

GOLDMAN SACHS GROUP INC  
Form 424B2  
April 02, 2019

GS Finance Corp.

\$500,000

Motif Capital Artificial Intelligence 8 ER Index-Linked Notes due 2023

guaranteed by

The Goldman Sachs Group, Inc.

The notes do not bear interest. The amount that you will be paid on your notes on the stated maturity date (February 2, 2023) is based on the performance of the Motif Capital Artificial Intelligence 8 ER Index as measured from the trade date (March 29, 2019) to and including the determination date (January 30, 2023). The return on your notes will be positive if the final level on the determination date is greater than the initial level of 123.94. If the final level is equal to or less than the initial level, you will receive the face amount of your notes at maturity.

The index measures the extent to which the stocks (including ADRs) and any money market position (described below) outperform 3-month USD LIBOR plus 0.75% per annum (accruing daily). If the index fails to outperform 3-month USD LIBOR plus 0.75% per annum (accruing daily) you will receive no return on your investment. LIBOR is being modified, see page S-24.

The index attempts to track the common equity of U.S. and non-U.S. companies listed on U.S. exchanges that either develop or use artificial intelligence technology, subject to a limitation on volatility described below. The index rebalances annually and the stocks eligible for inclusion in the index are identified based solely on a relevance score determined by an established word search algorithm utilizing terms from the Association for Computing Machinery Computing Classification 2012 taxonomy. To be included in the index, a company must (i) be classified in the technology sector, (ii) have a minimum relevance score and (iii) meet minimum market capitalization, price, price availability and average daily dollar volume thresholds. If there are more than 100 eligible companies, only those with the 100 highest relevance scores are included in the index. The weight of each stock is determined by reference to its relevance score, market capitalization and average daily dollar volume, subject to minimum and maximum weight constraints of 0.1% and 5% of the index. For a full list of index stocks, see page S-53. There are very significant risks associated with the methodology used to select and weight index constituents. See pages S-22 and S-31.

As of the close of business on each index business day, realized volatility (measuring the degree of variation in the daily closing prices of stocks included in the index) is calculated using a 20 index business day look-back period. If such realized volatility exceeds 8%, the index will be rebalanced as of the opening of business on the next index business day by ratably reallocating the exposure of the index from stocks to the money market position in an amount sufficient to reduce such realized volatility to 8%. As of the close of business on the next index business day, the index reverts to the stock weightings as of the most recent annual index rebalancing date and the realized volatility for the 20 index business day look-back period is again calculated at such time. If realized volatility as calculated at the end of an index business day does not exceed 8%, there will be no allocation to the money market position with respect to the next index business day. The money market position reflects the returns accruing on a hypothetical cash investment in a notional money market account denominated in U.S. dollars that accrues interest at the notional interest rate, which is equal to 3-month USD LIBOR. The index may allocate its entire exposure to the money market position, the return on which will always be less than the sum of the return on 3-month USD LIBOR plus 0.75% per

annum (accruing daily).

The greater the percentage of the index allocated to the money market position, the higher the return that will be required on the stocks in order to have a return on your investment. Historically, a very significant portion (up to approximately 78.6%) of the index consistently has been allocated to the money market position. To determine your payment at maturity, we will calculate the index return, which is the percentage increase or decrease in the final level from the initial level. For each \$1,000 face amount of your notes you will receive an amount in cash equal to:

if the index return is positive (the final level is greater than the initial level), the sum of (i) \$1,000 plus (ii) the product of (a) \$1,000 times (b) the index return; or

if the index return is zero or negative (the final level is equal to or less than the initial level), \$1,000.

You should read the disclosure herein to better understand the terms and risks of your investment, including the credit risk of GS Finance Corp. and The Goldman Sachs Group, Inc. See page S-9.

The estimated value of your notes at the time the terms of your notes are set on the trade date is equal to approximately \$948 per \$1,000 face amount. For a discussion of the estimated value and the price at which Goldman Sachs & Co. LLC would initially buy or sell your notes, if it makes a market in the notes, see the following page.

