,000,000 face amount of the notes, which we call the twelfth reopened notes, were offered on December 17, 2018, as described in the accompanying amendment no. 12 dated December 17, 2018 to prospectus supplement no. 3,160 dated March 29, 2018. $35,000,000 face amount of the notes, which we call the thirteenth reopened notes, were offered on January 10, 2019, as described in the accompanying amendment no. 13 dated January 10, 2019 to prospectus supplement no. 3,160 dated March 29, 2018. $50,000,000 face amount of the notes, which we call the fourteenth reopened notes, were offered on January 30, 2019, as described in the accompanying amendment no. 14 dated January 30, 2019 to prospectus supplement no. 3,160 dated March 29, 2018. The original notes, first reopened notes, second reopened notes, third reopened notes, fourth reopened notes, fifth reopened notes, sixth reopened notes, seventh reopened notes, eighth reopened notes, ninth reopened notes, tenth reopened notes, eleventh reopened notes, twelfth reopened notes, thirteenth reopened notes, fourteenth reopened notes and fifteenth reopened notes have identical terms and conditions and have the same CUSIP (362273302) and ISIN (US3622733026) numbers. In this prospectus supplement, the term notes means, collectively, the original notes, the first reopened notes, the second reopened notes, the third reopened notes, the fourth reopened notes, the fifth reopened notes, the sixth reopened notes, the seventh reopened notes, the eighth reopened notes, the ninth reopened notes, the tenth reopened notes, the eleventh reopened notes, the twelfth reopened notes, the thirteenth reopened notes, the fourteenth reopened notes and the fifteenth reopened notes.

The issue price, underwriting commission and net proceeds listed above relate to the notes we sell on the date of this prospectus supplement to Goldman Sachs & Co. LLC (GS&Co.). The notes are listed on NYSE Arca, Inc. under the ticker symbol FRLG . GS&Co. intends to sell the aggregate face amount of the offered notes on NYSE Arca, Inc. or otherwise from time to time at market prices prevailing at the time of sale, at prices related to market prices or at negotiated prices. Subsequently, to the extent that the notes continue to be listed and an active secondary market in the notes exists, we expect that investors will purchase and sell the notes primarily in this secondary market. No assurance can be given as to the continuation of the listing for the life of the offered notes, or the liquidity or trading market for the offered notes. **The return (whether positive or negative) on your investment in notes will depend in part on the issue price you pay for such notes.**

We may, from time to time, in our sole discretion, choose to issue and sell additional amounts of the offered notes having the same terms set forth in this prospectus supplement, but at issue prices and with underwriting discounts or commissions and net proceeds that differ from the amounts set forth above. We are not obligated to issue and sell additional notes at any time to GS&Co., and GS&Co. is not obligated to sell additional notes to investors or dealers at any time. If we discontinue issuances and sales of the notes, or if GS&Co. discontinues sales of the notes, the price and liquidity of the notes may be subject to significant distortions.

GS Finance Corp. (GSFC) may use this prospectus in the initial sale of the notes. In addition, GS&Co. or any other affiliate of GSFC may use this prospectus in a market-making transaction in a note after its initial sale. ***Unless GSFC or its agent informs the purchaser otherwise in the confirmation of sale, this prospectus is being used in a market-making transaction.***

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About Your Prospectus

The notes are part of the Medium-Term Notes, Series E program of GS Finance Corp., and are fully and unconditionally guaranteed by The Goldman Sachs Group, Inc. This prospectus includes this prospectus supplement and the accompanying documents listed below. This prospectus supplement constitutes a supplement to the documents listed below and should be read in conjunction with such documents:

Amendment No. 14 dated January 30, 2019 to Prospectus Supplement No. 3,160 dated March 29, 2018

Amendment No. 13 dated January 10, 2019 to Prospectus Supplement No. 3,160 dated March 29, 2018

Amendment No. 12 dated December 17, 2018 to Prospectus Supplement No. 3,160 dated March 29, 2018

Amendment No. 11 dated November 28, 2018 to Prospectus Supplement No. 3,160 dated March 29, 2018

Amendment No. 10 dated November 5, 2018 to Prospectus Supplement No. 3,160 dated March 29, 2018

Amendment No. 9 dated October 18, 2018 to Prospectus Supplement No. 3,160 dated March 29, 2018

Amendment No. 8 dated September 28, 2018 to Prospectus Supplement No. 3,160 dated March 29, 2018

Amendment No. 7 dated September 6, 2018 to Prospectus Supplement No. 3,160 dated March 29, 2018:

Amendment No. 6 dated August 16, 2018 to Prospectus Supplement No. 3,160 dated March 29, 2018

Amendment No. 5 dated July 12, 2018 to Prospectus Supplement No. 3,160 dated March 29, 2018

Amendment No. 4 dated June 20, 2018 to Prospectus Supplement No. 3,160 dated March 29, 2018

Amendment No. 3 dated June 1, 2018 to Prospectus Supplement No. 3,160 dated March 29, 2018

Amendment No. 2 dated May 17, 2018 to Prospectus Supplement No. 3,160 dated March 29, 2018

Amendment No. 1 dated April 30, 2018 to Prospectus Supplement No. 3,160 dated March 29, 2018

Prospectus supplement no. 3,160 dated March 29, 2018

Prospectus supplement dated July 10, 2017

Prospectus dated July 10, 2017

The information in this prospectus supplement supersedes any conflicting information in the documents listed above. In addition, some of the terms or features described in the listed documents may not apply to your notes.

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FREQUENTLY ASKED QUESTIONS AND ANSWERS

The following is only a summary and should be read together with, and not as a substitute for, the disclosure and other terms and information in this prospectus supplement, including under Summary Information Key Terms , Additional Risk Factors Specific to Your Notes and Specific Terms of Your Notes .

What Are the Notes and How Do They Work?

The notes are part of the Medium-Term Notes, Series E program of GS Finance Corp., and are guaranteed by The Goldman Sachs Group, Inc. Although the return on the notes will be based on the performance of the Russell 1000® Growth Total Return Index (the index), the payment of any amount due on the notes is subject to the credit risk of GS Finance Corp., as issuer of the notes, and the credit risk of The Goldman Sachs Group, Inc., as guarantor of the notes.

Unlike conventional debt securities, the notes do not pay interest and do not repay a fixed amount of principal at maturity or upon any redemption. Instead, the notes offer a payment at maturity or upon any redemption based on the two times leveraged performance, compounded at least quarterly, of the index, **less significant applicable fees**, described below under *What Fees are Charged Under the Notes?* . The notes will mature on April 3, 2028 and are subject to redemption at the option of the issuer, redemption at the option of the holder and automatic redemption, described below under *What are the Applicable Redemption Features and How Do They Work?* .

The notes are designed to reset to approximately 2 times leveraged exposure to the index on each rebalancing date as described below under *How Do the Leverage and Rebalancing Features Work?* . Rebalancing dates occur quarterly and each time the closing level of the index falls by an amount that is 20% or more of the closing level of the index on the prior rebalancing date.

Accordingly, the notes generally depreciate in value as the level of the index decreases and appreciate in value as the level of the index increases, provided that, with respect to an increase in the level of the index, such increase is sufficient to offset the negative effect of the daily investor fee and any applicable rebalancing fee and settlement fee (the fees account for the costs to finance the leveraged exposure and to hedge our obligations under the notes).

The notes are very sensitive to changes in the performance of the index, and returns on the notes may be negatively impacted in complex and unpredictable ways by the volatility of the index. As the notes are designed to achieve their stated investment objective on a quarterly basis, their performance over longer periods of time is affected by compounding and index performance and can differ significantly from their stated quarterly objective. The notes are riskier than securities that have intermediate- or long-term investment objectives that do not have quarterly compounding. **Any decision to invest in the notes, and to hold for longer than one quarter, should be made with extreme caution. These notes are not appropriate for long-term or passive investors or investors who lack experience investing in leveraged products.**

How Can You Determine the Value of Your Notes?

The closing indicative note value and intraday indicative note value are each intended to approximate the intrinsic economic value of a $100 face amount of the notes (1 note) at the time of calculation.

The closing indicative note value is calculated once on each trading day after the closing level of the index is published at approximately 4:00 p.m., New York City time, and will fluctuate over time based on changes in the closing level of the index, subject to accrued fees. The closing indicative note value is the value that is referenced in calculating any payment at maturity or upon any redemption other than an automatic redemption.

The closing indicative note value on the initial valuation date (the inception date, March 29, 2018) equals $100, the stated face amount per note. The closing indicative note value on any other valuation date (valuation dates are the trading days during the period commencing on the initial valuation date and ending on the final valuation date (March 29, 2028)) will equal (i) the asset position on such valuation date *minus* (ii) the financing level on such valuation date, subject to a minimum of $0. The asset position represents a hypothetical leveraged investment in the index ($200 on the initial valuation date), which is funded by the initial investment ($100 per note on the initial valuation date) and the financing level ($100 on the initial valuation date).

The asset position reflects the exposure to the index. The asset position value increases or decreases depending on the performance of the index.

The financing level represents a hypothetical loan and the accrual of the daily investor fee and the rebalancing fee (on each rebalancing date). On each rebalancing date, the exposure to the index and the hypothetical loan are both increased or decreased based on the index performance since the last rebalancing date. Such changes are reflected in the rebalancing amount adjustments that are made to the asset position and the financing level. Essentially, an increase to the asset position is financed by a corresponding increase to the hypothetical loan, and a decrease to the asset position will generate hypothetical proceeds used to partially repay the hypothetical loan. The daily investor fee is

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intended to compensate the issuer for providing investors leveraged participation in the index, including financing fees that investors may have otherwise incurred had they sought to borrow funds at a similar rate from a third party to invest in the index. See *What Fees are Charged Under the Notes?* below. Increases in the financing level will reduce the closing indicative note value and therefore the economic value of your notes.

The asset position and financing level are calculated as follows:

The asset position is equal to $200 on the initial valuation date and on any subsequent valuation date will equal the *sum* of (i) the *product* of (a) the asset position on the immediately preceding valuation date *times* (b) the index performance factor on such subsequent valuation date *plus* (ii) the rebalancing amount (if any) on such subsequent valuation date.

The financing level is equal to $100 on the initial valuation date and on any subsequent valuation date will equal the *sum* of (i) the financing level on the immediately preceding valuation date *plus* (ii) the daily investor fee on such subsequent valuation date *plus* (iii) the rebalancing fee (if any) on such subsequent valuation date *plus* (iv) the rebalancing amount (if any) on such subsequent valuation date.

The index performance factor is equal to 1 on the initial valuation date and on each subsequent valuation date will be based on the percentage change in the closing level of the index on such valuation date from the closing level of the index on the preceding valuation date. The index performance factor on any valuation date other than the initial valuation date is *equal* to the *quotient* of (i) the closing level of the index on the current valuation date *divided* by (ii) the closing level of the index on the immediately preceding valuation date. For example, if the closing level of the index on a valuation date is 150 and decreases to 120 on the subsequent valuation date, the index performance factor will equal 0.80 (i.e. 120 divided by 150).

The rebalancing amount represents the change in the exposure to the index as a result of any rebalancing event. On each rebalancing date, a rebalancing amount is added to or subtracted from the asset position and the financing level depending on the performance of the index since the preceding rebalancing date so that the leverage is reset to approximately 2. The rebalancing amount is calculated as described under *How Do the Leverage and Rebalancing Features Work*? below. For example, assuming that (1) the financing fee rate and the fee rates used in calculating the daily investor fee and the rebalancing fee are all set to zero; (2) on the immediately prior rebalancing date, the closing level of the index is 100, the closing indicative note value is $100, the asset position is $200 and the financing level is $100, (3) the closing level of the index has declined to 81 on the current quarterly rebalancing calculation date and (4) the closing level of the index is unchanged, at 81, from the current quarterly rebalancing calculation date to the current quarterly rebalancing date:

on the quarterly rebalancing calculation date,

- the asset position will equal $162 (i.e. $200 × (81/100))
- the financing level will equal $100; and

- the closing indicative note value will equal \$62 (i.e. \$162 - \$100)

on the quarterly rebalancing date *before* rebalancing occurs,

- the asset position will equal \$162 (i.e. \$162 × (81/81));
- the financing level will equal \$100; and
- the closing indicative note value will equal \$62 (i.e. \$162 - \$100)

on the quarterly rebalancing date after rebalancing occurs,

- the **rebalancing amount** will equal -\$38 (i.e. ((2 × \$62) - \$162) × 81/81).
- the asset position will equal \$124 (i.e. \$162 -\$38);
- the financing level will equal \$62 (i.e. \$100 - \$38); and
- the closing indicative note value will equal \$62 (i.e. \$124 - \$62).

As the above example demonstrates, if the index performance from the immediately prior rebalancing date to the current quarterly rebalancing calculation date is negative, the rebalancing amount is *deducted* from the asset position (reducing the exposure to the index) and the financing level (reflecting a partial repayment of the hypothetical loan using the hypothetical proceeds realized from the reduction of the asset position). Similarly, if the index performance from the immediately prior rebalancing date to the current quarterly rebalancing calculation date is positive, the rebalancing amount will be *added* to the asset position (increasing the exposure to the index) and the financing level (reflecting an increase in the hypothetical loan to finance the additional exposure to the index).

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The intraday indicative note value will fluctuate within a trading day based on changes in the intraday level of the index, subject to applicable fees. The intraday indicative note value is calculated and published every 15 seconds on each trading day during the hours on which trading is generally conducted on NYSE Arca, and before the closing indicative note value is published for such day.

The closing indicative note value and intraday indicative note value are published for informational purposes by an entity appointed by the calculation agent. It is important to understand that the closing indicative note value and intraday indicative note value are not the same as the price at which an investor may buy or sell the notes. The price at which an investor may buy or sell the notes will depend on market forces and the availability of willing buyers and sellers and may, therefore, differ from the closing indicative note value or intraday indicative note value at any time.

What Payments Will Be Made Under the Notes at Maturity and Upon Redemption?

The amount that you will be paid on your notes at maturity or redemption is based on the leveraged performance of the index, **less significant applicable fees**, as described under *What Fees are Charged Under the Notes* below. At maturity or upon redemption, as applicable, for each $100 face amount of your notes, you will receive an amount in cash equal to:

- if your notes have not been previously redeemed, (i) the closing indicative note value on the final valuation date *minus* (ii) the settlement fee of 0.06% of the asset position on the final valuation date;

- if your notes are automatically redeemed, the automatic redemption note value on the applicable redemption valuation date (the automatic redemption note value is described below under *What are the Applicable Redemption Features and How Do They Work?*);

- if you elect to have us redeem at least $500,000 face amount of your notes (i.e., 5,000 notes), (i) the closing indicative note value on the applicable redemption valuation date *minus* (ii) the settlement fee on such redemption valuation date; or

- if we redeem your notes at our option, the closing indicative note value on the applicable redemption valuation date.

The closing indicative note value is equal to (i) the asset position, which is equal to $200 on the initial valuation date and on any subsequent valuation date will increase or decrease depending on the index performance factor, *minus* (ii) the financing level, which is equal to $100 on the initial valuation date and on any subsequent valuation date will reflect the accrual of the daily investor fee as further described below under *What Fees are Charged Under the Notes?* . The closing indicative note value, the asset position and the financing level are described above under *How Can You Determine the Value of Your Notes?* .

The index performance factor is equal to 1 on the initial valuation date and on each subsequent valuation date will be based on the percentage change in the closing level of the index on such valuation date from the closing level of the index on the preceding valuation date (provided that, for purposes of determining the amount payable if the notes are automatically redeemed, the index performance factor may be determined by reference to the VWAP level of the index as further described below under *What are the Applicable Redemption Features and How Do They Work?*).

The deduction of the settlement fee in the calculation of any payment at maturity or upon redemption at your option will reduce amounts payable on the notes. Accordingly, in order for you to avoid a loss on your notes, the index will need to increase sufficiently from the time you purchase your notes to compensate for the settlement fee.

The applicable redemption valuation dates are described below under *What are the Applicable Redemption Features and How Do They Work?*

What Fees are Charged Under the Notes?

There are significant fees payable by you to compensate the issuer for providing investors leveraged participation in the index. Such fees are assessed on each valuation date and rebalancing date, upon holder redemption and at stated maturity.

Daily Investor Fee: the daily investor fee is assessed daily and is intended to compensate the issuer for providing investors leveraged participation in the index, including financing fees that investors may have otherwise incurred had they sought to borrow funds at a similar rate from a third party to invest in the index. The daily investor fee is equal to the *product* of:

o (i) *the sum* of

(a) the *product* of (1) the financing level on the immediately preceding rebalancing date *times* (2) the financing fee rate of 0.81% per annum *plus* 3-month USD LIBOR on the preceding quarterly rebalancing date *plus*

(b) the *product* of (1) 0.65% per annum *times* (2) 50% *times* (3) the asset position on the immediately preceding valuation date *times*

- (ii) the *quotient* of (a) the number of calendar days from, but excluding, the immediately preceding valuation date to, and including, the current valuation date *divided by* (b) 360. **LIBOR is being modified, see page S-35**

Rebalancing Fee: the rebalancing fee is charged to account for our brokerage and transaction costs due to the change in the exposure to the index and is equal to the *product* of:

- (i) the rebalancing fee rate of 0.06% *times*
- (ii) the absolute value of the rebalancing amount on such valuation date (*e.g.,* if the rebalancing amount is -$10, the absolute value of the rebalancing amount will be $10; if the rebalancing amount is $10, the absolute value of the rebalancing amount will be $10).

