

# GS Social Impact Fund

---

## Overview

- The GS Social Impact Fund is one of the first domestic impact investing vehicles to be sponsored by a major financial institution, and is being launched by the Urban Investment Group (“UIG”), which has invested over \$4 billion of GS capital in impact investing opportunities from 2001 to date
- The GS Social Impact Fund seeks to provide clients with access to “double bottom line” investments that can provide both a financial return and measurable social impact
- The GS Social Impact Fund will provide investors with an opportunity to deploy capital to address a range of pressing social challenges in the US, while also seeking a risk-adjusted financial return

## Capital Solutions

- With insufficient public sector and philanthropic resources available to address chronic social challenges, private sector capital is emerging as a powerful tool to create economic opportunities for underserved communities

## Investment Strategy

- **Neighborhood Building.** Investments that support the development of mixed-use projects that can transform the built environment through the provision of quality affordable housing, healthcare facilities, schools, vital community space, and neighborhood serving retail
- **Job Creation and Social Enterprise.** Capital to for- and non-profit businesses and intermediaries that catalyze job creation and economic growth, and bring critical services to disadvantaged communities
- **Social Innovation Financing.** Financing to support the delivery of social, financial, and educational services for low- and moderate-income communities through innovative funding models, including social impact bonds

## UIG Team

- Experienced and proven team with expertise in social impact investing and structuring complex public/private partnerships
  - Having committed over \$4 billion of the Firm’s capital since 2001, UIG believes it is uniquely positioned to source, evaluate and execute impactful and return generating transactions in the US
-



# GS Social Impact Fund

## Disclosures

*This information should not be relied upon for the purpose of investing in current or any future Goldman Sachs product, or for evaluating any existing investment you may have in a Goldman Sachs product, or for any other purpose. Opinions expressed are current opinions as of the date appearing in this material only. This presentation is for informational purposes only with respect to certain investment products that Goldman, Sachs & Co. may offer in the future. It does not constitute an offer to sell or a solicitation of an offer to buy an interest in any Goldman, Sachs & Co. product to any person in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it would be unlawful to make such offer or solicitation. Any such offering will be made only in accordance with the terms and conditions set forth in a private placement memorandum pertaining to any such product. GS Bank is not an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940 (a "Registered Investment Adviser") and as such is not subject to the rules and regulations governing Registered Investment Advisers. This product is only available to US investors.*

### **Risk Factor**

An investment in the Investment Vehicle will involve substantial risks and there are conflicts of interest that the Investor should consider. These risks include that (i) an investment in the Investment Vehicle is speculative and involves a high degree of risk, (ii) the Investment Vehicle may employ leverage, (iii) the performance of the Investment Vehicle can be volatile, (iv) the Investor could lose all or a substantial amount of its investment, (v) except as described in the LLC Agreement, GS will have total control over the Investment Vehicle, (vi) there is no secondary market for the interests in the Investment Vehicle and none is expected to develop, and (vii) the Management Fee and Carried Interest will reduce any profits of the Investment Vehicle. The Investor should consider these factors carefully before investing in the Investment Vehicle. The portfolio risk management process includes an effort to monitor and manage risk, but does not imply low risk. Past performance does not guarantee future results, which may vary. The value of investments and the income derived from investments will fluctuate and can go down as well as up. A loss of principal may occur.

### **Supplemental Risk Disclosure for All Potential Direct and Indirect Investors in Hedge Funds and other private investment funds (collectively, "Alternative Investments")**

In connection with your consideration of an investment in any Alternative Investment, you should be aware of the following risks:

Alternative Investments are subject to less regulation than other types of pooled investment vehicles such as mutual funds. Alternative Investments may impose significant fees, including incentive fees that are based upon a percentage of the realized and unrealized gains, and such fees may offset all or a significant portion of such Alternative Investment's trading profits. An individual's net returns may differ significantly from actual returns. Alternative Investments are not required to provide periodic pricing or valuation information. Investors may have limited rights with respect to their investments, including limited voting rights and participation in the management of the Alternative Investment.

Alternative Investments often engage in leverage and other investment practices that are extremely speculative and involve a high degree of risk. Such practices may increase the volatility of performance and the risk of investment loss, **including the loss of the entire amount that is invested.**

Alternative Investments may purchase instruments that are traded on exchanges located outside the United States that are "principal markets" and are subject to the risk that the counterparty will not perform with respect to contracts.

Past performance does not guarantee future results, which may vary. The value of investments and the income derived from investments will fluctuate and can go down as well as up. A loss of principal may occur.

Alternative Investments are offered in reliance upon an exemption from registration under the Securities Act of 1933, as amended, for offers and sales of securities that do not involve a public offering. No public or other market is available or will develop. Similarly, interests in an Alternative Investment are highly illiquid and generally are not transferable without the consent of the sponsor, and applicable securities and tax laws will limit transfers.

Alternative Investments may themselves invest in instruments that may be highly illiquid and extremely difficult to value. This also may limit your ability to redeem or transfer your investment or delay receipt of redemption or transfer proceeds.

Alternative Investments are not required to provide their investors with periodic pricing or valuation information.

Alternative Investments may involve complex tax and legal structures and accordingly are only suitable for sophisticated investors. You are urged to consult with your own tax, accounting and legal advisers regarding any investment in any Alternative Investment.

Prospective investors should inform themselves as to any applicable legal requirements and taxation and exchange control regulations in the countries of their citizenship, residence or domicile which might be relevant.

**Conflicts of Interest:** There may be conflicts of interest relating to the Alternative Investment and its service providers, including Goldman Sachs and its affiliates. These activities and interests include potential multiple advisory, transactional and other interests in securities and instruments that may be purchased or sold by the Alternative Investment. These are considerations of which investors should be aware and additional information relating to these conflicts is set forth in the offering materials for the Alternative Investment.

Goldman Sachs Bank USA (the "Bank") is a New York state-chartered bank and a wholly-owned subsidiary of The Goldman Sachs Group, Inc. The Bank is a member of the Federal Reserve System and the FDIC. This document is provided for discussion purposes, and any proposed terms in this document are indicative examples only. Any transaction would be subject to contract and all internal approvals within GS Bank. Actual returns for the parties from any transaction entered into would be determined in accordance with the relevant agreement(s) governing the terms of such transaction. Information contained herein does not constitute an offer by Goldman Sachs. The information in this document may not be copied, distributed or disclosed to any other person without our prior approval, except as required by applicable law.

© 2015 Goldman Sachs. All rights reserved.