Original issue date:	April 3, 2019	Original issue price:	100% of the face amount
Underwriting discount:	3.75% of the face amount	Net proceeds to the issuer:	96.25% of the face amount

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

Prospectus Supplement No. 5,364 dated March 29, 2019.

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The issue price, underwriting discount and net proceeds listed above relate to the notes we sell initially. We may decide to sell additional notes after the date of this prospectus supplement, at issue prices and with underwriting discounts and net proceeds that differ from the amounts set forth above. The return (whether positive or negative) on your investment in notes will depend in part on the issue price you pay for such notes.

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

#### Estimated Value of Your Notes

The estimated value of your notes at the time the terms of your notes are set on the trade date (as determined by reference to pricing models used by Goldman Sachs & Co. LLC (GS&Co.) and taking into account our credit spreads) is equal to approximately \$948 per \$1,000 face amount, which is less than the original issue price. The value of your notes at any time will reflect many factors and cannot be predicted; however, the price (not including GS&Co.'s customary bid and ask spreads) at which GS&Co. would initially buy or sell notes (if it makes a market, which it is not obligated to do) and the value that GS&Co. will initially use for account statements and otherwise is equal to approximately the estimated value of your notes at the time of pricing, plus an additional amount (initially equal to \$52 per \$1,000 face amount).

Prior to March 29, 2020, the price (not including GS&Co.'s customary bid and ask spreads) at which GS&Co. would buy or sell your notes (if it makes a market, which it is not obligated to do) will equal approximately the sum of (a) the then-current estimated value of your notes (as determined by reference to GS&Co.'s pricing models) plus (b) any remaining additional amount (the additional amount will decline to zero on a straight-line basis from the time of pricing through March 28, 2020). On and after March 29, 2020, the price (not including GS&Co.'s customary bid and ask spreads) at which GS&Co. would buy or sell your notes (if it makes a market) will equal approximately the then-current estimated value of your notes determined by reference to such pricing models.

#### 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, does not set forth all the terms of your notes and therefore should be read in conjunction with such documents:

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.

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. Please note that in this prospectus supplement, references to “GS Finance Corp.”, “we”, “our” and “us” mean only GS Finance Corp. and do not 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. The notes will be issued under 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. The notes will be issued in book-entry form and represented by a master global note.

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## Terms AND CONDITIONS

(Terms From Prospectus Supplement No. 5,364 Incorporated Into Master Note No. 2)

These terms and conditions relate to prospectus supplement no. 5,364 dated March 29, 2019 of GS Finance Corp. and The Goldman Sachs Group, Inc. with respect to the issuance by GS Finance Corp. of its Motif Capital Artificial Intelligence 8 ER Index-Linked Notes due 2023 and the guarantee thereof by The Goldman Sachs Group, Inc.

The provisions below are hereby incorporated into master note no. 2, dated August 22, 2018. References herein to “this note” shall be deemed to refer to “this security” in such master note no. 2, dated August 22, 2018. Certain defined terms may not be capitalized in these terms and conditions even if they are capitalized in master note no. 2, dated August 22, 2018. Defined terms that are not defined in these terms and conditions shall have the meanings indicated in such master note no. 2, dated August 22, 2018, unless the context otherwise requires.

CUSIP / ISIN: 40056F4H5 / US40056F4H50

Company (Issuer): GS Finance Corp.

Guarantor: The Goldman Sachs Group, Inc.

Index: Motif Capital Artificial Intelligence 8 ER Index (current Bloomberg symbol: “MCAIE Index”), or any successor index, as it may be modified, replaced or adjusted from time to time as provided herein

Face amount: \$500,000 in the aggregate on the original issue date; the aggregate face amount may be increased if the company, at its sole option, decides to sell an additional amount on a date subsequent to the trade date.

Authorized denominations: \$1,000 or any integral multiple of \$1,000 in excess thereof

Principal amount: On the stated maturity date, the company will pay, for each \$1,000 of the outstanding face amount, an amount in cash equal to the cash settlement amount.