Settlement Fee: upon holder redemption and at stated maturity, a settlement fee is assessed to account for the brokerage and transaction costs in unwinding any hedge we may have relating to the notes.

- The settlement fee upon holder redemption equals the product of (i) 0.06% *times* (ii) the asset position on the applicable redemption valuation date.

- At maturity, the settlement fee is equal to the *product* of (i) 0.06% *times* (ii) the asset position on the final valuation date.

Fees will significantly reduce any amount payable on your notes, regardless of the performance of the index.

How Do the Leverage and Rebalancing Features Work?

The notes are designed to provide 2 times leveraged exposure to both the positive and negative performance of the index on the initial valuation date and to reset to approximately 2 times leveraged exposure on each rebalancing date (each quarterly rebalancing date and loss rebalancing date).

A quarterly rebalancing date is the valuation date immediately following a quarterly rebalancing calculation date (the last valuation date of each March, June, September and December, commencing in June 2018 and ending in December 2027). The rebalancing adjustment on each quarterly rebalancing date will have the effect of re-leveraging your notes with the aim of resetting the then-current leverage factor back to approximately 2. This means that after each quarterly rebalancing date, a constant percentage increase in the closing level of the index may have more or less of a positive effect on the value of your notes relative to before such quarterly rebalancing date.

A loss rebalancing date is the valuation date immediately following a loss rebalancing event. A loss rebalancing event is deemed to have occurred if, on any valuation date that is not a rebalancing date, the closing level of the index is *equal* to or *less than* 80% of the closing level of the index on the immediately preceding rebalancing date (or, if none, the inception date). A loss rebalancing event will result in the notes being rebalanced on the loss rebalancing date and will have the effect of deleveraging your notes with the aim of resetting the then-current leverage factor back to approximately 2. This means that after the applicable loss rebalancing date, a constant percentage increase in the closing level of the index will have less of a positive effect on the value of your notes relative to before such loss rebalancing date.

The leverage factor reflects the leveraged exposure to the index and will reset to approximately 2 on each rebalancing date.

On each rebalancing date, the closing indicative note value is further reduced by the rebalancing fee. **Leverage on days other than rebalancing dates may be greater or less than 2 and may significantly decrease the amount payable on your notes.** Rebalancing dates may be postponed upon the occurrence of a market disruption event. See *What Happens If There is a Market Disruption Event on a Redemption Valuation Date, the Automatic Redemption Valuation Date, a Loss Rebalancing Date, a Quarterly Rebalancing Date or the Final Valuation Date?* below.

On each rebalancing date, a rebalancing amount is added to or subtracted from the asset position and the financing level depending on the performance of the index since the preceding rebalancing date so that the leverage is reset to approximately 2. The rebalancing amount represents the change in the exposure to the index as a result of any rebalancing event. See *How Can You Determine the Value of Your Notes*? above.

The rebalancing amount is equal to the *product* of:

(i) the *result* of:

- o (a) the *product* of (1) 2 *times* (2) the closing indicative note value on the immediately preceding valuation date on which a loss rebalancing event occurs or the immediately preceding quarterly rebalancing calculation date (whichever is more recent) *minus*

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- (b) the asset position on the immediately preceding valuation date on which a loss rebalancing event occurs or the immediately preceding quarterly rebalancing calculation date (whichever is more recent) *times*

(ii) the *quotient* of:

- (a) the closing level of the index on the current rebalancing date *divided* by

- (b) the closing level of the index on the immediately preceding valuation date on which a loss rebalancing event occurs or the immediately preceding quarterly rebalancing calculation date (whichever is more recent).

What are the Applicable Redemption Features and How Do They Work?

There are three types of redemption: redemption at the option of the holder; redemption at the option of the issuer; and automatic redemption. The different payments, depending on the type of redemption are described under *What Payments Will Be Made Under the Notes at Maturity and Upon Redemption?* above.

Redemption at the Option of the Holder. You may elect to have us redeem your notes on any valuation date, provided that for any redemption request you redeem at least $500,000 face amount of your notes (which is equal to 5,000 notes and which may be aggregated with other noteholders) and follow the procedures described elsewhere in this prospectus supplement. If you purchase or at any time own less than $500,000 face amount of the notes, you will not be able to have us redeem your notes unless you follow the procedures of your broker-dealer to aggregate your notes with other noteholders.

You will not know the amount you will receive on the redemption date at the time you request that we redeem your notes. Your notice to us to redeem your notes is irrevocable and must be received by us no later than 3:00 p.m., New York City time, on the applicable valuation date. Provided that the notice of redemption is received by the deadline, the redemption valuation date will be the following valuation date. Therefore, you will not know the amount payable on your notes until the first valuation date after the valuation date on which you provide your notice to us to redeem the notes. As a result, you will be exposed to market risk in the event the market fluctuates after we confirm the validity of your notice of redemption to exercise your rights to have us redeem your notes and prior to the applicable redemption date.

Notwithstanding the above, if you provide notice of holder redemption but an automatic redemption event occurs on or prior to the applicable redemption valuation date, your notice of holder redemption will be superseded and your notes will be automatically redeemed on the relevant redemption date at an amount equal to the automatic redemption note value. Additionally, if we provide notice of an issuer redemption of the notes, any subsequent notice of holder redemption will not be effective.

*Redemption at the Option of the Issuer***.** We may redeem your notes at our option prior to the stated maturity date, in whole but not in part. If we provide notice of an issuer redemption of the notes but an automatic redemption event occurs on or prior to the applicable redemption valuation date, our notice of issuer redemption will be superseded and your notes will be automatically redeemed on the relevant redemption date at an amount equal to the automatic redemption note value.

Automatic Redemption. We will automatically redeem your notes, in whole but not in part, if, on any valuation date prior to the final valuation date, the intraday level of the index is equal to or less than 70% of the closing level of the index on the immediately preceding rebalancing date (or if none, the inception date).

If your notes are automatically redeemed, on the applicable redemption date you will receive, for each $100 face amount of your notes, an amount in cash equal to the *result* of:

(i) the *product* of (a) the asset position on the valuation date immediately preceding the automatic redemption event date *times* (b) the automatic redemption index performance factor *minus*

(ii) the financing level on the automatic redemption event date, subject to a minimum of $0.

The determination of the automatic redemption note value upon an automatic redemption event may be based on the index VWAP level as described below.

The amount payable on your notes following an automatic redemption of the notes may be calculated using a formula based on the index VWAP level, not the closing level of the index, if an automatic redemption event occurs prior to 2:30 p.m. New York City time, or at or after 3:30 p.m., New York City time, on the automatic redemption event date. The closing level of the index is used to calculate the amount payable under the notes at maturity and upon any other redemption event. The index VWAP level is intended to replicate the proceeds realized from a sale of the index stocks in the quantities that they comprise the index gradually over the relevant VWAP period and will likely differ from the closing level of the index. Therefore, your payment upon an automatic redemption event may be different from the payment that you would receive if such payment were determined by reference to the closing level of the index. In addition, the index VWAP level may differ from the level of the index at the time the automatic redemption event occurred.

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Is GS Finance Corp. or GS&Co. Obligated to Purchase or Sell Notes?

In our sole discretion, we may decide to reopen the offered notes and issue and sell such additional notes from time to time to GS&Co., and in GS&Co. s sole discretion, it may decide to sell additional notes to investors or to dealers. However, we and GS&Co. are under no obligation to issue or sell additional notes at any time, and if we and GS&Co. do issue and sell additional notes, we or GS&Co. may limit or restrict such sales, and we or GS&Co. may stop and subsequently resume selling additional notes at any time. If we and GS&Co. start selling additional notes, we or GS&Co. may stop selling additional notes for any reason, which could materially and adversely affect the price and liquidity of the notes in the secondary market.

We have been advised by GS&Co. that it intends to make a market in the notes. However, neither GS&Co. nor any of our other affiliates that makes a market is obligated to do so and any of them may stop doing so at any time without notice. No assurance can be given as to the liquidity or trading market for the notes.

What Happens If There is a Market Disruption Event on a Redemption Valuation Date, the Automatic Redemption Valuation Date, a Loss Rebalancing Date, a Quarterly Rebalancing Date or the Final Valuation Date?

The calculation agent can postpone a redemption valuation date, the automatic redemption valuation date, a loss rebalancing date, a quarterly rebalancing date or the final valuation date, as applicable, if a market disruption event or a non-trading day occurs or is continuing. If the calculation agent determines that, on a date that would otherwise be a redemption valuation date, the automatic redemption valuation date, a loss rebalancing date, a quarterly rebalancing date or the final valuation date, as applicable, a market disruption event has occurred or is continuing or that day is not a trading day, the applicable redemption valuation date, the automatic redemption valuation date, loss rebalancing date, quarterly rebalancing date or the final valuation date, as applicable, will be postponed until the first following trading day on which the calculation agent determines that a market disruption event does not occur and is not continuing. In no case, however, will (i) a redemption valuation date, the automatic redemption valuation date or the final valuation date be postponed by more than thirty calendar days or (ii) a loss rebalancing date or quarterly rebalancing date be postponed by more than five trading days. As a result of any postponement, you will be exposed to market risk in the event the market fluctuates between the originally scheduled redemption valuation date, automatic redemption valuation date, loss rebalancing date, quarterly rebalancing date or final valuation date, as applicable, and the actual redemption valuation date, automatic redemption valuation date, loss rebalancing date, quarterly rebalancing date or final valuation date. In such a case, the calculation agent will determine the applicable closing level or index VWAP level for the applicable redemption valuation date, the automatic redemption valuation date, loss rebalancing date, quarterly rebalancing date or the final valuation date, as applicable, based on the procedures described under Specific Terms of Your Notes Consequences of a Market Disruption Event or a Non-Trading Day below.

What Does the Index Measure and Who Publishes It?

The index is sponsored by FTSE Russell (Russell) and is a sub-index of the Russell 1000® Index. The index is designed to track the performance of the large- and mid-capitalization segment of the U.S. equity market and is predominantly comprised of growth stocks, meaning stocks issued by companies whose earnings are expected to grow at an above-average rate relative to the market. For more information about the index, see The Index below.

Where Can You Find More Information Relating to the Notes?

The Bloomberg symbols under which information relating to the notes can be located are set forth below. The publication of this information may occasionally be subject to delay or postponement.

Closing level of the index and intraday level of the index: RU10GRTR Index

Closing indicative note value and intraday indicative note value: FRLGIV Index

Asset position: FRLGAP Index

Financing level: FRLGFL Index

Loss rebalancing trigger: FRLGRT Index

Automatic redemption trigger: FRLGAT Index

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SUMMARY INFORMATION

We refer to the notes we are offering by this prospectus supplement as the offered notes or the notes . Each of the offered notes has the terms described below and under Specific Terms of Your Notes on page S-41. Please note that in this prospectus supplement, references to GS Finance Corp. , we , our and us mean only GS Finance Corp. and do n include its subsidiaries or affiliates, references to The Goldman Sachs Group, Inc. , our parent company, mean only The Goldman Sachs Group, Inc. and do not include its subsidiaries or affiliates and references to Goldman Sachs mean The Goldman Sachs Group, Inc. together with its consolidated subsidiaries and affiliates, including us. Also, references to the accompanying prospectus mean the accompanying prospectus, dated July 10, 2017, and references to the accompanying prospectus supplement mean the accompanying prospectus supplement, dated July 10, 2017, for Medium-Term Notes, Series E, in each case of GS Finance Corp. and The Goldman Sachs Group, Inc. References to the indenture in this prospectus supplement mean the senior debt indenture, dated as of October 10, 2008, as supplemented by the First Supplemental Indenture, dated as of February 20, 2015, each among us, as issuer, The Goldman Sachs Group, Inc., as guarantor, and The Bank of New York Mellon, as trustee. This indenture, as so supplemented and as further supplemented thereafter, is referred to as the GSFC 2008 indenture in the accompanying prospectus supplement.

Key Terms

Issuer: GS Finance Corp.

Guarantor: The Goldman Sachs Group, Inc.

Index: Russell 1000® Growth Total Return Index (Bloomberg symbol, RU10GRTR Index), as published by FTSE Russell

Index stocks: the stocks comprising the index

Specified currency: U.S. dollars ($)

Face amount: each offered note will have a face amount of $100 or an integral multiple of $100 in excess thereof; $595,000,000 in the aggregate for all the offered notes

Supplemental discussion of U.S. federal income tax consequences: you will be obligated pursuant to the terms of the notes in the absence of a change in law, an administrative determination or a judicial ruling to the contrary to characterize each note for all tax purposes as a pre-paid derivative contract in respect of the index, as described under Supplemental Discussion of U.S. Federal Income Tax Consequences herein. Pursuant to this approach, it is the opinion of Sidley Austin LLP that upon the sale, exchange, redemption or maturity of your notes, it would be reasonable for you to recognize capital gain or loss equal to the difference, if any, between the amount of cash you receive at such time and your tax basis in your notes.

Amount payable on your notes:

At maturity:

if your notes have not been previously redeemed, on the stated maturity date we will pay you, for each $100 face amount of your notes, an amount in cash *equal* to (i) the closing indicative note value on the final valuation date *minus* (ii) the settlement fee on the final valuation date

Upon redemption at the option of the holder:

if you elect to have us redeem at least $500,000 face amount of your notes, on the applicable redemption date we will pay you, for each $100 face amount of your notes so redeemed, an amount in cash *equal* to (i) the closing indicative note value on the applicable redemption valuation date *minus* (ii) the settlement fee on such redemption valuation date

Upon redemption at the option of the issuer:

if we redeem your notes at our option, on the applicable redemption date we will pay you, for each $100 face amount of your notes, an amount in cash equal to the closing indicative note value on the applicable redemption valuation date

Upon automatic redemption:

if your notes are automatically redeemed, on the applicable redemption date we will pay you, for each $100 face amount of your notes, an amount in cash equal to the automatic redemption note value

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Closing indicative note value:

- on the initial valuation date, $100; or
- on any valuation date other than the initial valuation date, (i) the asset position on such valuation date *minus* (ii) the financing level on such valuation date, subject to a minimum of $0

The closing indicative note value is intended to approximate the intrinsic economic value of the notes at a particular point in time and will fluctuate over time based on the changes in the closing level of the index, subject to applicable fees. ***The closing indicative note value is not the closing price or any trading price of the notes in the secondary market, and the trading price of notes at any time may vary significantly from the closing indicative note value.***

The closing indicative note value is expected to be published on each valuation date, so long as no market disruption event has occurred or is continuing, under the Bloomberg symbol FRLGIV Index .

Intraday indicative note value: at any given time on any valuation date after the initial valuation date, before the closing indicative note value for such day is published, (i) the intraday asset position at such time on the current valuation date *minus* (ii) the financing level on the immediately preceding valuation date *minus* (iii) the daily investor fee on the current valuation date, subject to a minimum of $0.

The intraday indicative note value is intended to approximate the intrinsic economic value of the notes during the trading day and will fluctuate within a trading day based on changes in the intraday level of the index, subject to applicable fees. ***The intraday indicative note value is not a trading price of the notes in the secondary market, and the trading price of notes at any time may vary significantly from the intraday indicative note value.***

The intraday indicative note value is expected to be published every 15 seconds on each valuation day during the hours on which trading is generally conducted on NYSE Arca, so long as no market disruption event has occurred or is continuing. The intraday indicative note value is expected to be published under the Bloomberg symbol FRLGIV Index .

Asset position:

- on the initial valuation date, $200, which is equal to the initial leverage factor *times* the face amount per note; or
- on any valuation date other than the initial valuation date, the *sum* of (i) the *product* of (a) the asset position on the immediately preceding valuation date *times* (b) the index performance factor on the current valuation date *plus* (ii) the rebalancing amount (if any) on the current valuation date

The asset position represents a hypothetical leveraged investment in the index and reflects the exposure to the index. The value of the asset position will increase or decrease depending on the performance of the index and, on each rebalancing date, will further increase or decrease to reflect changes to the exposure to the index due to the rebalancing adjustment. The asset position is expected to be published on each valuation date, so long as no market disruption event has occurred or is continuing, under the Bloomberg symbol FRLGAP Index . As of the date hereof, the asset position is $186.3565.

Intraday asset position: at any given time on any valuation date after the initial valuation date, the *product* of (i) the asset position on the immediately preceding valuation date *times* (ii) the intraday index performance factor.

Settlement fee: the settlement fee is a fee imposed upon redemption at the option of the holder and payment on the stated maturity date and is *equal* to the *product* of 0.06% *times* the asset position on the applicable redemption valuation date or the final valuation date, as applicable

The settlement fee is assessed to account for the brokerage and transaction costs in unwinding any hedge the issuer may have relating to the notes.

