



*Last Updated March 2023*

The purpose of this Disclosure is to provide additional information regarding practices used by Goldman Sachs & Co. LLC ("GS" or the "Firm") in connection with its participation in the auction of U.S. Treasury securities. In particular, this Disclosure describes select Firm policies and procedures with respect to its handling of certain auction-related information of those clients who bid in U.S. Treasury auctions through the Firm.

The Firm has been designated as a primary dealer by the Federal Reserve Bank of New York (the "FRBNY"). Primary dealers are trading counterparties of the FRBNY in its implementation of monetary policy. The FRBNY has stated that it expects primary dealers to make markets for the FRBNY on behalf of its official accountholders as needed. Further, the FRBNY expects primary dealers to among other things: (i) bid on a pro-rata basis in all U.S. Treasury auctions at reasonably competitive prices, (ii) participate in open market operations consistently and competitively, in a variety of market environments, (iii) support the implementation of monetary policy, and (iv) provide ongoing insight into market developments in FRBNY's daily market monitoring activities to support the formulation and implementation of monetary policy.

As a primary dealer, the Firm bids for at least its proportional share of all U.S. Treasury auctions in a principal capacity ("Firm bids"). One or more designated trading desks within GS are responsible for formulating Firm bids. The Firm submits one or more Firm bids in each auction and its bids may be for different amounts and at different yields. The traders that formulate Firm bids may, as part of routine trading activity, have discussions with Firm personnel and third parties, including clients, regarding the markets or particular auctions, and use related information resulting therefrom (in each case to the extent permitted by Firm policy). Pursuant to Firm policy, however, traders who take part in the formulation of Firm bids may not seek to obtain any "Customer Bid Information" (as described below), or act in concert with any client or other third party, when formulating these bids.

In addition to Firm Bids, GS also submits bids in U.S. Treasury auctions on behalf of clients ("customer bids"). Those GS employees who are responsible for receiving and/or submitting customer bids are not permitted to share any "Customer Bid Information" with trading desk personnel responsible for the formulation of any Firm bids prior to the related auction. In exceptional circumstances (e.g. when errors or issues arise), GS employees may share Customer Bid Information with trading desk Supervisors. "Customer Bid Information" is defined as (i) the stated par amount of securities, and (ii) the specified yield, discount rate or discount margin provided to the Firm in connection with any customer bid. Following an auction, traders responsible for the formulation of Firm bids will be deemed to have a need to know Customer Bid Information submitted by the Firm in that auction, notably so as to facilitate client interactions and post-auction trading activity.

Reference should also be made to the "*Goldman Sachs Terms of Dealing*"<sup>1</sup>, which provides additional information regarding how the Goldman Sachs Group Inc. and its affiliates (collectively "Goldman Sachs") handles the confidential information of its trading counterparties more generally. Notably, Goldman Sachs maintains a "need to know" standard, which provides that access to counterparty-specific confidential information is limited to those employees who have a "need to know" such information to perform their duties and to carry out the purpose for which the information is provided. Goldman Sachs personnel may have access to, use and provide counterparties with information that is designed so as to not be reverse-engineered, such as anonymous and aggregated data, including but not limited to, orders (i.e., orders executed in full or part, cancelled, or expired), indications of interest, quotes, positions, trade and other data and analytics. This information may be used for market color and analytical tools or may be used by Goldman Sachs employees for risk management and development of other products and services. The nature of any such information provided to any client may differ from that provided to other counterparties in terms of quantity, scope, methodology or otherwise and may be changed from time to time without notice.

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<sup>1</sup> <https://www.goldmansachs.com/disclosures/gs-terms-of-dealing.pdf>