Cash settlement amount:

•if the index return is positive, the sum of (i) \$1,000 plus (ii) the product of (a) \$1,000 times (b) the upside participation rate times (c) the index return; or  
•if the index return is zero or negative, \$1,000

Initial index level: 123.94

Final index level: the closing level of the index on the determination date, subject to adjustment as provided in “— Consequences of a non-trading day” and “— Discontinuance or modification of the index” below

Index return: the quotient of (i) the final index level minus the initial index level divided by (ii) the initial index level, expressed as a positive or negative percentage

Upside participation rate: 100%

Trade date: March 29, 2019

Original issue date: April 3, 2019

Determination date: January 30, 2023, unless the note calculation agent determines that such day is not a trading day. In that event, the determination date will be the first following trading day. In no event, however, will the determination date be postponed to a date later than the originally scheduled stated maturity date or, if the originally scheduled stated maturity date is not a business day, later than the first business day after the originally scheduled stated maturity date. If the determination date is postponed to the last possible day, but such day is not a trading day, that day will nevertheless be the determination date.

Stated maturity date: February 2, 2023, unless that day is not a business day, in which case the stated maturity date will be the next following business day. If the determination date is postponed as described under “— Determination date” above, the stated maturity date will be postponed by the same number of business day(s) from but excluding the originally scheduled determination date to and including the actual determination date.

Closing level of the index: the official closing level of the index or any successor index published by the index sponsor (including any index calculation agent acting on the index sponsor’s behalf) on any trading day for the index

Level of the index: at any time on any trading day, the official level of the index or any successor index published by the index sponsor (including any index calculation agent acting on the index sponsor’s behalf) at such time on such trading day

Business day: each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to close

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Trading day: a day on which the index is calculated and published by the index sponsor (including any index calculation agent acting on the index sponsor's behalf). For the avoidance of doubt, if the index calculation agent determines that an index market disruption event occurs or is continuing on any day, such day will not be a trading day.

Index calculation agent: Solactive AG or any replacement index calculation agent

Index sponsor: at any time, the person or entity, including any successor sponsor, that determines and publishes the underlier as then in effect (current index sponsor: Motif Capital Management, Inc.). The notes are not sponsored, endorsed, sold or promoted by the index sponsor or any of its affiliates and the index sponsor and its affiliates make no representation regarding the advisability of investing in the notes.

Successor index: any substitute index approved by the note calculation agent as a successor index as provided under “— Discontinuance or modification of the index” below

Underlying stocks: with respect to the index, at any time, the stocks (and, if applicable, the exchange-traded fund) that comprise the index as then in effect, after giving effect to any additions, deletions or substitutions

Consequences of a non-trading day: If a day that would otherwise be the determination date is not a trading day, then the determination date will be postponed as described under “— Determination date” above.

If the note calculation agent determines that the final index level is not available on the last possible determination date because of a non-trading day or for any other reason (other than as described under “— Discontinuance or modification of the index” below), then the note calculation agent will nevertheless determine the level of the index based on its assessment, made in its sole discretion, of the level of the index on that day.

Discontinuance or modification of the index: If the index sponsor discontinues publication of the index and the index sponsor or anyone else publishes a substitute index that the note calculation agent determines is comparable to the index, or if the note calculation agent designates a substitute index, then the note calculation agent will determine the cash settlement amount payable on the stated maturity date by reference to the substitute index. We refer to any substitute index approved by the note calculation agent as a successor index.

If the note calculation agent determines on the determination date that the publication of the index is discontinued and there is no successor index, the note calculation agent will determine the amount payable on the stated maturity date by a computation methodology that the note calculation agent determines will as closely as reasonably possible replicate the index.