Index performance factor:

- on the initial valuation date, 1; or

- on any valuation date other than the initial valuation date, the *quotient* of (i) the closing level of the index on the current valuation date *divided by* (ii) the closing level of the index on the immediately preceding valuation date

Intraday index performance factor: at any given time on any valuation date after the initial valuation date, the *quotient* of (i) the applicable intraday level of the index at such time *divided by* (ii) the closing level of the index on the immediately preceding valuation date

Initial leverage factor: 2

Leverage factor: on any valuation date, the *quotient* of (i) the asset position on such valuation date *divided by* (ii) the closing indicative note value on such valuation date

The leverage factor reflects the leveraged exposure to the index and will reset to approximately 2 on each rebalancing date. As of the date hereof, the leverage factor is 1.8160.

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Financing level:

on the initial valuation date, $100; or

on any valuation date other than the initial valuation date, the *sum* of (i) the financing level on the immediately preceding valuation date *plus* (ii) the daily investor fee on the current valuation date *plus* (iii) the rebalancing fee (if any) on the current valuation date *plus* (iv) the rebalancing amount (if any) on the current valuation date.

The financing level represents a hypothetical loan and the accrual of the daily investor fee and the rebalancing fee (on each rebalancing date). On each rebalancing date, the financing level will increase due to the rebalancing fee and will increase or decrease to reflect changes in the hypothetical loan associated with the rebalanced exposure to the index. The daily investor fee is intended to compensate the issuer for providing investors leveraged participation in the index, including financing fees that investors may have otherwise incurred had they sought to borrow funds at a similar rate from a third party to invest in the index. The financing level is expected to be published on each valuation date, so long as no market disruption event has occurred or is continuing, under the Bloomberg symbol FRLGFL Index . As of the date hereof, the financing level is $83.7350.

Daily investor fee:

on the initial valuation date, $0; or

on any valuation date other than the initial valuation date, the *product* of (i) *the sum* of (a) the *product* of (1) the financing level on the immediately preceding rebalancing date (or if none, the inception date) *times* (2) the financing fee rate *plus* (b) the *product* of (1) 0.65% per annum *times* (2) 50% *times* (3) the asset position on the immediately preceding valuation date *times* (ii) the *quotient* of (a) the number of calendar days from, but excluding, the immediately preceding valuation date to, and including, the current valuation date *divided by* (b) 360. In no case will the daily investor fee be negative.

The daily investor fee is assessed daily and is intended to compensate the issuer for providing investors leveraged participation in the index, including financing fees that investors may have otherwise incurred had they sought to borrow funds at a similar rate from a third party to invest in the index.

Financing fee rate:

on any valuation date prior to and including the first quarterly rebalancing date, 3.12175%; or

on any valuation date after the first quarterly rebalancing date, the *sum* of (i) 0.81% per annum *plus* (ii) 3-month USD LIBOR calculated on the immediately preceding quarterly rebalancing date

The financing fee rate is intended to represent a rate for a financing fee that investors may have otherwise incurred had they sought to borrow funds at a similar rate from a third party to invest in the index.

3-month USD LIBOR: on any day, the 3-month London Interbank Offered Rate (LIBOR) for deposits in U.S. dollars as it appears on Reuters screen LIBOR01 page (or any successor or replacement service or page thereof) at 11:00 a.m., London time on such day (or, if such day is not a London business day, the immediately preceding London business day), subject to adjustment as described under Specific Terms of Your Notes 3-Month USD LIBOR on page S-44. **LIBOR is being modified, see page S-35**.

Discontinuance of 3-month USD LIBOR: if the calculation agent determines, on a day on which 3-month USD LIBOR is scheduled to be determined under the terms of the notes, that 3-month USD LIBOR has been discontinued, then the calculation agent will use a substitute or successor rate that it has determined in its sole discretion is most comparable to the 3-month USD LIBOR rate, provided that if the calculation agent determines there is an industry-accepted successor rate, then the calculation agent shall use such successor rate. If the calculation agent has determined a substitute or successor rate in accordance with the foregoing, the calculation agent in its sole discretion may determine the definition of business day and the valuation dates to be used, and any other relevant methodology for calculating such substitute or successor rate, including any adjustment factor needed to make such substitute or successor rate comparable to the 3-month USD LIBOR rate, in a manner that is consistent with industry-accepted practices for such substitute or successor rate. Unless the calculation agent uses a substitute or successor rate as so provided, the provisions as described under Specific Terms of Your Notes Financing Fee Rate on page S-43 will apply.

Closing level of the index: as described under Specific Terms of Your Notes Special Calculation Provisions Closing Level of the Index on page S-51

Intraday level of the index: as described under Specific Terms of Your Notes Special Calculation Provisions Intraday Level of the Index on page S-51

Inception date: March 29, 2018

Initial valuation date: the inception date

Original issue date: for the fifteenth reopened notes, February 26, 2019; the fifteenth reopened notes have the same CUSIP and ISIN as the original notes

Final valuation date: March 29, 2028, unless postponed as described under Specific Terms of Your Notes Final Valuation Date on page S-44

Valuation dates: each trading day during the period commencing on the initial valuation date and ending on the final valuation date, as described under Specific Terms of Your Notes Valuation Dates on page S-44

Stated maturity date: April 3, 2028, unless postponed as described under Specific Terms of Your Notes Stated Maturity Date on page S-44

Redemption (three types: at the option of the holder; at the option of the issuer; and automatic):

Redemption at the option of the holder:

You may elect to have us redeem your notes prior to the stated maturity date, in whole or in part, provided that in each case you redeem at least $500,000 face amount of your notes. See Specific Terms of Your Notes Redemption Redemption at the Option of the Holder on page S-46. You must follow the procedures described in this prospectus supplement to validly exercise your election for early redemption. **If you purchase or at any time own less than $500,000 face amount of the notes, you will not be able to elect to have us redeem your notes because each redemption at your election must be in respect of at least $500,000 face amount of your notes (which may be aggregated with other noteholders seeking to redeem).**

Notwithstanding the above, if you provide notice of holder redemption but an automatic redemption event occurs on or prior to the applicable redemption valuation date, your notice of holder redemption will be superseded and your notes will be automatically redeemed on the redemption date (for the automatic redemption) at an amount equal to the automatic redemption note value. Additionally, if we provide notice of an issuer redemption of the notes, any subsequent notice of holder redemption will not be effective. See Additional Risk Factors Specific to Your Notes You Will Not Know the Amount Payable on Your Notes at the Time You Request That We Redeem Your Notes and an Automatic Redemption Event Could Cause Your Notice to be Superseded. Additionally, to be Effective, Your Request That We Redeem Your Notes Must be Received Before We Provide Notice of an Issuer Redemption below.

Redemption at the option of the issuer:

We may redeem your notes at our option prior to the stated maturity date, in whole but not in part. See Specific Terms of Your Notes Redemption Redemption at the Option of the Issuer on page S-46. **Notwithstanding the foregoing, if we provide notice of an issuer redemption of the notes but an automatic redemption event occurs on or prior to the applicable redemption valuation date, our notice of issuer redemption will be superseded and your notes will be automatically redeemed on the redemption date at an amount equal to the automatic redemption note value.**

Automatic redemption:

We will automatically redeem your notes, in whole but not in part, if, at any time on any valuation date prior to the final valuation date, the intraday level of the index is equal to or less than 70% of the closing level of the index on the immediately preceding rebalancing date (or if none, the inception date). See Specific Terms of Your Notes Redemption Automatic Redemption on page S-47

Redemption valuation date (with respect to redemption at the option of the holder): the first valuation date following the date on which you deliver notice to us in compliance with the procedures described under Specific Terms of Your Notes Redemption Redemption at the Option of the Holder Redemption at the Option of the Holder Requirements on page S-46, unless postponed as provided under Specific Terms of Your Notes Redemption Redemption Valuation Date

Redemption date (with respect to redemption at the option of the holder): the third business day following the applicable redemption valuation date

Redemption valuation date (with respect to redemption at the option of the issuer): the tenth valuation date following the date on which we provide notice to holders of the notes and the trustee, as described under Specific Terms of Your Notes Redemption Redemption at the Option of the Issuer on page S-46, unless postponed as provided under Specific Terms of Your Notes Redemption Redemption Valuation Date

Redemption date (with respect to redemption at the option of the issuer): the third business day following the applicable redemption valuation date

Redemption date (with respect to automatic redemption): the fifth business day following the automatic redemption valuation date

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Automatic redemption event: we will automatically redeem your notes, in whole but not in part, if, at any time on any valuation date prior to the final valuation date, the intraday level of the index is equal to or less than the automatic redemption trigger

If an automatic redemption event occurs on a rebalancing date, the notes will be automatically redeemed pursuant to the automatic redemption event without giving regard to the rebalancing adjustment. If we provide notice of an issuer redemption of the notes and then an automatic redemption event occurs on or prior to the applicable redemption valuation date, our notice of issuer redemption will be superseded and your notes will be automatically redeemed on the relevant redemption date at an amount equal to the automatic redemption note value. Additionally, if you provide notice of a holder redemption but an automatic redemption event occurs on or prior to the applicable redemption valuation date, your notice of holder redemption will be superseded and your notes will be automatically redeemed on the redemption date (for the automatic redemption) at an amount equal to the automatic redemption note value. See Additional Risk Factors Specific to Your Notes You Will Not Know the Amount Payable on Your Notes at the Time You Request That We Redeem Your Notes and an Automatic Redemption Event Could Cause Your Notice to be Superseded. Additionally, to be Effective, Your Request That We Redeem Your Notes Must be Received Before We Provide Notice of an Issuer Redemption below.

Automatic redemption event date: the valuation date on which the automatic redemption event occurs

Automatic redemption valuation date: the automatic redemption event date, as described under Specific Terms of Your Notes Redemption Automatic Redemption on page S-47, unless postponed as provided under Specific Terms of Your Notes Redemption Automatic Redemption Valuation Date

Automatic redemption trigger: at any time on any valuation date, 70% of the closing level of the index on the immediately preceding rebalancing date (or if none, the inception date). The automatic redemption trigger is expected to be published on each valuation date, so long as no market disruption event has occurred or is continuing, under the Bloomberg symbol FRLGAT Index .

Automatic redemption note value: upon the occurrence of an automatic redemption event, the *result* of (i) the *product* of (a) the asset position on the valuation date immediately preceding the automatic redemption event date *times* (b) the automatic redemption index performance factor *minus* (ii) the financing level on the automatic redemption event date, subject to a minimum of $0

Automatic redemption index performance factor:

- if an automatic redemption event occurs prior to 2:30 p.m., New York City time, or at or after 3:30 p.m., New York City time, on the automatic redemption event date, the *quotient* of (i) the index VWAP level divided by (ii) the closing level of the index on the valuation date immediately preceding the automatic redemption event date; or

- if an automatic redemption event occurs at or after 2:30 p.m., New York City time, but prior to 3:30 p.m., New York City time, on the automatic redemption event date, the *quotient* of (i) the closing level of the index on the automatic redemption event date *divided* by (ii) the closing level of the index on the valuation date immediately preceding the automatic redemption event date

Index VWAP level: on any applicable valuation date, the *sum* of the *products*, as calculated for each index stock, of (i) the VWAP of such index stock *times* (ii) the *quotient* of (a) the available float shares of such index stock on such valuation date *divided* by (b) the index divisor on such valuation date.

The index VWAP level is intended to replicate the proceeds realized from a sale of the index stocks in the quantities that they comprise the index gradually over the relevant VWAP period.

Volume-weighted average price (VWAP): with respect to each index stock, on any applicable valuation date, the *sum* of the *quotients*, calculated for each transaction on such index stock on the primary exchange during the applicable VWAP period, of (i) the *product* of (a) the gross price at which such transaction is executed *times* (b) the relevant number of shares of the index stock referenced in such transaction *divided* by (ii) the total number of shares of the index stock traded on the primary exchange during such VWAP period, subject to adjustment as described under Specific Terms of Your Notes Volume-Weighted Average Price on page S-48

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VWAP period:

- if an automatic redemption event occurs prior to 2:30 p.m., New York City time, on the automatic redemption event date, the one hour period starting thirty minutes after the automatic redemption event occurs, subject to adjustment as described under Specific Terms of Your Notes VWAP Period on page S-48; or

- if an automatic redemption event occurs at or after 3:30 p.m., New York City time, on the automatic redemption event date, the one hour period starting at 10:00 a.m., New York City time, on the valuation date immediately following such automatic redemption event date, subject to adjustment as described under Specific Terms of Your Notes VWAP Period on page S-48

Available float shares: with respect to each index stock, on any applicable valuation date, the *result*, as published by the index sponsor, of (i) total shares of such index stock outstanding *minus* (ii) the shares of such index stock held by control holders

Index divisor: on any applicable valuation date, a value calculated and published by the index sponsor that is intended to maintain conformity in index values over time

Primary exchange: for each index stock, the exchange on which such index stock has its primary listing, as determined by the calculation agent

Rebalancing: rebalancing can occur on a quarterly rebalancing date or because of a loss rebalancing event. As of the date hereof, the notes most recently rebalanced on January 2, 2019.

Loss rebalancing event: if, on any valuation date that is not a rebalancing date, the closing level of the index is equal to or less than the loss rebalancing trigger, a loss rebalancing event is deemed to have occurred on such valuation date. A loss rebalancing event will result in the notes being rebalanced on the loss rebalancing date and will have the effect of deleveraging your notes with the aim of resetting the then-current leverage factor back to approximately 2. This means that after the applicable loss rebalancing date, a constant percentage increase in the closing level of the index will have less of a positive effect on the value of your notes relative to before such loss rebalancing date

Loss rebalancing trigger: on any valuation date, 80% of the closing level of the index on the immediately preceding rebalancing date (or if none, the initial valuation date). The loss rebalancing trigger is expected to be published on each valuation date, so long as no market disruption event has occurred or is continuing, under the Bloomberg symbol FRLGRT Index .

Loss rebalancing date: the first valuation date immediately following any valuation date on which a loss rebalancing event occurs, unless postponed as described under Specific Terms of Your Notes Loss Rebalancing Date on page S-48

Quarterly rebalancing calculation date: the last valuation date of each March, June, September and December, commencing in June 2018 and ending in December 2027.

Quarterly rebalancing date: the first valuation date immediately following each quarterly rebalancing calculation date, unless postponed as described under Specific Terms of Your Notes Quarterly Rebalancing Date on page S-49.

The rebalancing adjustment on each quarterly rebalancing date will have the effect of re-leveraging your notes with the aim of resetting the then-current leverage factor back to approximately 2. This means that after each quarterly rebalancing date, a constant percentage increase in the closing level of the index may have more or less of a positive effect on the value of your notes relative to before such quarterly rebalancing date.

Rebalancing date: a quarterly rebalancing date or loss rebalancing date

Rebalancing amount:

on any valuation date that is not a rebalancing date, $0; or

on any valuation date that is a rebalancing date, the *product* of (i) the *result* of (a) the *product* of (1) 2 *times* (2) the closing indicative note value on the immediately preceding valuation date on which a loss rebalancing event occurs or the immediately preceding quarterly rebalancing calculation date (whichever is more recent) *minus* (b) the asset position on the immediately preceding valuation date on which a loss rebalancing event occurs or the immediately preceding quarterly rebalancing calculation date (whichever is more recent) *times* (ii) the *quotient* of (a) the closing level of the index on the current rebalancing date *divided* by (b) the closing level of the index on the immediately preceding valuation date on which a loss rebalancing event occurs or the immediately preceding quarterly rebalancing calculation date (whichever is more recent).

The rebalancing amount represents the change in the exposure to the index as a result of any rebalancing event. On each rebalancing date, a rebalancing amount is added to or subtracted from the asset position and the financing level depending on the performance of the index since the preceding rebalancing date so that the leverage is reset to approximately 2.

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Rebalancing fee:

- on any valuation date that is not a rebalancing date, $0; or
- on any valuation date that is a rebalancing date, the *product* of (i) the rebalancing fee rate *times* (ii) the absolute value of the rebalancing amount on such rebalancing date. In no case will the rebalancing fee be negative.

The rebalancing fee is charged to account for the issuer s brokerage and transaction costs due to the change in the exposure to the index.

Rebalancing fee rate: 0.06%

Bloomberg symbols:

The Bloomberg symbols under which information relating to the notes can be located are set forth below. The publication of this information may occasionally be subject to delay or postponement.

- Closing level of the index and intraday level of the index: RU10GRTR Index
- Closing indicative note value and intraday indicative note value: FRLGIV Index
- Asset position: FRLGAP Index
- Financing level: FRLGFL Index
- Loss rebalancing trigger: FRLGRT Index
- Automatic redemption trigger: FRLGAT Index

Business day: as described under Specific Terms of Your Notes Special Calculation Provisions Business Day on page S-51

London business day: as described under Specific Terms of Your Notes Special Calculation Provisions London Business Day on page S-51

Trading day: as described under Specific Terms of Your Notes Special Calculation Provisions Trading Day on page S-51

Listing: the notes are listed on NYSE Arca under the ticker symbol FRLG . To the extent that the notes continue to be listed and an active secondary market in the notes exists, we expect that investors will purchase and sell the notes primarily in this secondary market. No assurance can be given as to the continuation of the listing for the life of the offered notes, or the liquidity or trading market for the offered notes.

Interest: the notes do not bear interest

Calculation agent: Goldman Sachs & Co. LLC (GS&Co.)

CUSIP: 362273302

ISIN: US3622733026

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HYPOTHETICAL EXAMPLES

The following examples are provided for purposes of illustration only. They should not be taken as an indication or prediction of future investment results and merely are intended to illustrate the impact that hypothetical changes in the closing levels of the index could have on the amount payable on the stated maturity date or upon redemption as well as the impact, on a daily accrued basis, of the daily investor fee, the settlement fee and, if applicable, the rebalancing fee on the payment on the stated maturity or upon redemption.

The examples below are based on a range of index levels that are entirely hypothetical; the index level on any day throughout the life of the notes cannot be predicted. The index has been highly volatile in the past meaning that the index level has changed considerably in relatively short periods and its performance and volatility cannot be predicted for any future period.

The information in the following examples reflects hypothetical returns on the offered notes assuming that they are purchased on the inception date at the face amount and held to the redemption date or the stated maturity date. If you sell your notes in a secondary market prior to the stated maturity date, your return will depend upon the market value of your notes at the time of sale, which may be affected by a number of factors that are not reflected in the examples below, such as interest rates, the volatility of the index, the creditworthiness of GS Finance Corp., as issuer, and the creditworthiness of The Goldman Sachs Group, Inc., as guarantor. The information in the examples also reflect the key terms and assumptions in the box below, which vary from the actual terms on the inception date and on the date hereof.

Key Terms and Assumptions	
Face amount	$100
Closing level of the index on the inception date	100
Financing fee rate	3.00% per annum
Fee rate used to compute the daily investor fee	0.65% per annum
Fee rate used to compute the settlement fee	0.06%
Rebalancing fee rate	0.06%
Term of the notes	20 quarters
Number of calendar days per quarter	91

Neither a market disruption event nor a non-trading day occurs on any originally scheduled valuation date

No change in or affecting any of the index stocks or the method by which the index sponsor calculates the index

Notes purchased on the original issue date for the original notes issued on April 3, 2018 at the face amount

For ease of analysis and presentation, examples 1 through 6 depict the closing indicative note value on the quarterly rebalancing calculation dates instead of each valuation date. In these examples, we assume a constant index performance factor on each valuation date during a quarter. Because the daily investor fees take into account the asset position on each trading day, the total investor fees during a quarter are dependent on the actual changes in the level of the index throughout the quarter (which will differ from the changes assumed in these examples). Further, again for presentation simplicity, we assume that the rebalance takes place on the quarterly rebalancing calculation date instead of the quarterly rebalancing date.

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Example 1:

In this example, the hypothetical closing level of the index is unchanged through the term of the notes. Because the hypothetical closing level of the index on each valuation date is greater than the loss rebalancing trigger, a loss rebalancing event does not occur. This example shows that fees will significantly reduce the performance of your notes. Further, even without a change to the level of the index, fees will cause the leverage factor to be different from 2 on each quarterly rebalancing calculation date, which will result in a rebalancing fee.

Quarterly Rebalancing Calculation Date	Closing Level of the Index	Index Return	Closing Indicative Note Value	Total Daily Investor Fee	Asset Position	Financing Level	Rebalancing Amount	Rebalancing Fee	Settlement Fee
Inception	100.00	-	$100.00	-	$200.00	$100.00	$0.00	$0.0000	-
1	100.00	0.00%	$99.08	$0.92	$200.00	$100.92	($1.85)	$0.0011	$0.12
2	100.00	0.00%	$98.16	$0.91	$198.15	$99.99	($1.83)	$0.0011	$0.12
3	100.00	0.00%	$97.26	$0.91	$196.32	$99.07	($1.81)	$0.0011	$0.12
4	100.00	0.00%	$96.36	$0.90	$194.51	$98.15	($1.80)	$0.0011	$0.12
5	100.00	0.00%	$95.47	$0.89	$192.71	$97.25	($1.78)	$0.0011	$0.11
6	100.00	0.00%	$94.58	$0.88	$190.93	$96.35	($1.76)	$0.0011	$0.11
7	100.00	0.00%	$93.71	$0.87	$189.17	$95.46	($1.75)	$0.0010	$0.11
8	100.00	0.00%	$92.85	$0.86	$187.42	$94.58	($1.73)	$0.0010	$0.11
9	100.00	0.00%	$91.99	$0.86	$185.69	$93.70	($1.72)	$0.0010	$0.11
10	100.00	0.00%	$91.14	$0.85	$183.98	$92.84	($1.70)	$0.0010	$0.11
11	100.00	0.00%	$90.30	$0.84	$182.28	$91.98	($1.68)	$0.0010	$0.11
12	100.00	0.00%	$89.46	$0.83	$180.59	$91.13	($1.67)	$0.0010	$0.11
13	100.00	0.00%	$88.64	$0.83	$178.92	$90.29	($1.65)	$0.0010	$0.11
14	100.00	0.00%	$87.82	$0.82	$177.27	$89.45	($1.64)	$0.0010	$0.11
15	100.00	0.00%	$87.01	$0.81	$175.63	$88.63	($1.62)	$0.0010	$0.10
16	100.00	0.00%	$86.20	$0.80	$174.01	$87.81	($1.61)	$0.0010	$0.10
17	100.00	0.00%	$85.41	$0.80	$172.40	$87.00	($1.59)	$0.0010	$0.10
18	100.00	0.00%	$84.62	$0.79	$170.81	$86.19	($1.58)	$0.0009	$0.10
19	100.00	0.00%	$83.83	$0.78	$169.23	$85.40	($1.56)	$0.0009	$0.10
20	100.00	0.00%	$83.06	$0.77	$167.67	$84.61	($1.55)	$0.0009	$0.10

Total return of the index from the inception date to the final valuation date:	0.00%
Total return of the notes from the inception date to the final valuation date:	-17.04%

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Example 2:

In this example, the hypothetical closing level of the index increases by 0.46% during each hypothetical quarter. Because the hypothetical closing level of the index on each valuation date is greater than the loss rebalancing trigger, a loss rebalancing event does not occur. This example shows that the index must increase significantly in order to offset the effect of the daily investor fee and the settlement fee. Because the closing level of the index does not increase sufficiently, the amount payable is less than the face amount of the notes in spite of a 9.61% increase in the index during the hypothetical term of the notes. **Therefore, it is possible that you will suffer significant losses even if the long-term performance of the index is positive.**

Quarterly Rebalancing Calculation Date	Closing Level of the Index	Index Return	Closing Indicative Note Value	Total Daily Investor Fee	Asset Position	Financing Level	Rebalancing Amount	Rebalancing Fee	Settlement Fee
Inception	100.00	-	$100.00	-	$200.00	$100.00	$0.00	$0.0000	-
1	100.46	0.46%	$100.00	$0.92	$200.92	$100.92	($0.93)	$0.0006	$0.12
2	100.92	0.46%	$99.99	$0.92	$200.91	$100.92	($0.93)	$0.0006	$0.12
3	101.39	0.46%	$99.99	$0.92	$200.91	$100.92	($0.93)	$0.0006	$0.12
4	101.85	0.46%	$99.99	$0.92	$200.90	$100.91	($0.93)	$0.0006	$0.12
5	102.32	0.46%	$99.98	$0.92	$200.89	$100.91	($0.93)	$0.0006	$0.12
6	102.79	0.46%	$99.98	$0.92	$200.89	$100.91	($0.93)	$0.0006	$0.12
7	103.26	0.46%	$99.98	$0.92	$200.88	$100.90	($0.93)	$0.0006	$0.12
8	103.74	0.46%	$99.97	$0.92	$200.87	$100.90	($0.93)	$0.0006	$0.12
9	104.22	0.46%	$99.97	$0.92	$200.86	$100.90	($0.93)	$0.0006	$0.12
10	104.70	0.46%	$99.96	$0.92	$200.86	$100.89	($0.93)	$0.0006	$0.12
11	105.18	0.46%	$99.96	$0.92	$200.85	$100.89	($0.93)	$0.0006	$0.12
12	105.66	0.46%	$99.96	$0.92	$200.84	$100.88	($0.93)	$0.0006	$0.12
13	106.15	0.46%	$99.95	$0.92	$200.84	$100.88	($0.93)	$0.0006	$0.12
14	106.64	0.46%	$99.95	$0.92	$200.83	$100.88	($0.93)	$0.0006	$0.12
15	107.13	0.46%	$99.95	$0.92	$200.82	$100.87	($0.93)	$0.0006	$0.12
16	107.62	0.46%	$99.94	$0.92	$200.81	$100.87	($0.93)	$0.0006	$0.12
17	108.11	0.46%	$99.94	$0.92	$200.81	$100.87	($0.93)	$0.0006	$0.12
18	108.61	0.46%	$99.94	$0.92	$200.80	$100.86	($0.93)	$0.0006	$0.12
19	109.11	0.46%	$99.93	$0.92	$200.79	$100.86	($0.93)	$0.0006	$0.12
20	109.61	0.46%	$99.93	$0.92	$200.78	$100.86	($0.93)	$0.0006	$0.12

Total return of the index from the inception date to the final valuation date:	9.61%
Total return of the notes from the inception date to the final valuation date:	-0.19%

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Example 3:

In this example, the hypothetical closing level of the index decreases by 1.00% during each quarter. Because the hypothetical closing level of the index on each valuation date is greater than the loss rebalancing trigger, a loss rebalancing event does not occur. This example shows that because an investment in the notes is leveraged, and because of the fees, any decrease in the level of the index may result in a significantly greater decrease in the amount payable on your notes.

Quarterly Rebalancing Calculation Date	Closing Level of the Index	Index Return	Closing Indicative Note Value	Total Daily Investor Fee	Asset Position	Financing Level	Rebalancing Amount	Rebalancing Fee	Settlement Fee
Inception	100.00	-	$100.00	-	$200.00	$100.00	$0.00	$0.0000	-
1	99.00	-1.00%	$97.08	$0.92	$198.00	$100.92	($3.84)	$0.0023	$0.12
2	98.01	-1.00%	$94.24	$0.89	$192.21	$97.98	($3.74)	$0.0022	$0.11
3	97.03	-1.00%	$91.48	$0.87	$186.59	$95.11	($3.63)	$0.0022	$0.11
4	96.06	-1.00%	$88.81	$0.84	$181.14	$92.33	($3.52)	$0.0021	$0.11
5	95.10	-1.00%	$86.21	$0.82	$175.84	$89.63	($3.42)	$0.0021	$0.10
6	94.15	-1.00%	$83.69	$0.79	$170.70	$87.01	($3.32)	$0.0020	$0.10
7	93.21	-1.00%	$81.24	$0.77	$165.71	$84.46	($3.22)	$0.0019	$0.10
8	92.27	-1.00%	$78.87	$0.75	$160.86	$81.99	($3.13)	$0.0019	$0.09
9	91.35	-1.00%	$76.56	$0.73	$156.16	$79.60	($3.04)	$0.0018	$0.09
10	90.44	-1.00%	$74.32	$0.71	$151.59	$77.27	($2.95)	$0.0018	$0.09
11	89.53	-1.00%	$72.15	$0.69	$147.16	$75.01	($2.86)	$0.0017	$0.09
12	88.64	-1.00%	$70.04	$0.67	$142.86	$72.82	($2.78)	$0.0017	$0.08
13	87.75	-1.00%	$67.99	$0.65	$138.68	$70.69	($2.70)	$0.0016	$0.08
14	86.87	-1.00%	$66.00	$0.63	$134.62	$68.62	($2.62)	$0.0016	$0.08
15	86.01	-1.00%	$64.07	$0.61	$130.69	$66.61	($2.54)	$0.0015	$0.08
16	85.15	-1.00%	$62.20	$0.59	$126.86	$64.67	($2.47)	$0.0015	$0.07
17	84.29	-1.00%	$60.38	$0.57	$123.15	$62.77	($2.39)	$0.0014	$0.07
18	83.45	-1.00%	$58.61	$0.56	$119.55	$60.94	($2.32)	$0.0014	$0.07
19	82.62	-1.00%	$56.90	$0.54	$116.06	$59.16	($2.26)	$0.0014	$0.07
20	81.79	-1.00%	$55.24	$0.52	$112.66	$57.43	($2.19)	$0.0013	$0.07

Total return of the index from the inception date to the final valuation date:	-18.21%
Total return of the notes from the inception date to the final valuation date:	-44.83%

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Example 4:

In this example, the hypothetical closing level of the index increases by 1.00% during each quarter. Because the hypothetical closing level of the index on each valuation date is greater than the loss rebalancing trigger, a loss rebalancing event does not occur. This example shows that the performance of your notes will likely differ from two times the performance of the index due, in part, to the effect of fees and the rebalancing feature of the note.

Quarterly Rebalancing Calculation Date	Closing Level of the Index	Index Return	Closing Indicative Note Value	Total Daily Investor Fee	Asset Position	Financing Level	Rebalancing Amount	Rebalancing Fee	Settlement Fee
Inception	100.00	-	$100.00	-	$200.00	$100.00	$0.00	$0.0000	-
1	101.00	1.00%	$101.08	$0.92	$202.00	$100.92	$0.15	$0.0001	$0.12
2	102.01	1.00%	$102.16	$0.93	$204.17	$102.01	$0.15	$0.0001	$0.12
3	103.03	1.00%	$103.26	$0.94	$206.37	$103.11	$0.16	$0.0001	$0.12
4	104.06	1.00%	$104.38	$0.95	$208.59	$104.22	$0.16	$0.0001	$0.13
5	105.10	1.00%	$105.50	$0.96	$210.84	$105.34	$0.16	$0.0001	$0.13
6	106.15	1.00%	$106.64	$0.97	$213.11	$106.47	$0.16	$0.0001	$0.13
7	107.21	1.00%	$107.78	$0.98	$215.40	$107.62	$0.16	$0.0001	$0.13
8	108.29	1.00%	$108.94	$1.00	$217.72	$108.78	$0.16	$0.0001	$0.13
9	109.37	1.00%	$110.12	$1.01	$220.07	$109.95	$0.17	$0.0001	$0.13
10	110.46	1.00%	$111.30	$1.02	$222.43	$111.13	$0.17	$0.0001	$0.13
11	111.57	1.00%	$112.50	$1.03	$224.83	$112.33	$0.17	$0.0001	$0.13
12	112.68	1.00%	$113.71	$1.04	$227.25	$113.54	$0.17	$0.0001	$0.14
13	113.81	1.00%	$114.93	$1.05	$229.70	$114.76	$0.17	$0.0001	$0.14
14	114.95	1.00%	$116.17	$1.06	$232.17	$116.00	$0.18	$0.0001	$0.14
15	116.10	1.00%	$117.42	$1.07	$234.67	$117.24	$0.18	$0.0001	$0.14
16	117.26	1.00%	$118.69	$1.08	$237.19	$118.51	$0.18	$0.0001	$0.14
17	118.43	1.00%	$119.96	$1.10	$239.75	$119.78	$0.18	$0.0001	$0.14
18	119.61	1.00%	$121.26	$1.11	$242.33	$121.07	$0.18	$0.0001	$0.15
19	120.81	1.00%	$122.56	$1.12	$244.94	$122.38	$0.19	$0.0001	$0.15
20	122.02	1.00%	$123.88	$1.13	$247.57	$123.69	$0.19	$0.0001	$0.15

Total return of the index from the inception date to the final valuation date: 22.02%
Total return of the notes from the inception date to the final valuation date: 23.73%

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Example 5:

In part A of this example, the hypothetical closing level of the index increases by 1.00% per quarter in one hypothetical quarter and decreases by 0.99% per quarter in the next hypothetical quarter, alternating for twenty hypothetical quarters. In part B, the hypothetical closing level of the index increases by 3.00% per quarter in one hypothetical quarter and decreases by 2.91% per quarter in the next hypothetical quarter, alternating for twenty hypothetical quarters. In each part, the hypothetical closing level of the index on the final valuation date is approximately unchanged from its level on the inception date. Because the hypothetical closing level of the index on each valuation date is greater than the loss rebalancing trigger, a loss rebalancing event does not occur. This example shows that the performance of the notes will be eroded by volatility due to its effect on the daily investor fees and the rebalancing fees.