If the note calculation agent determines that the index, the underlying stocks or the method of calculating the index is changed at any time in any respect — including any split or reverse split and any addition, deletion or substitution and any reweighting or rebalancing of the index or of the underlying stocks and whether the change is made by the index sponsor under its existing policies or following a modification of those policies, is due to the publication of a successor index, is due to events affecting one or more of the underlying stocks or their issuers, or is due to any other reason — and is not otherwise reflected in the level of the index by the index sponsor pursuant to the then-current index methodology of the index, then the note calculation agent will be permitted (but not required) to make such adjustments in the index or the method of its calculation as it believes are appropriate to ensure that the level of the index used to determine the cash settlement amount payable on the stated maturity date is equitable.

All determinations and adjustments to be made by the note calculation agent with respect to the index may be made by the note calculation agent in its sole discretion. The note calculation agent is not obligated to make any such

adjustments.

Note calculation agent (calculation agent): Goldman Sachs & Co. LLC (“GS&Co.”)

Default amount: If an event of default occurs and the maturity of your notes is accelerated, the company will pay the default amount in respect of the principal of your notes at the maturity, instead of the amount payable on the stated maturity date as described earlier. The default amount for your notes on any day (except as provided in the last sentence under “— Default quotation period” below) will be an amount, in the specified currency for the face amount of your notes, equal to the cost of having a qualified financial institution, of the kind and selected as described below, expressly assume all of our payment and other obligations with respect to your notes as of that day and as if no default or acceleration had occurred, or to undertake other obligations providing substantially equivalent economic value to you with respect to your notes. That cost will equal:

- the lowest amount that a qualified financial institution would charge to effect this assumption or undertaking, plus
- the reasonable expenses, including reasonable attorneys’ fees, incurred by the holder of your notes in preparing any documentation necessary for this assumption or undertaking.

During the default quotation period for your notes, which is described below, the holder of the notes and/or the company may request a qualified financial institution to provide a quotation of the amount it would charge to effect this assumption or undertaking. If either party obtains a quotation, it must notify the other party in writing of the quotation. The amount referred to in the first bullet point above will equal the lowest — or, if there is only one, the only — quotation obtained, and

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as to which notice is so given, during the default quotation period. With respect to any quotation, however, the party not obtaining the quotation may object, on reasonable and significant grounds, to the assumption or undertaking by the qualified financial institution providing the quotation and notify the other party in writing of those grounds within two business days after the last day of the default quotation period, in which case that quotation will be disregarded in determining the default amount.

Default quotation period: The default quotation period is the period beginning on the day the default amount first becomes due and ending on the third business day after that day, unless:

no quotation of the kind referred to above is obtained, or  
every quotation of that kind obtained is objected to within five business days after the day the default amount first becomes due.

If either of these two events occurs, the default quotation period will continue until the third business day after the first business day on which prompt notice of a quotation is given as described above. If that quotation is objected to as described above within five business days after that first business day, however, the default quotation period will continue as described in the prior sentence and this sentence.

In any event, if the default quotation period and the subsequent two business day objection period have not ended before the determination date, then the default amount will equal the principal amount of your notes.

Qualified financial institutions: For the purpose of determining the default amount at any time, a qualified financial institution must be a financial institution organized under the laws of any jurisdiction in the United States of America, Europe or Japan, which at that time has outstanding debt obligations with a stated maturity of one year or less from the date of issue and that is, or whose securities are, rated either:

•A-1 or higher by Standard & Poor's Ratings Services or any successor, or any other comparable rating then used by that rating agency, or  
•P-1 or higher by Moody's Investors Service, Inc. or any successor, or any other comparable rating then used by that rating agency.

Overdue principal rate: the effective Federal Funds rate

Defeasance: not applicable

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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 are intended merely to illustrate the impact that the various hypothetical index levels on the determination date could have on the cash settlement amount at maturity assuming all other variables remain constant.

The examples below are based on a range of index levels that are entirely hypothetical; no one can predict what the index level will be on any day throughout the life of your notes, and no one can predict what the final index level will be on the determination date. The index has been highly volatile in the past — meaning that the index level has changed considerably in relatively short periods — and its performance cannot be predicted for any future period.