Part A:

Quarterly Rebalancing Calculation Date	Closing Level of the Index	Index Return	Closing Indicative Note Value	Total Daily Investor Fee	Asset Position	Financing Level	Rebalancing Amount	Rebalancing Fee	Settlement Fee
Inception	100.00	-	$100.00	-	$200.00	$100.00	$0.00	$0.0000	-
1	101.00	1.00%	$101.08	$0.92	$202.00	$100.92	$0.15	$0.0001	$0.12
2	100.00	-0.99%	$98.14	$0.93	$200.15	$102.01	($3.87)	$0.0023	$0.12
3	101.00	1.00%	$99.20	$0.91	$198.25	$99.05	$0.15	$0.0001	$0.12
4	100.00	-0.99%	$96.32	$0.91	$196.43	$100.11	($3.79)	$0.0023	$0.12
5	101.00	1.00%	$97.35	$0.89	$194.56	$97.21	$0.14	$0.0001	$0.12
6	100.00	-0.99%	$94.53	$0.90	$192.78	$98.25	($3.72)	$0.0022	$0.11
7	101.00	1.00%	$95.54	$0.87	$190.95	$95.40	$0.14	$0.0001	$0.11
8	100.00	-0.99%	$92.77	$0.88	$189.20	$96.42	($3.65)	$0.0022	$0.11
9	101.00	1.00%	$93.77	$0.86	$187.40	$93.63	$0.14	$0.0001	$0.11
10	100.00	-0.99%	$91.05	$0.86	$185.68	$94.63	($3.59)	$0.0022	$0.11
11	101.00	1.00%	$92.02	$0.84	$183.91	$91.89	$0.14	$0.0001	$0.11
12	100.00	-0.99%	$89.35	$0.85	$182.23	$92.87	($3.52)	$0.0021	$0.11
13	101.00	1.00%	$90.31	$0.83	$180.50	$90.18	$0.13	$0.0001	$0.11
14	100.00	-0.99%	$87.69	$0.83	$178.84	$91.15	($3.45)	$0.0021	$0.11
15	101.00	1.00%	$88.64	$0.81	$177.14	$88.51	$0.13	$0.0001	$0.11
16	100.00	-0.99%	$86.06	$0.82	$175.52	$89.45	($3.39)	$0.0020	$0.10
17	101.00	1.00%	$86.99	$0.79	$173.85	$86.86	$0.13	$0.0001	$0.10
18	100.00	-0.99%	$84.46	$0.80	$172.25	$87.79	($3.33)	$0.0020	$0.10
19	101.00	1.00%	$85.37	$0.78	$170.62	$85.25	$0.13	$0.0001	$0.10
20	100.00	-0.99%	$82.89	$0.79	$169.05	$86.16	($3.26)	$0.0020	$0.10

Total return of the index from the inception date to the final valuation date: 0.00%
Total return of the notes from the inception date to the final valuation date: -17.21%

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Part B:

Quarterly Rebalancing Calculation Date	Closing Level of the Index	Index Return	Closing Indicative Note Value	Total Daily Investor Fee	Asset Position	Financing Level	Rebalancing Amount	Rebalancing Fee	Settlement Fee
Inception	100.00	-	$100.00	-	$200.00	$100.00	$0.00	$0.0000	-
1	103.00	3.00%	$105.07	$0.93	$206.00	$100.93	$4.15	$0.0025	$0.13
2	100.00	-2.91%	$97.99	$0.97	$204.03	$106.04	($8.05)	$0.0048	$0.12
3	103.00	3.00%	$102.96	$0.91	$201.86	$98.90	$4.06	$0.0024	$0.12
4	100.01	-2.91%	$96.02	$0.95	$199.92	$103.91	($7.89)	$0.0047	$0.12
5	103.01	3.00%	$100.88	$0.89	$197.79	$96.91	$3.98	$0.0024	$0.12
6	100.01	-2.91%	$94.08	$0.93	$195.90	$101.81	($7.73)	$0.0046	$0.11
7	103.01	3.00%	$98.85	$0.87	$193.81	$94.96	$3.89	$0.0023	$0.12
8	100.01	-2.91%	$92.19	$0.91	$191.95	$99.76	($7.58)	$0.0045	$0.11
9	103.01	3.00%	$96.86	$0.85	$189.90	$93.04	$3.82	$0.0023	$0.12
10	100.01	-2.91%	$90.33	$0.89	$188.08	$97.75	($7.42)	$0.0045	$0.11
11	103.01	3.00%	$94.91	$0.84	$186.08	$91.17	$3.74	$0.0022	$0.11
12	100.02	-2.91%	$88.51	$0.87	$184.29	$95.78	($7.28)	$0.0044	$0.11
13	103.02	3.00%	$93.00	$0.82	$182.33	$89.33	$3.66	$0.0022	$0.11
14	100.02	-2.91%	$86.73	$0.86	$180.58	$93.86	($7.13)	$0.0043	$0.10
15	103.02	3.00%	$91.12	$0.80	$178.66	$87.53	$3.59	$0.0022	$0.11
16	100.02	-2.91%	$84.98	$0.84	$176.94	$91.96	($6.98)	$0.0042	$0.10
17	103.02	3.00%	$89.29	$0.79	$175.06	$85.77	$3.52	$0.0021	$0.11
18	100.02	-2.91%	$83.27	$0.82	$173.38	$90.11	($6.84)	$0.0041	$0.10
19	103.03	3.00%	$87.49	$0.77	$171.53	$84.04	$3.45	$0.0021	$0.10
20	100.03	-2.91%	$81.59	$0.81	$169.89	$88.30	($6.71)	$0.0040	$0.10
Total return of the index from the inception date to the final valuation date:									0.03%
Total return of the notes from the inception date to the final valuation date:									-18.51%

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Example 6:

In this example, the hypothetical closing level of the index decreases by 19.00% during the first hypothetical quarter and increases by 1.13% during each of the following 19 hypothetical quarters. For this example only, we assume that the financing fee rate and the fee rates used in calculating the daily investor fee and the rebalancing fee are all set to zero. Because the hypothetical closing level of the index on each valuation date is greater than the loss rebalancing trigger, a loss rebalancing event does not occur. This example shows that due to the effect of quarterly compounding, a significant negative performance in a single quarter could significantly degrade the performance of the notes.

Quarterly Rebalancing Calculation Date	Closing Level of the Index	Index Return	Closing Indicative Note Value	Total Daily Investor Fee	Asset Position	Financing Level	Rebalancing Amount	Rebalancing Fee	Settlement Fee
Inception	100.00	-	$100.00	-	$200.00	$100.00	$0.00	$0.0000	-
1	81.00	-19.00%	$62.00	$0.00	$162.00	$100.00	($38.00)	$0.0000	$0.07
2	81.92	1.13%	$63.40	$0.00	$125.40	$62.00	$1.40	$0.0000	$0.08
3	82.84	1.13%	$64.83	$0.00	$128.24	$63.40	$1.43	$0.0000	$0.08
4	83.78	1.13%	$66.30	$0.00	$131.13	$64.83	$1.47	$0.0000	$0.08
5	84.72	1.13%	$67.80	$0.00	$134.10	$66.30	$1.50	$0.0000	$0.08
6	85.68	1.13%	$69.33	$0.00	$137.13	$67.80	$1.53	$0.0000	$0.08
7	86.65	1.13%	$70.90	$0.00	$140.23	$69.33	$1.57	$0.0000	$0.09
8	87.63	1.13%	$72.50	$0.00	$143.40	$70.90	$1.60	$0.0000	$0.09
9	88.62	1.13%	$74.14	$0.00	$146.64	$72.50	$1.64	$0.0000	$0.09
10	89.62	1.13%	$75.81	$0.00	$149.95	$74.14	$1.68	$0.0000	$0.09
11	90.63	1.13%	$77.53	$0.00	$153.34	$75.81	$1.71	$0.0000	$0.09
12	91.66	1.13%	$79.28	$0.00	$156.80	$77.53	$1.75	$0.0000	$0.10
13	92.69	1.13%	$81.07	$0.00	$160.35	$79.28	$1.79	$0.0000	$0.10
14	93.74	1.13%	$82.90	$0.00	$163.97	$81.07	$1.83	$0.0000	$0.10
15	94.80	1.13%	$84.78	$0.00	$167.68	$82.90	$1.87	$0.0000	$0.10
16	95.87	1.13%	$86.69	$0.00	$171.47	$84.78	$1.92	$0.0000	$0.10
17	96.95	1.13%	$88.65	$0.00	$175.34	$86.69	$1.96	$0.0000	$0.11
18	98.05	1.13%	$90.65	$0.00	$179.31	$88.65	$2.00	$0.0000	$0.11
19	99.16	1.13%	$92.70	$0.00	$183.36	$90.65	$2.05	$0.0000	$0.11
20	100.28	1.13%	$94.80	$0.00	$187.50	$92.70	$2.10	$0.0000	$0.11

Total return of the index from the inception date to the final valuation date: 0.28%

Total return of the notes from the inception date to the final valuation date: -5.32%

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Example 7:

In this example, the hypothetical closing level of the index decreases by various amounts on the hypothetical valuation dates. Because the hypothetical closing level of the index on each of the sixth and thirteenth hypothetical valuation dates is equal to or less than the loss rebalancing trigger, a loss rebalancing event occurs on such date and the notes are rebalanced on the subsequent valuation date, the loss rebalancing date. This example shows that a loss rebalancing event may occur multiple times throughout the life of the notes and will have the effect of reducing the leveraged exposure of the notes to the index. This example also shows that the leverage factor after the loss rebalancing date will be lower than the leverage factor before the loss rebalancing date.

						Before Loss Rebalance		*After* Loss Rebalance				
ng y	Closing Level of the Index	Index Return	Lowest Intraday Level of the Index	Closing Indicative Note Value	Daily Investor Fee	Asset Position	Financing Level	Asset Position	Financing Level	Rebalancing Amount	Rebalancing Fee	Sett I
on	100.00	-	99.00	$100.00	-	$200.00	$100.00					
	96.00	-4.00%	95.04	$91.96	$0.04	$192.00	$100.04					$0
	91.20	-5.00%	90.29	$82.35	$0.01	$182.40	$100.05					$0
	87.55	-4.00%	86.68	$75.04	$0.01	$175.10	$100.06					$0
	84.93	-3.00%	84.08	$69.78	$0.01	$169.85	$100.07					$0
	81.53	-4.00%	80.71	$62.98	$0.01	$163.06	$100.08					$0
	77.45	-5.00%	76.68	$54.79	$0.03	$154.90	$100.11					$0
	73.58	-5.00%	72.84	$47.04	$0.01	$147.16	$100.12	$104.11	$57.10	($43.05)	$0.0258	$0
	70.64	-4.00%	69.93	$42.84	$0.01	$99.94	$57.10					$0
	67.81	-4.00%	67.13	$38.84	$0.01	$95.95	$57.11					$0
	65.10	-4.00%	64.45	$35.00	$0.01	$92.11	$57.11					$0
	62.49	-4.00%	61.87	$31.30	$0.02	$88.42	$57.13					$0
	59.99	-4.00%	59.39	$27.75	$0.01	$84.89	$57.13					$0
	57.59	-4.00%	57.02	$24.35	$0.01	$81.49	$57.14					$0
	55.29	-4.00%	54.74	$21.09	$0.01	$78.23	$57.15	$46.76	$25.69	($31.48)	$0.0189	$0
	53.08	-4.00%	52.55	$19.19	$0.00	$44.89	$25.69					$0
	50.96	-4.00%	50.45	$17.39	$0.01	$43.09	$25.70					$0

Example 8:

In this example, the hypothetical closing level of the index decreases by various amounts on the hypothetical valuation dates. Because a hypothetical intraday level of the index during the sixth hypothetical valuation date is equal to or less than the automatic redemption trigger, an automatic redemption event occurs on such date. This example shows that an automatic redemption trigger may occur on the same day as a loss rebalancing event. If an automatic redemption event occurs on the same day as a loss rebalancing event, the notes will be automatically redeemed pursuant to the automatic redemption event without giving regard to the rebalancing adjustment. If an automatic redemption event occurs, the investor receives an amount payable on the notes equal to automatic redemption note value which may be based on the index VWAP level, which will likely be different from the intraday level of the index that triggered the automatic redemption event and from the closing level of the index.

						Before Loss Rebalance		
ling Day	Closing Level of the Index	Index Return	Lowest Intraday Level of the Index	Closing Indicative Note Value	Daily Investor Fee	Asset Position	Financing Level	Settle F
ception	100.00	-	99.00	$100.00	-	$200.00	$100.00	
1	96.00	-4.00%	95.04	$91.96	$0.04	$192.00	$100.04	$0
2	91.20	-5.00%	90.29	$82.35	$0.01	$182.40	$100.05	$0
3	87.55	-4.00%	86.68	$75.04	$0.01	$175.10	$100.06	$0
4	84.93	-3.00%	84.08	$69.78	$0.01	$169.85	$100.07	$0
5	81.53	-4.00%	80.71	$62.98	$0.01	$163.06	$100.08	$0
6	77.45	-5.00%	70.00	$54.79	$0.03	$154.90	$100.11	$0

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Example 9 Calculation of the Leverage Factor Provided by the Notes:

The example below illustrates the leverage provided by the notes, as measured from the closing level of the index at the time of purchase to the closing level of the index on the immediately following rebalancing date. In the table below, we assume that the hypothetical closing indicative note value is $100 on the rebalancing date immediately preceding the time of purchase, and the hypothetical closing level of the index is 100 on the rebalancing date immediately preceding the time of purchase. For simplicity, the table disregards the effect of fees and assumes that the price at which the notes can be purchased in the market is equal to their closing indicative note value. If the notes were not purchased at their closing indicative note value, or if fees were taken into account, the leverage factor indicated below would be different.

Closing Level of the Index	Index Return	Closing Indicative Note Value	Asset Position	Financing Level Ex-Fees	Leverage Factor
121.00	21.00%	$142.00	$242.00	$100.00	1.70
120.00	20.00%	$140.00	$240.00	$100.00	1.71
118.00	18.00%	$136.00	$236.00	$100.00	1.74
116.00	16.00%	$132.00	$232.00	$100.00	1.76
114.00	14.00%	$128.00	$228.00	$100.00	1.78
112.00	12.00%	$124.00	$224.00	$100.00	1.81
110.00	10.00%	$120.00	$220.00	$100.00	1.83
108.00	8.00%	$116.00	$216.00	$100.00	1.86
106.00	6.00%	$112.00	$212.00	$100.00	1.89
104.00	4.00%	$108.00	$208.00	$100.00	1.93
102.00	2.00%	$104.00	$204.00	$100.00	1.96
100.00	0.00%	$100.00	$200.00	$100.00	2.00
98.00	-2.00%	$96.00	$196.00	$100.00	2.04
96.00	-4.00%	$92.00	$192.00	$100.00	2.09
94.00	-6.00%	$88.00	$188.00	$100.00	2.14
92.00	-8.00%	$84.00	$184.00	$100.00	2.19
90.00	-10.00%	$80.00	$180.00	$100.00	2.25
88.00	-12.00%	$76.00	$176.00	$100.00	2.32
86.00	-14.00%	$72.00	$172.00	$100.00	2.39
84.00	-16.00%	$68.00	$168.00	$100.00	2.47
82.00	-18.00%	$64.00	$164.00	$100.00	2.56
81.00	-19.00%	$62.00	$162.00	$100.00	2.61
80.00	-20.00%	$60.00	$160.00	$100.00	2.67

The hypothetical closing indicative note values shown above are entirely hypothetical; they are based on levels and returns for the index stocks that may not be achieved on any valuation date and on assumptions that may prove to be erroneous. The actual market value of your notes on the stated maturity date or at any other time, including any time you may wish to sell your notes, may bear little relation to the hypothetical closing indicative note values shown above, and these amounts should not be viewed as an indication of the financial return on an investment in the offered notes. The hypothetical closing indicative note values of the notes held to the stated maturity date in the examples above assume you purchased your notes at their face amount and have not been adjusted to reflect the actual price you pay for your

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notes. The return on your investment (whether positive or negative) in your notes will be affected by the amount you pay for your notes and the date on which you purchase your notes. If you purchase your notes after the inception date or if you purchase your notes for a price other than the face amount, the return on your investment will differ from, and may be significantly lower than, the hypothetical returns suggested by the above examples. Please read Additional Risk Factors Specific to Your Notes The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors on page S-33.

We cannot predict the actual closing level of the index or what the market value of your notes will be on any particular valuation date, nor can we predict the relationship between the index level and the market value of your notes at any time prior to the stated maturity date. The actual amount that you will receive at maturity and the rate of return on the offered notes will depend on whether the notes are redeemed and the actual levels of the index on each valuation date determined by the calculation agent as described above. Moreover, the assumptions on which the hypothetical returns are based may turn out to be inaccurate. Consequently, the amount of cash to be paid in respect of your notes at maturity may be very different from the information reflected in the examples above.

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ADDITIONAL RISK FACTORS SPECIFIC TO YOUR NOTES

An investment in your notes is subject to the risks described below, as well as the risks and considerations described in the accompanying prospectus and in the accompanying prospectus supplement. You should carefully review these risks and considerations as well as the terms of the notes described herein and in the accompanying prospectus and the accompanying prospectus supplement. Your notes are a riskier investment than ordinary debt securities. Also, your notes are not equivalent to investing directly in the index stocks, i.e., with respect to the index to which your notes are linked, the stocks comprising such index. You should carefully consider whether the offered notes are suited to your particular circumstances.

The Notes Are Subject to the Credit Risk of the Issuer and the Guarantor

Although the return on the notes will be based on the performance of the index, the payment of any amount due on the notes is subject to the credit risk of GS Finance Corp., as issuer of the notes, and the credit risk of The Goldman Sachs Group, Inc., as guarantor of the notes. The notes are our unsecured obligations. Investors are dependent on our ability to pay all amounts due on the notes, and therefore investors are subject to our credit risk and to changes in the market s view of our creditworthiness. Similarly, investors are dependent on the ability of The Goldman Sachs Group, Inc., as guarantor of the notes, to pay all amounts due on the notes, and therefore are also subject to its credit risk and to changes in the market s view of its creditworthiness. See Description of the Notes We May Offer Information About Our Medium-Term Notes, Series E Program How the Notes Rank Against Other Debt on page S-4 of the accompanying prospectus supplement and Description of Debt Securities We May Offer Guarantee by The Goldman Sachs Group, Inc. on page 42 of the accompanying prospectus.

Your Notes Do Not Bear Interest

You will not receive any interest payments on your notes. As a result, even if the amounts payable for your notes on a redemption date or the stated maturity date exceeds the face amount of your notes, the overall return you earn on your notes may be less than you would have earned by investing in a non-indexed debt security of comparable maturity that bears interest at a prevailing market rate.

You May Lose Your Entire Investment in the Notes

You can lose your entire investment in the notes. The amount payable, if any, on the stated maturity date or on any redemption date will be based on the performance of the Russell 1000® Growth Total Return Index, less applicable fees. If the level of the index steadily declines from the initial valuation date to any redemption date, an automatic redemption event date or the final valuation date, or does not increase sufficiently to offset the negative effect of the applicable fees, the amount payable on your notes will be significantly less than the $100 face amount and may be zero. Thus, you may lose your entire investment in the notes, which would include any premium to face amount you paid when you purchased the notes.

Also, the market price of your notes prior to a redemption date or the stated maturity date, as the case may be, may be significantly lower than the purchase price you pay for your notes. Consequently, if you sell your notes before the stated maturity date, you may receive far less than the amount of your investment in the notes.

Regardless of the Performance of the Index, the Amount Payable on Your Notes Will Be Significantly Reduced by the Applicable Fees (Including the Daily Investor Fee and Any Rebalancing Fees) and Any Settlement Fee

On any valuation date after the initial valuation date, the daily investor fee and any rebalancing fee will significantly reduce the closing indicative note value and, therefore, the amount payable on your notes. In addition, the amount payable on your notes upon redemption at your option or on the stated maturity date will be further reduced by the settlement fee on the applicable redemption valuation date or the final valuation date, as applicable. The daily investor fee accrues on a daily basis throughout the term of the notes, and is calculated based on the asset position each day and the financing level on the preceding rebalancing date. The rebalancing fee is assessed when the exposure of the notes to the index is rebalanced following a loss rebalancing event or a quarterly rebalancing calculation date. A loss rebalancing event may occur multiple times throughout the term of the notes, so a rebalancing fee associated with a loss rebalancing event could be charged multiple times throughout the term of the notes.

As such, the level of the index must increase significantly in order to offset the effect of the daily investor fee, any applicable rebalancing fees and any settlement fee. If the level of the index does not increase sufficiently, the amount payable on your notes may be less than that of a comparable investment in securities with lower fees and costs and may also be less than the face amount of your investment in the notes.

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The Daily Investor Fee, Any Applicable Rebalancing Fees and Any Settlement Fee May Be Greater Than the Charges and Fees You May Incur in Connection With an Alternative Investment

The closing indicative note value and the automatic redemption note value, and therefore the amount payable on your notes, are reduced by the daily investor fee, any applicable rebalancing fees and settlement fee. See Regardless of the Performance of the Index, the Amount Payable on Your Notes Will Be Significantly Reduced by the Applicable Fees (Including the Daily Investor Fee and Any Rebalancing Fees) and Any Settlement Fee above for more information regarding the calculation of the daily investor fee, any applicable rebalancing fees and settlement fee. If the daily investor fee, any applicable rebalancing fees and settlement fee are greater than the charges and fees you may have otherwise incurred or accrued in connection with an alternative investment in the index or index stocks over the same term, your return on the notes may be less than your return on such alternative investment.

The Daily Investor Fee May Be Greater Than Financing Costs That You Would Incur If You Borrowed Funds From a Third Party

The daily investor fee includes a variable component that seeks to compensate us for, among other things, providing investors with the potential to receive a leveraged participation in movements in the level of the index and is intended to include the financing costs that investors may have otherwise incurred had they sought to borrow funds at a similar rate from a third party to invest in the index. However, there is no guarantee that the daily investor fee will correspond to the lowest level of financing costs that may be available to you. If the cumulative effect of the daily investor fee exceeds the financing costs and any associated fees you could otherwise incur or accrue from borrowing available funds from a third party for the same time period, your return on the notes may be less than your return on an investment in a different instrument linked to the quarterly compounded performance of the index where you used funds borrowed on more favorable terms from the third party to leverage your investment in such instrument.

The Notes Are Not Suitable For All Investors and Should Be Purchased Only By Investors Who Understand Leverage Risk and the Consequences of Seeking Quarterly Rebalanced Leveraged Investment Results, and Who Intend to Actively Monitor and Manage Their Investments

The notes are not suitable for all investors. In particular, the notes entail leverage risk and should be purchased only by investors who understand leverage risk, including the risks inherent in resetting to two times leverage on a quarterly basis, and the consequences of seeking quarterly rebalanced leveraged investment results generally. Investing in the notes is not equivalent to a direct investment in the index because the asset position is reset each quarter, resulting in the compounding of quarterly returns.

The notes are designed to achieve their stated investment objective on a quarterly basis, but their performance can differ significantly from their stated quarterly objective because the relationship between the level of the index and the asset position of the notes will begin to break down as the length of an investor s holding period increases. The notes are not long term substitutes for leveraged long positions in the index stocks.

You should carefully consider whether the notes are appropriate for your investment portfolio. As discussed above, because the notes are meant to provide leveraged exposure to changes in the quarterly closing level of the index, their performance over periods longer than a single quarter can differ significantly from the performance of the index during the same period of time. **Therefore, it is possible that you will suffer significant losses even if the long-term performance of the index is positive. It is possible for the level of the index to increase over time while the market value of the notes declines over time. You should proceed with caution in considering an investment in the notes.**

The notes seek to provide a leveraged return based on the performance of the index (as adjusted for applicable fees and charges). The notes do not attempt to, and should not be expected to, provide returns that reflect leverage on the return of the index for periods longer than a single quarter. The notes rebalance their theoretical exposure on a quarterly basis, increasing exposure in response to that quarter s gains or reducing exposure in response to that quarter s losses.

Quarterly rebalancing will impair the performance of the notes if the index experiences volatility from quarter to quarter and such performance will be dependent on the path of quarterly returns during your holding period. At higher ranges of volatility, there is a significant chance of a complete loss of the value of the notes even if the performance of the index is flat.

The occurrence of loss rebalancing events, if any, will have the effect of increasing the cumulative effect of compounding (as well as incurring additional fees) thereby heightening the possibility of complete loss.

The amount payable on your notes will be contingent upon the quarterly rebalanced leveraged performance of the index during the term of the notes. There is no guarantee that you will receive your initial investment back or any positive return on your investment. Significant adverse quarterly performances for your notes may not be offset by any beneficial quarterly performances of the same magnitude.

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Your Notes Will Magnify Any Adverse Movements in the Closing Level of the Index by 2 Times, and, Therefore, are Highly Speculative and Highly Risky

For every 1% decrease in the closing level of the index from the immediately preceding quarterly rebalancing date, the closing indicative note value will decline by 2% (in addition to any decline due to applicable fees). For example, if the index decreases by 5% from the immediately preceding quarterly rebalancing date, the notes will lose 10% of their value due to the change in the closing level of the index (in addition to any decline due to applicable fees). Accordingly, the notes are highly speculative and are suitable only for investors who understand and can bear the risks associated with 2 times magnified losses resulting from decreases in the closing level of the index.

Your Notes Are Subject to Automatic Redemption

If, at any time on any valuation date prior to the final valuation date, the intraday level of the index is equal to or less than the automatic redemption trigger, an automatic redemption event will be deemed to have occurred and the notes will be automatically redeemed (in whole only but not in part) at an amount *equal* to the automatic redemption note value on the automatic redemption event date. Therefore, the term for your notes may be reduced to one day. Upon the occurrence of an automatic redemption event, the notes will be automatically redeemed even if the intraday level of the index is *greater than* to the automatic redemption trigger at any time after the occurrence of the automatic redemption event. On the applicable redemption date, you will receive a payment equal to the automatic redemption note value. Additionally, depending on the time at which the automatic redemption event occurred, the payment on your notes on the redemption date may be based on the index VWAP level, not the closing level of the index on the automatic redemption event date. The index VWAP level accounts for the prices of the index stocks after the occurrence of the automatic redemption event, in some cases during a period on the valuation date immediately following such automatic redemption event date. Because the index VWAP level may be less than the level of the index at the time an automatic redemption event occurs or the closing level of the index on the automatic redemption event date, you may receive less at maturity than if the payment were based on the level of the index at the time the automatic redemption event occurs or based on the closing level of the index on the automatic redemption event date. You will not receive any additional payments after the notes are automatically redeemed and you may not be able to reinvest the proceeds from an investment in the notes at a comparable fee rate for a similar level of risk in the event the notes are automatically redeemed prior to maturity.

The Occurrence of an Automatic Redemption Event May Adversely Affect the Value of, and the Ability to Sell or Redeem, the Notes

We will automatically redeem the notes (in whole only but not in part) upon the occurrence of an automatic redemption event. The payment you receive following the redemption of your notes in this situation will likely be significantly less than the face amount of your notes and, if the level of the index and the prices of the index stocks decrease precipitously from the occurrence of the automatic redemption event to the time at which the automatic redemption note value is calculated, may equal $0. The automatic redemption of the notes upon the occurrence of an automatic redemption event may adversely impact your ability to sell your notes, and/or the price at which you may be able to sell your notes, if any, following the occurrence of an automatic redemption event. Additionally, if we exercise our right to redeem the notes or you elect to have us redeem your notes but an automatic redemption event occurs on or prior to the applicable redemption valuation date, any redemption election will be deemed superseded, and your notes will be automatically redeemed on the relevant redemption date at an amount equal to the automatic redemption note value.

If an Automatic Redemption Event Occurs, the Payment on the Notes May Be Based on the VWAP Level of the Index, Not to the Closing Level of the Index on the Automatic Redemption Event Date

Your payment upon an automatic redemption may be based, in part, on the index VWAP level, not the closing level of the index on the automatic redemption event date. The closing level of the index is used to calculate the amount payable under the notes at maturity and upon any other redemption event. The index VWAP level is intended to replicate the proceeds realized from a sale of the index stocks in the quantities in which they comprise the index gradually over the relevant period and will likely differ from the closing level of the index on the automatic redemption event date. Therefore, the payment on the redemption date may be different from the payment you would receive if such payment were determined by reference to the closing level of the index. In addition, the index VWAP level may differ from the level of the index at the time the automatic redemption event occurred.

We Are Able to Redeem Your Notes at Our Option

We will be permitted to redeem your notes at our option. Even if we do not exercise our option to redeem your notes, our ability to do so may adversely affect the value of your notes. It is our sole option whether to redeem your notes prior to maturity and we may or may not exercise this option for any reason. Because of this redemption option, the term for your notes may be reduced to ten days after the inception date.

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You Cannot Redeem Less Than $500,000 Face Amount of Your Notes

If you purchase or at any time own less than $500,000 face amount of the notes (which is equal to 5,000 notes), you will not be able to have us redeem your notes because each redemption must be in respect of at least $500,000 face amount of your notes. Your request that we redeem your notes is irrevocable and subject to the notice requirement, which will subject you to market risk in the event the market fluctuates after we receive your request.

You Will Not Know the Amount Payable on Your Notes at the Time You Request That We Redeem Your Notes and an Automatic Redemption Event Could Cause Your Notice to be Superseded. Additionally, to be Effective, Your Request That We Redeem Your Notes Must be Received Before We Provide Notice of an Issuer Redemption

You will not know the amount you will receive on the redemption date at the time you request that we redeem your notes. Your notice to us to redeem your notes is irrevocable and must be received by us no later than 3:00 p.m., New York City time, on the applicable valuation date. Provided that the notice of redemption is received by the deadline, the redemption valuation date will be the following valuation date. Therefore, you will not know the amount payable on your notes until the first valuation date after the valuation date on which you provide your notice to us to redeem the notes. As a result, you will be exposed to market risk in the event the market fluctuates after we confirm the validity of your notice of redemption to exercise your rights to have us redeem your notes and prior to the applicable redemption date.

Notwithstanding the above, if you provide notice of holder redemption but an automatic redemption event occurs on or prior to the applicable redemption valuation date, your notice of holder redemption will be superseded and your notes will be automatically redeemed on the redemption date (for the automatic redemption) at an amount equal to the automatic redemption note value. Additionally, if we provide notice of an issuer redemption of the notes, any subsequent notice of holder redemption will not be effective.

Leverage Increases the Sensitivity of Your Notes to Changes in the Level of the Index

Because your investment in the notes is leveraged, changes in the level of the index will have a greater impact on the amount payable on your notes than on the amount payable on securities that are not so leveraged. In particular, any decrease in the level of the index will result in a significantly greater decrease in the amount payable on your notes, and you may suffer losses on your investment in the notes substantially greater than you would if your notes did not contain a leverage component.

If the Closing Indicative Note Value Increases From One Rebalancing Date to the Next, Any Subsequent Decrease in the Closing Level of the Index Will Result in a Larger Decrease in the Closing Indicative Note Value Than if the Current Closing Indicative Note Value Had Remained Constant

Due to the compounding effect associated with a reset of the leveraged exposure to the index, if the closing indicative note value increases from one rebalancing date to the next, the amount of decrease of the closing indicative note value resulting from a subsequent decrease in the level of the index will increase correspondingly. This is because the subsequent leveraged index performance will be applied to a greater closing indicative note value. As such, the amount of decrease from any decrease in the level of the index will be more than if the closing indicative note value were maintained constant. This means that if the closing indicative note value increases from one rebalancing date to the next as a result of the level of the index increasing by a certain percentage, it will take a smaller percentage decrease in the level of the index to decrease the closing indicative note value (and subsequently the value of your investment) to its value prior to such increase. One consequence is that, if the index increases from rebalancing date 0 to rebalancing date 1 and then decreases to its rebalancing date 0 level on rebalancing date 2, the closing indicative note value will be lower on rebalancing date 2 than it was on rebalancing date 0, even though the closing level of the index is the same on rebalancing date 2 as it was on rebalancing date 0.

If the Closing Indicative Note Value Decreases From One Rebalancing Date to the Next, Any Subsequent Increase in the Closing Level of the Index Will Result in a Smaller Increase in the Closing Indicative Note Value Than if the Current Closing Indicative Note Value Had Remained Constant

Due to the compounding effect associated with a reset of the leveraged exposure to the index, if the closing indicative note value decreases from one rebalancing date to the next, the amount of increase of the closing indicative note value resulting from a subsequent increase in the level of the index will decrease correspondingly. This is because the subsequent leveraged index performance will be applied to a smaller closing indicative note value. As such, the amount of increase from any increase in the level of the index will be less than if the closing indicative note value were maintained constant. This means that if the closing indicative note value decreases from one rebalancing date to the next as a result of the level of the index decreasing by a certain percentage, it will take a larger percentage increase in the level of the index to increase the closing indicative note value (and subsequently the value of your investment) to its value prior to such decrease. One consequence is that, if the index decreases from rebalancing date 0 to rebalancing date 1 and then increases to its rebalancing date 0 level on rebalancing date 2, the closing indicative note value will be lower on rebalancing date 2 than it was on rebalancing date 0, even though the closing level of the index is the same on rebalancing date 2 as it was on rebalancing date 0.

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The Ratio Between the Value of Your Notes and the Exposure of Each Note to the Index Will Fluctuate During the Term of Your Notes

Your notes do not incorporate a daily reset mechanism that regularly adjusts the exposure to the performance of the index in order to achieve a fixed daily multiple of index percentage returns.

After each quarterly rebalancing calculation date, the leverage to which investors will be exposed is unlikely to be two times the performance of the index. As the level of the index increases or decreases after the quarterly rebalancing calculation date, the leverage exposure will vary. If you purchase the notes at a point in time when the level of the index has increased as compared to the immediately preceding rebalancing date, you will be exposed to less than two times the positive performance of the index (before accounting for applicable fees). If the level of the index decreases as compared to the closing level of the index on the immediately preceding rebalancing date, you will be exposed to more than two times the negative performance of the index (before accounting for applicable fees). Such increased or decreased exposure will last until the next quarterly rebalancing calculation date. The occurrence of loss rebalancing events, if any, will have the effect of significantly decreasing the asset position (as well as incurring additional fees) thereby heightening the possibility of a large deviation from the target of two times the quarterly index performance. Consequently, both on any given day and over longer periods, your investment in the notes may underperform compared to a comparable investment where the daily return tracks a multiple equal to the initial leverage factor of two times the performance of the index.