The information in the following examples reflects hypothetical rates of return on the offered notes assuming that they are purchased on the original issue date at the face amount and held to 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 the volatility of the index, the creditworthiness of GS Finance Corp., as issuer, and the creditworthiness of The Goldman Sachs Group, Inc., as guarantor. In addition, the estimated value of your notes at the time the terms of your notes are set on the trade date (as determined by reference to pricing models used by GS&Co.) is less than the original issue price of your notes. For more information on the estimated value of your notes, see “Additional Risk Factors Specific to Your Notes — The Estimated Value of Your Notes At the Time the Terms of Your Notes Are Set On the Trade Date (as Determined By Reference to Pricing Models Used By GS&Co.) Is Less Than the Original Issue Price Of Your Notes” on page S-9 of this prospectus supplement. The information in the examples also reflects the key terms and assumptions in the box below.

Key Terms and Assumptions  
Face amount \$1,000  
Upside participation rate 100%  
No non-trading day occurs on the originally scheduled determination date  
No change in or affecting any of the underlying stocks or the method by which the index sponsor calculates the index  
Notes purchased on original issue date and held to the stated maturity date

For these reasons, the actual performance of the index over the life of your notes, as well as the amount payable at maturity may bear little relation to the hypothetical examples shown below or to the historical index performance information or hypothetical performance data shown elsewhere in this prospectus supplement. For historical index performance information and hypothetical performance data of the index during recent periods, see “The Index —Closing Levels of the Index” on page S-49. Before investing in the offered notes, you should consult publicly available information to determine the level of the index between the date of this prospectus supplement and the date of your purchase of the offered notes.

Any rate of return you may earn on an investment in the notes may be lower than that which you could earn on a comparable investment in the underlying stocks.

Also, the hypothetical examples shown below do not take into account the effects of applicable taxes. Because of the U.S. tax treatment applicable to your notes, tax liabilities could affect the after-tax rate of return on your notes to a comparatively greater extent than the after-tax return on the underlying stocks.

The levels in the left column of the table below represent hypothetical final index levels and are expressed as percentages of the initial index level. The amounts in the right column represent the hypothetical cash settlement amounts, based on the corresponding hypothetical final index level (expressed as a percentage of the initial index level), and are expressed as percentages of the face amount of a note (rounded to the nearest one-hundredth of a percent). Thus, a hypothetical cash settlement amount of 100.00% means that the value of the cash payment that we would deliver for each \$1,000 of the outstanding face amount of the offered notes on the stated maturity date would equal 100.00% of the face amount of a note, based on the corresponding hypothetical final index level (expressed as a percentage of the initial index level) and the assumptions noted above.

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Hypothetical Final Index Level (as Percentage of Initial Index Level)	Hypothetical Cash Settlement Amount (as Percentage of Face Amount)
175.00%	175.00%
150.00%	150.00%
140.00%	140.00%
130.00%	130.00%
120.00%	120.00%
110.00%	110.00%
100.00%	100.00%
90.00%	100.00%
75.00%	100.00%
50.00%	100.00%
25.00%	100.00%
0.00%	100.00%

If, for example, the final index level were determined to be 25.00% of the initial index level, the cash settlement amount that we would deliver on your notes at maturity would be 100.00% of the face amount of your notes, as shown in the table above. As a result, if you purchased your notes on the original issue date and held them to the stated maturity date, you would receive no return on your investment.

The following chart also shows a graphical illustration of the hypothetical cash settlement amounts (expressed as a percentage of the face amount of your notes) that we would pay on your notes on the stated maturity date, if the final index level (expressed as a percentage of the initial index level) were any of the hypothetical levels shown on the horizontal axis. The chart shows that any hypothetical final index level (expressed as a percentage of the initial index level) of less than 100.00% (the section left of the 100.00% marker on the horizontal axis) would result in a hypothetical cash settlement amount of 100.00% of the face amount of your notes.