Unlike Certain Leveraged Exchange Traded Funds, Your Notes Do Not Include a Daily Reset Mechanism, and the Performance of the Notes Reflects a Return Compounded on a Quarterly Basis

Your notes operate differently than certain leveraged exchange traded funds (ETFs) that have a daily reset mechanism that seeks to provide investors in such ETFs a return based on a fixed multiple of the performance of an index on a given day. The reset mechanism of such ETFs is applied so that the return on investments in such ETFs will correspond to a fixed multiple (e.g., three times) of the daily return on the index on any given day, before fees and expenses.

Your notes do not operate in this manner, as they do not have a daily reset mechanism. Instead, the notes rebalance their theoretical exposure on a quarterly basis, increasing exposure in response to that quarter s gains or reducing exposure in response to that quarter s losses. As a consequence, the returns on the performance of the index are compounded on a quarterly basis.

Quarterly rebalancing will impair the performance of the notes if the index experiences volatility from quarter to quarter and such performance will be dependent on the path of quarterly returns during the holder s holding period. At higher ranges of volatility, there is a significant chance of a complete loss of the value of the notes even if the performance of the index is flat.

In addition, the occurrence of loss rebalancing events, if any, will have the effect of deleveraging the exposure of the notes to the index. This feature acts to reset the leveraged exposure to the index to approximately 2 on the relevant rebalancing date (without accounting for changes in the index level on the rebalancing date). See Upon the Occurrence of a Loss Rebalancing Event, the Leveraged Exposure of the Notes to the Performance of the Index Will Be Reduced below.

Finally, daily resetting generates more positive total returns in periods of steady positive index performance. Therefore, during such a period, and ignoring the difference in fees, a daily resetting ETF referencing the index will likely outperform your notes.

Upon the Occurrence of a Loss Rebalancing Event, the Leveraged Exposure of the Notes to the Quarterly Performance of the Index Will Be Reduced

A loss rebalancing event, which may occur multiple times throughout the term of the notes, will have the effect of reducing the leveraged exposure of the notes to the index with the aim of resetting the leveraged exposure to the index to approximately 2 on the relevant rebalancing date (without accounting for changes in the index level on the rebalancing date). This means that after the rebalancing date following each loss rebalancing event, a constant percentage increase in the index level will have a lesser positive effect on the value of the notes relative to before such loss rebalancing date. This effect may be magnified if multiple loss rebalancing events occur. In addition, each time a loss rebalancing event occurs, a rebalancing fee *equal* to 0.06% of the absolute value of the relevant rebalancing amount (which represents the change in the exposure to the index as a result of a rebalancing event) will be added to the financing level, which will have the effect of reducing the closing indicative note value and, therefore, the value of the notes at maturity or upon redemption.

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The Intraday Indicative Note Value Is Not the Same as Any Trading Price of the Notes in the Secondary Market. Similarly, the Closing Indicative Note Value Is Not the Same As the Closing Price of the Notes Or Any Trading Price of the Notes in the Secondary Market

The intraday indicative note value is not the same as any trading price of the notes in the secondary market. Similarly, the closing indicative note value is not the same as the closing price of the notes or any trading price of the notes in the secondary market. The closing indicative note value and intraday indicative note value on each day following the initial valuation date are intended to approximate the intrinsic economic value of the notes at the time of calculation. The closing indicative note value is equal to (i) the asset position ($200 on the inception date which will increase or decrease depending on the index performance), *minus* (ii) the financing level ($100 on the inception date which will increase due to the daily investor fee and will increase or decrease on each rebalancing date based on the index performance since the last rebalancing date). By contrast, a trading price for the notes at any time is the price at which you may be able to sell your notes in the secondary market at such time, if one exists. A trading price for the notes at any time may vary significantly from the closing indicative note value or intraday indicative note value at such time. Paying a premium purchase price over the closing indicative note value or intraday indicative note value could lead to significant losses in the event you sell your notes at a time when such premium is no longer present in the marketplace or such notes are redeemed, in which case you will receive a cash payment in an amount based on the closing indicative note value. You should consult your financial advisor before purchasing or selling the notes, especially if the notes are trading at a premium over their closing indicative value.

The Traded Prices of Your Notes At Any Time Will Reflect Many Factors and Cannot Be Predicted

If GS&Co. buys or sells your notes (if GS&Co. makes a market, which it is not obligated to do), it will do so at prices that reflect factors such as the intraday indicative note value or the closing indicative note value at that time, its then current bid and ask spread for similar sized trades of structured notes (adjusted for the then current liquidity of the notes), any premium or discount that may have developed due to imbalances in the demand and supply of the notes, and other factors discussed in The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors , including our creditworthiness and the creditworthiness of The Goldman Sachs Group, Inc. The traded prices of your notes at any time will reflect many factors and cannot be predicted. The intraday indicative note value and the closing indicative note value do not incorporate any market parameters other than the index performance nor do they account for future fees that will accrue during the expected term of your investment in the notes and are not the same as any trading price of the notes in the secondary market.

If you sell your notes, you will likely be charged a commission for secondary market transactions, or the price will likely reflect a dealer discount. This commission or discount will further reduce the proceeds you would receive for your notes in a secondary market sale.

There is no assurance that GS&Co. or any other party will be willing to purchase your notes at any price and, in this regard, GS&Co. is not obligated to make a market in the notes. See Your Notes May Not Have an Active Trading Market and May Not Continue to be Listed Over the Life of Your Notes below.

Any Limitation or Suspension on the Issuance or Sale of the Notes May Impact the Trading Price of the Notes, Including By Creating a Premium Over the Indicative Value of the Notes That May Be Reduced or Eliminated At Any Time

Because our obligations under the notes are hedged through one or more of our affiliates, increases in the number of notes outstanding create corresponding increases in our exposure to the securities included in the index. In order to manage the risk of this exposure, we may impose a limitation or suspension on the number of notes to be issued. Any limitation or suspension on the issuance of the notes may materially and adversely affect the price and liquidity of the notes in the secondary market. Alternatively, the decrease in supply may cause an imbalance in the market supply and demand, which may cause the notes to trade at a premium over the indicative value of the notes. In addition, any decrease in the supply of the notes due to any limitation or suspension on issuance may cause the notes to appear on NYSE Arca s threshold securities list, indicating repeated delivery failure (which may be a sign of supply shortage) and requiring an actual borrowing of or a bona fide arrangement to borrow the notes in connection with a short sale. If arbitrageurs are unable to locate notes to sell short, the notes may trade at a premium, which may be significant, in relation to their indicative value.

Any premium may be reduced or eliminated at any time. Paying a premium purchase price over the closing indicative value of the notes could lead to significant losses in the event the investor sells such notes at a time when such premium is no longer present in the marketplace or such notes are redeemed, including at our option, which we have the discretion to do at any time. If we redeem the notes at our option, investors will receive a cash payment equal to the closing indicative note value, which will not include any premium. Investors should consult their financial advisors before purchasing or selling the notes, especially notes trading at a premium over their closing indicative value.

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The Liquidity of the Market for the Offered Notes May Vary Materially From Time to Time

We intend to sell the aggregate face amount of the fifteenth reopened notes on the original issue date to GS&Co., our affiliate, which will sell the fifteenth reopened notes from time to time. Also, the aggregate face amount of the notes outstanding could be reduced at any time by redemptions. Accordingly, the liquidity of the market for your notes could vary materially over the life of the notes. While you may elect to redeem your notes prior to maturity, any redemption will be subject to the conditions and procedures described elsewhere in this prospectus supplement, including the condition that you must redeem at least $500,000 face amount of the notes at one time in order to exercise your right to redeem your notes.

We and GS&Co. Are Under No Obligation to Issue or Sell Additional Notes at Any Time, and If We and GS&Co. Do Sell Additional Notes, We May Limit or Restrict Such Sales, and We and GS&Co. May Stop and Subsequently Resume Selling Additional Notes At Any Time

In our sole discretion, we may decide to reopen the offered notes and issue and sell such additional notes from time to time to GS&Co., and in GS&Co. s sole discretion, it may decide to sell additional notes to investors or to dealers. However, we and GS&Co. are under no obligation to issue or sell additional notes at any time, and if we and GS&Co. do issue and sell additional notes, we or GS&Co. may limit or restrict such sales, and we or GS&Co. may stop and subsequently resume selling additional notes at any time. If we and GS&Co. start selling additional notes, we or GS&Co. may stop selling additional notes for any reason, which could materially and adversely affect the price and liquidity of the notes in the secondary market.

Unless we indicate otherwise, if we or GS&Co. suspend selling additional notes, we and GS&Co. reserve the right to resume selling additional notes at any time, which might result in the reduction or elimination of any premium in the trading price that may have developed. Before trading in the secondary market, you should compare the closing indicative note value and intraday indicative note value with the then-prevailing trading price of the notes. Any premium may be reduced or eliminated at any time.

Suspension of additional issuances of the notes can also result in a significant reduction in the number of outstanding notes, if investors subsequently exercise their right to have the notes redeemed by us. If the total number of outstanding notes has fallen to a level that is close to or below the minimum redemption amount, you may not be able to purchase enough notes to meet the minimum size requirement in order to exercise your early redemption right. The unavailability of the early redemption right can result in the notes trading in the secondary market at discounted prices below the intraday indicative note value. Having to sell your notes at a discounted sale price below the intraday indicative note value could lead to significant losses. Prior to making an investment in the notes, you should take into account whether or not the trading price is tracking the intraday indicative note value.

The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors

When we refer to the market value of your notes, we mean the value that you could receive for your notes if you chose to sell them in the open market before the stated maturity date. A number of factors, many of which are beyond our control, will likely influence the market value of your notes, including:

- supply and demand for the notes, including inventory positions with GS&Co. or any market-maker;

- the accrued fees, which are affected by 3-month USD LIBOR and the levels of the index since the inception date;

- the levels of the index;

- economic, financial, regulatory, political, military and other events that affect stock markets generally and the index stocks, and which may affect the closing level of the index;

- the availability of substitute financial products that provide similar exposure to the index but with lower fees; and

- our creditworthiness and the creditworthiness of The Goldman Sachs Group, Inc., whether actual or perceived, and including actual or anticipated upgrades or downgrades in our credit ratings or the credit ratings of The Goldman Sachs Group, Inc. or changes in other credit measures.

These factors, and many other factors, will influence the price you will receive if you sell your notes before maturity, including the price you may receive for your notes in any market making transaction.

You cannot predict the future performance of the index based on its historical performance. The actual performance of the index over the life of the offered notes, as well as the amount payable at maturity or upon redemption, as the case may be, may bear little or no relation to the historical closing levels of the index or to the hypothetical examples shown elsewhere in this prospectus supplement.

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If You Purchase Your Notes at a Premium to Face Amount, the Return on Your Investment Will Be Lower Than the Return on Notes Purchased at Face Amount and the Impact of Certain Key Terms of the Notes Will Be Negatively Affected

The amount you will be paid for your notes upon redemption or on the stated maturity date will not be adjusted based on the issue price you pay for the notes. If you purchase notes at a price that differs from the face amount of the notes, then the return on your investment in such notes held to a redemption date or the stated maturity date will differ from, and may be substantially less than, the return on notes purchased at face amount. If you purchase your notes at a premium to face amount and hold them to a redemption date or the stated maturity date, the return on your investment in the notes will be lower than it would have been had you purchased the notes at face amount or a discount to face amount.

If the Level of the Index Changes, the Market Value of Your Notes May Not Change in the Same Manner

The price of your notes may move differently than the performance of the index. Changes in the level of the index may not result in a comparable change in the market value of your notes. Even if the closing level of the index is greater than or equal to the index level on the initial valuation date during some portion of the life of the notes, the market value of your notes may not reflect this. We discuss some of the reasons for this disparity under The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors above.

Your Notes May Not Have an Active Trading Market and May Not Continue to be Listed Over the Life of Your Notes

Although the offered notes are listed on NYSE Arca, there is no assurance that a secondary market for the offered notes will develop. GS&Co. or its affiliates may engage in limited purchase and resale transactions in the offered notes, although they are not required to do so. If they decide to engage in such transactions, they may stop at any time.

No assurance can be given as to the continuation of the listing for the life of the offered notes, or the liquidity or trading market for the offered notes. We are not required to maintain any listing of your notes on NYSE Arca.

The Exchange May Halt Trading in the Notes or May Limit the Extent to Which Trading Prices May Change Within Specified Time Periods, Which in Either Case Would Adversely Impact Investors Ability to Sell the Notes

Trading in the notes may be halted due to market conditions or, in light of the exchange s rules and procedures, for reasons that, in the view of the exchange, make trading in the notes inadvisable. General exchange trading is subject to trading halts caused by extraordinary market volatility pursuant to circuit breaker rules based on a specified decline in a market index (e.g., the S&P 500® Index). In addition, the notes may be subject to limit up and limit down rules or trading pause requirements that are triggered by a significant change in the trading price of those notes within a specified period of time. These limit up and limit down and trading pause rules, if triggered, could prevent investors from transacting at then-prevailing intraday indicative note values or at all. If the level of the index declines precipitously during the trading day, triggering a limit down mechanism or trading pause, you may be unable to sell your notes for some period of time, either because no trading at all is permitted or because the price that any purchaser would be willing to pay for them at the time may be significantly below the lowest price that a purchaser would be permitted to pay for them on the exchange. In that circumstance, by the time you are finally able to sell your notes, you may have incurred significantly greater losses than you would have incurred had you been able to sell them when you initially wanted to. Additionally, the ability to short sell notes may be restricted when there is a 10% or greater change from the previous day s official closing price. Exchange rules relating to these matters are subject to change from time to time.

We May Sell an Additional Aggregate Face Amount of the Notes at a Different Issue Price

At our sole option, we may decide to sell an additional aggregate face amount of the notes subsequent to the date of this prospectus supplement. The issue price of the notes in the subsequent sale may differ substantially (higher or lower) from the issue price you paid as provided on the cover of this prospectus supplement.

We Have No Obligation to Issue Additional Notes, and We May Cease or Suspend Sales of the Notes

We have the right, but not the obligation, to issue additional notes once the initial distribution is complete. We also reserve the right to cease or suspend sales of the notes from inventory held at any time after the initial valuation date.

Any limitation or suspension on the issuance or sale of the notes may materially and adversely affect the price and liquidity of the notes in the secondary market. Alternatively, the decrease in supply may cause an imbalance in the market supply and demand, which may cause the notes to trade at a premium over their indicative value. Any premium may be reduced or eliminated at any time. Paying a premium purchase price over the closing indicative note value of the notes could lead to significant losses in the event you sell your notes at a time when such premium is no longer present in the marketplace or if we redeem the notes at are upon or automatically. Investors should consult their financial advisors before purchasing or selling the notes, especially notes trading at a premium over their closing indicative note value. See Description of the Notes We May Offer Information About Our Medium-Term Notes, Series E Program Amounts That We May Issue on page S-4 of the accompanying prospectus supplement.

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U.K. Regulators Will No Longer Persuade or Compel Banks to Submit Rates for Calculation of LIBOR After 2021; Interest Rate Benchmark May Be Discontinued

On July 27, 2017, the Chief Executive of the U.K. Financial Conduct Authority (FCA), which regulates LIBOR, announced that the FCA will no longer persuade or compel banks to submit rates for the calculation of LIBOR (which includes the 3-month USD LIBOR rate) after 2021. Such announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. Notwithstanding the foregoing, it appears highly likely that LIBOR will be discontinued or modified by 2021. It is not possible to predict the effect that this announcement or any such discontinuance or modification will have on the 3-month USD LIBOR rate or your notes. If the calculation agent determines, on any day that 3-month USD LIBOR is scheduled to be determined under the terms of the notes, that 3-month USD LIBOR has been discontinued, then the calculation agent will use a substitute or successor rate that it has determined in its sole discretion is most comparable to 3-month USD LIBOR, provided that if the calculation agent determines there is an industry-accepted successor rate, then the calculation agent shall use such successor rate. If the calculation agent has determined a substitute or successor rate in accordance with the foregoing, the calculation agent in its sole discretion may determine the definition of business day and the valuation dates to be used, and any other relevant methodology for calculating such substitute or successor rate, including any adjustment factor needed to make such substitute or successor rate comparable to the 3-month USD LIBOR rate, in a manner that is consistent with industry-accepted practices for such substitute or successor rate. See Summary Information Key Terms Discontinuance of 3-month USD LIBOR above.

Regulation and Reform of Benchmarks , Including LIBOR and Other Types of Benchmarks, May Cause such Benchmarks to Perform Differently Than in the Past, or to Disappear Entirely, or Have Other Consequences Which Cannot be Predicted

LIBOR and other interest rate, equity, foreign exchange rate and other types of indices which are deemed to be benchmarks are the subject of recent national, international and other regulatory guidance and proposals for reform.

Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on your notes.

Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks , trigger changes in the rules or methodologies used in certain benchmarks or lead to the disappearance of certain benchmarks . The disappearance of a benchmark or changes in the manner of administration of a benchmark could result in discretionary valuation by the index sponsor (including any index calculation agent acting on the index sponsor s behalf) or the note calculation agent or other consequence in relation to your notes. Any such consequence could have a material adverse effect on the value of and return on your notes.

The Daily Investor Fee is Based, In Part, On the 3-Month USD LIBOR Rate, Which is a Floating Rate That May Increase Significantly During the Term of the Notes

The amount payable on your notes will be reduced by the daily investor fee, which has the effect of reducing the closing indicative note value. The daily investor fee is based, in part, on the 3-month USD LIBOR rate, which is a floating rate that fluctuates continuously. As a result, if the 3-month USD LIBOR rate increases during the term of the notes, the daily investor fee will also increase, which will reduce the amount payable on your notes and may adversely affect the market value of your notes.

The Historical Levels of the 3-Month USD LIBOR Rate Are Not an Indication of the Future Levels of the 3-Month USD LIBOR Rate

In the past, the level of the 3-month USD LIBOR rate has experienced significant fluctuations. You should note that historical levels, fluctuations and trends of the 3-month USD LIBOR rate are not necessarily indicative of future levels. Any historical upward or downward trend in the 3-month USD LIBOR rate is not an indication that the 3-month USD LIBOR rate is more or less likely to increase or decrease at any time during an interest period, and you should not take the historical levels of the 3-month USD LIBOR rate as an indication of its future performance.

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Anticipated Hedging Activities by Goldman Sachs or Our Distributors May Negatively Impact Investors in the Notes and Cause Our Interests and Those of Our Clients and Counterparties to be Contrary to Those of Investors in the Notes

Goldman Sachs expects to hedge our obligations under the notes by purchasing listed or over-the-counter options, futures and/or other instruments linked to the index. Goldman Sachs also expects to adjust the hedge by, among other things, purchasing or selling any of the foregoing, and perhaps other instruments linked to the index or the index stocks, at any time and from time to time, and to unwind the hedge by selling any of the foregoing on or before the final valuation date for your notes. Alternatively, Goldman Sachs may hedge all or part of our obligations under the notes with unaffiliated distributors of the notes which we expect will undertake similar market activity. Goldman Sachs may also enter into, adjust and unwind hedging transactions relating to other index-linked notes whose returns are linked to changes in the level of the index or the index stocks, as applicable.

In addition to entering into such transactions itself, or distributors entering into such transactions, Goldman Sachs may structure such transactions for its clients or counterparties, or otherwise advise or assist clients or counterparties in entering into such transactions. These activities may be undertaken to achieve a variety of objectives, including: permitting other purchasers of the notes or other securities to hedge their investment in whole or in part; facilitating transactions for other clients or counterparties that may have business objectives or investment strategies that are inconsistent with or contrary to those of investors in the notes; hedging the exposure of Goldman Sachs to the notes including any interest in the notes that it reacquires or retains as part of the offering process, through its market-making activities or otherwise; enabling Goldman Sachs to comply with its internal risk limits or otherwise manage firmwide, business unit or product risk; and/or enabling Goldman Sachs to take directional views as to relevant markets on behalf of itself or its clients or counterparties that are inconsistent with or contrary to the views and objectives of the investors in the notes.

Any of these hedging or other activities may adversely affect the level of the index directly or indirectly by affecting the price of the index stocks and therefore the market value of your notes and the amount we will pay on your notes, if any. In addition, you should expect that these transactions will cause Goldman Sachs or its clients, counterparties or distributors to have economic interests and incentives that do not align with, and that may be directly contrary to, those of an investor in the notes. Neither Goldman Sachs nor any distributor will have any obligation to take, refrain from taking or cease taking any action with respect to these transactions based on the potential effect on an investor in the notes, and may receive substantial returns on hedging or other activities while the value of your notes declines. In addition, if the distributor from which you purchase notes is to conduct hedging activities in connection with the notes, that distributor may otherwise profit in connection with such hedging activities and such profit, if any, will be in addition to the compensation that the distributor receives for the sale of the notes to you. You should be aware that the potential to earn fees in connection with hedging activities may create a further incentive for the distributor to sell the notes to you in addition to the compensation they would receive for the sale of the notes.

Goldman Sachs Trading and Investment Activities for its Own Account or for its Clients Could Negatively Impact Investors in the Notes

Goldman Sachs is a global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and individuals. As such, it acts as an investor, investment banker, research provider, investment manager, investment advisor, market maker, trader, prime broker and lender. In those and other capacities, Goldman Sachs purchases, sells or holds a broad array of investments, actively trades securities, derivatives, loans, commodities, currencies, credit default swaps, indices, baskets and other financial instruments and products for its own account or for the accounts of its customers, and will have other direct or indirect interests, in the global fixed income, currency, commodity, equity, bank loan and other markets. Any of Goldman Sachs financial market activities may, individually or in the aggregate, have an adverse effect on the market for your notes, and you should expect that the interests of Goldman Sachs or its clients or counterparties will at times be adverse to those of investors in the notes.

Goldman Sachs regularly offers a wide array of securities, financial instruments and other products into the marketplace, including existing or new products that are similar to your notes, or similar or linked to the index or index stocks. Investors in the notes should expect that Goldman Sachs will offer securities, financial instruments, and other products that will compete with the notes for liquidity, research coverage or otherwise.

Goldman Sachs Market-Making Activities Could Negatively Impact Investors in the Notes

Goldman Sachs actively makes markets in and trades financial instruments for its own account and for the accounts of customers. These financial instruments include debt and equity securities, currencies, commodities, bank loans, indices, baskets and other products. Goldman Sachs activities include, among other things, executing large block trades and taking long and short positions directly and indirectly, through derivative instruments or otherwise. The securities and instruments in which Goldman Sachs takes positions, or expects to take positions, include securities and instruments of

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the index or index stocks, securities and instruments similar to or linked to the foregoing or the currencies in which they are denominated. Market making is an activity where Goldman Sachs buys and sells on behalf of customers, or for its own account, to satisfy the expected demand of customers. By its nature, market making involves facilitating transactions among market participants that have differing views of securities and instruments. As a result, you should expect that Goldman Sachs will take positions that are inconsistent with, or adverse to, the investment objectives of investors in the notes.

If Goldman Sachs becomes a holder of any securities of the index or index stocks in its capacity as a market-maker or otherwise, any actions that it takes in its capacity as security holder, including voting or provision of consents, will not necessarily be aligned with, and may be inconsistent with, the interests of investors in the notes.

You Should Expect That Goldman Sachs Personnel Will Take Research Positions, or Otherwise Make Recommendations, Provide Investment Advice or Market Color or Encourage Trading Strategies That Might Negatively Impact Investors in the Notes

Goldman Sachs and its personnel, including its sales and trading, investment research and investment management personnel, regularly make investment recommendations, provide market color or trading ideas, or publish or express independent views in respect of a wide range of markets, issuers, securities and instruments. They regularly implement, or recommend to clients that they implement, various investment strategies relating to these markets, issuers, securities and instruments. These strategies include, for example, buying or selling credit protection against a default or other event involving an issuer or financial instrument. Any of these recommendations and views may be negative with respect to the index or index stocks or other securities or instruments similar to or linked to the foregoing or result in trading strategies that have a negative impact on the market for any such securities or instruments, particularly in illiquid markets. In addition, you should expect that personnel in the trading and investing businesses of Goldman Sachs will have or develop independent views of the index or index stocks, the relevant industry or other market trends, which may not be aligned with the views and objectives of investors in the notes.

Goldman Sachs Regularly Provides Services to, or Otherwise Has Business Relationships with, a Broad Client Base, Which May Include the Sponsor of the Index or the Issuers of the Index Stocks or Other Entities That Are Involved in the Transaction

Goldman Sachs regularly provides financial advisory, investment advisory and transactional services to a substantial and diversified client base, and you should assume that Goldman Sachs will, at present or in the future, provide such services or otherwise engage in transactions with, among others, the sponsor of the index or the issuers of the index stocks, or transact in securities or instruments or with parties that are directly or indirectly related to the foregoing. These services could include making loans to or equity investments in those companies, providing financial advisory or other investment banking services, or issuing research reports. You should expect that Goldman Sachs, in providing such services, engaging in such transactions, or acting for its own account, may take actions that have direct or indirect effects on the index or index stocks, as applicable, and that such actions could be adverse to the interests of investors in the notes. In addition, in connection with these activities, certain Goldman Sachs personnel may have access to confidential material non-public information about these parties that would not be disclosed to Goldman Sachs employees that were not working on such transactions as Goldman Sachs has established internal information barriers that are designed to preserve the confidentiality of non-public information. Therefore, any such confidential material non-public information would not be shared with Goldman Sachs employees involved in structuring, selling or making markets in the notes or with investors in the notes.

In this offering, as well as in all other circumstances in which Goldman Sachs receives any fees or other compensation in any form relating to services provided to or transactions with any other party, no accounting, offset or payment in respect of the notes will be required or made; Goldman Sachs will be entitled to retain all such fees and other amounts, and no fees or other compensation payable by any party or indirectly by holders of the notes will be reduced by reason of receipt by Goldman Sachs of any such other fees or other amounts.

The Offering of the Notes May Reduce an Existing Exposure of Goldman Sachs or Facilitate a Transaction or Position That Serves the Objectives of Goldman Sachs or Other Parties

A completed offering may reduce Goldman Sachs existing exposure to the index or index stocks, securities and instruments similar to or linked to the foregoing or the currencies in which they are denominated, including exposure gained through hedging transactions in anticipation of this offering. An offering of notes will effectively transfer a portion of Goldman Sachs exposure (and indirectly transfer the exposure of Goldman Sachs hedging or other counterparties) to investors in the notes.

The terms of the offering (including the selection of the index or index stocks, and the establishment of other transaction terms) may have been selected in order to serve the investment or other objectives of Goldman Sachs or another client or counterparty of Goldman Sachs. In such a case, Goldman Sachs would typically receive the input of other parties that are involved in or otherwise have an interest in the offering, transactions hedged by the offering, or related transactions. The incentives of these other parties would normally differ from and in many cases be contrary to those of investors in the notes.

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Other Investors in the Notes May Not Have the Same Interests as You

Other investors in the notes are not required to take into account the interests of any other investor in exercising remedies or voting or other rights in their capacity as securityholders or in making requests or recommendations to Goldman Sachs as to the establishment of other transaction terms. The interests of other investors may, in some circumstances, be adverse to your interests. For example, certain investors may take short positions (directly or indirectly through derivative transactions) on assets that are the same or similar to your notes, index, index stocks or other similar securities, which may adversely impact the market for or value of your notes.

The Policies of the Index Sponsor and Changes that Affect the Index or the Index Stocks Comprising the Index, Could Affect the Amount Payable on Your Notes and the Market Value of Your Notes

The policies of the index sponsor concerning the calculation of the level of the index, additions, deletions or substitutions of the index stocks comprising the index, and the manner in which changes affecting such index stocks or their issuers, such as stock dividends, reorganizations or mergers, are reflected in the index level, could affect the level of the index and, therefore, the amount payable on your notes and the market value of your notes before that date. The amount payable on your notes, if any, and their market value could also be affected if the index sponsor changes these policies, for example, by changing the manner in which it calculates the index level or the method by which it constructs the index, or if the index sponsor discontinues or suspends calculation or publication of the index level, in which case it may become difficult to determine the market value of your notes. If events such as these occur, the calculation agent which initially will be GS&Co., our affiliate may determine the index level on any such date and thus the amount payable on your notes, if any in a manner it considers appropriate, in its sole discretion. We describe the discretion that the calculation agent will have in determining the index level on any valuation date or the final valuation date and the amount payable on your notes, if any, more fully under Specific Terms of Your Notes Discontinuance or Modification of the Index and Role of Calculation Agent below.

You Have No Shareholder Rights or Rights to Receive Any Index Stock

Investing in your notes will not make you a holder of any of the index stocks. Neither you nor any other holder or owner of your notes will have any rights with respect to the index stocks, including any voting rights, any rights to receive dividends or other distributions, any rights to make a claim against the index stocks or any other rights of a holder of the index stocks. Your notes will be paid in cash, and you will have no right to receive delivery of any index stocks.

Past Index Performance is No Guide to Future Performance

The actual performance of the index over the life of the notes, as well as the amount payable on your notes, if any, may bear little relation to the historical closing levels of the index or to the hypothetical examples set forth elsewhere in this prospectus supplement. We cannot predict the future performance of the index.

There Is No Affiliation Between the Index Stock Issuers or the Index Sponsor and Us

We are not affiliated with the issuer of the index stocks or the index sponsor. As we have told you above, however, we or our affiliates may currently or from time to time in the future own securities of, or engage in business with, the index sponsor or the index stock issuers. Neither we nor any of our affiliates have participated in the preparation of any publicly available information or made any due diligence investigation or inquiry with respect to the index or any of the index stock issuers. You, as an investor in your notes, should make your own investigation into the index and the index stock issuers. See The Index below for additional information about the index.

Neither the index sponsor nor any of the index stock issuers are involved in the offering of your notes in any way and none of them have any obligation of any sort with respect to your notes. Thus, neither the index sponsor nor any of the index stock issuers have any obligation to take your interests into consideration for any reason, including in taking any corporate actions that might affect the market value of your notes.

There Is No Guarantee That the Index Methodology Will Be Successful

The index is designed to track the large- and mid-capitalization segment of the U.S. equity market and is predominantly comprised of growth stocks, meaning stocks issued by companies whose earnings are expected to grow at an above-average rate relative to the market. There is no guarantee that the index will outperform any other index or strategy that tracks the large- and mid-capitalization segment of the U.S. equity market using other criteria. Companies that are considered to be growth oriented may not achieve higher revenue growth relative to comparable companies, which may cause the level of the index to decrease over the term of the notes. Accordingly, the investment strategy represented by the index may not be successful, and your investment in the notes may result in a loss. An investment in the notes may also underperform an investment linked to the Russell 1000® Growth Total Return Index as a whole.

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The Return on Your Notes Is Based on an Index That Reflects the Total Return, Not the Price Return

The return on your notes is based on the performance of the index, which is a total return based calculation of the Russell 1000® Growth Total Return Index. Unlike a price return index, which does not reflect dividends paid on the stocks comprising the index, the level of the index reflects both the price performance of the index stocks and the reinvestment in the index of any regular cash dividends paid on the index stocks. The index stock issuers may decide at any time to alter their dividend policies, including by ceasing to pay regular cash dividends entirely, and have no obligation to consider the interests of investors in the notes when making such decisions. Any change in the amount of regular cash dividends paid on the index stocks may have an adverse impact on the level of the index, and therefore on the market value of your notes and on any payment on your notes.

As Calculation Agent, GS&Co. Will Have the Authority to Make Determinations that Could Affect the Value of Your Notes

As calculation agent for your notes, GS&Co. will have discretion in making all determinations regarding the index, market disruption events, business days, trading days, including determining the closing level or intraday level of the index on any valuation date; the 3-month USD LIBOR rate; whether your notes will be redeemed; the valuation dates; the final valuation date; the redemption valuation dates; the automatic redemption valuation date, the redemption dates, the stated maturity date and the amount payable on your notes. The calculation agent also has discretion in making certain adjustments relating to a discontinuation or modification of the index. See Specific Terms of Your Notes Discontinuance or Modification of the Index below. Further, if GS&Co. as calculation agent determines on a day that 3-month USD LIBOR is scheduled to be determined under the terms of the notes, that 3-month USD LIBOR has been discontinued, then GS&Co. will use a substitute or successor rate that it has determined in its sole discretion is most comparable to 3-month USD LIBOR, provided that if GS&Co. determines there is an industry-accepted successor rate, then GS&Co. shall use such successor rate. If GS&Co. has determined a substitute or successor rate in accordance with the foregoing, GS&Co. in its sole discretion may determine the definition of business day and the valuation dates to be used, and any other relevant methodology for calculating such substitute or successor rate, including any adjustment factor needed to make such substitute or successor rate comparable to the 3-month USD LIBOR rate, in a manner that is consistent with industry-accepted practices for such substitute or successor rate. See Summary Information Key Terms Discontinuance of 3-month USD LIBOR above. The exercise of this discretion by GS&Co. could adversely affect the value of your notes and may present GS&Co. with a conflict of interest. We may change the calculation agent at any time without notice and GS&Co. may resign as calculation agent at any time upon 60 days written notice to us.

The Calculation Agent Can Postpone a Redemption Valuation Date, the Automatic Redemption Valuation Date, a Loss Rebalancing Date, a Quarterly Rebalancing Date or the Final Valuation Date, as Applicable, If a Market Disruption Event or a Non-Trading Day Occurs or is Continuing

The calculation agent may be required to exercise discretion in determining the amount payable on your notes or the rebalancing amount in the event of a market disruption event. If the calculation agent determines that, on a date that would otherwise be a redemption valuation date, the automatic redemption valuation date, a loss rebalancing date, a quarterly rebalancing date or the final valuation date, as applicable, a market disruption event has occurred or is continuing or that day is not a trading day, the applicable redemption valuation date, the automatic redemption valuation date, loss rebalancing date, quarterly rebalancing date or the final valuation date will be postponed until the first following