The cash settlement amounts shown above are entirely hypothetical; they are based on closing levels of the index that may not be achieved on the determination 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 cash settlement amounts 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 cash settlement amounts on 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 issue price you pay for your notes. The return on your investment (whether positive or negative) in your notes will be affected by the amount you pay for your notes. 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-22.

Payments on the notes are economically equivalent to the amounts that would be paid on a combination of other instruments. For example, payments on the notes are economically equivalent to a combination of an interest-bearing bond bought by the holder and one or more options entered into between the holder and us (with one or more implicit option premiums paid over time). The discussion in this paragraph does not modify or affect the terms of the notes or the U.S. federal income tax treatment of the notes, as described elsewhere in this prospectus supplement.

We cannot predict the actual final index level or what the market value of your notes will be on any particular trading day, 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 the actual final index level as determined by the note 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 on the stated maturity date may be very different from the information reflected in the examples above.

## 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 any underlying stocks, i.e., the stocks comprising the index to which your notes are linked. You should carefully consider whether the offered notes are suited to your particular circumstances.

The Estimated Value of Your Notes At the Time the Terms of Your Notes Are Set On the Trade Date (as Determined By Reference to Pricing Models Used By GS&Co.) Is Less Than the Original Issue Price Of Your Notes

The original issue price for your notes exceeds the estimated value of your notes as of the time the terms of your notes are set on the trade date, as determined by reference to GS&Co.'s pricing models and taking into account our credit spreads. Such estimated value on the trade date is set forth above under "Estimated Value of Your Notes"; after the trade date, the estimated value as determined by reference to these models will be affected by changes in market conditions, the creditworthiness of GS Finance Corp., as issuer, the creditworthiness of The Goldman Sachs Group, Inc., as guarantor, and other relevant factors. The price at which GS&Co. would initially buy or sell your notes (if GS&Co. makes a market, which it is not obligated to do), and the value that GS&Co. will initially use for account statements and otherwise, also exceeds the estimated value of your notes as determined by reference to these models. As agreed by GS&Co. and the distribution participants, this excess (i.e., the additional amount described under "Estimated Value of Your Notes") will decline to zero on a straight line basis over the period from the date hereof through the applicable date set forth above under "Estimated Value of Your Notes". Thereafter, if GS&Co. buys or sells your notes it will do so at prices that reflect the estimated value determined by reference to such pricing models at that time. The price at which GS&Co. will buy or sell your notes at any time also will reflect its then current bid and ask spread for similar sized trades of structured notes.

In estimating the value of your notes as of the time the terms of your notes are set on the trade date, as disclosed above under "Estimated Value of Your Notes", GS&Co.'s pricing models consider certain variables, including principally our credit spreads, interest rates (forecasted, current and historical rates), volatility, price-sensitivity analysis and the time to maturity of the notes. These pricing models are proprietary and rely in part on certain assumptions about future events, which may prove to be incorrect. As a result, the actual value you would receive if you sold your notes in the secondary market, if any, to others may differ, perhaps materially, from the estimated value of your notes determined by reference to our models due to, among other things, any differences in pricing models or assumptions used by others. See "— The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors" below.

The difference between the estimated value of your notes as of the time the terms of your notes are set on the trade date and the original issue price is a result of certain factors, including principally the underwriting discount and commissions, the expenses incurred in creating, documenting and marketing the notes, and an estimate of the difference between the amounts we pay to GS&Co. and the amounts GS&Co. pays to us in connection with your notes. We pay to GS&Co. amounts based on what we would pay to holders of a non-structured note with a similar maturity. In return for such payment, GS&Co. pays to us the amounts we owe under your notes.

In addition to the factors discussed above, the value and quoted price of your notes at any time will reflect many factors and cannot be predicted. If GS&Co. makes a market in the notes, the price quoted by GS&Co. would reflect any changes in market conditions and other relevant factors, including any deterioration in our creditworthiness or perceived creditworthiness or the creditworthiness or perceived creditworthiness of The Goldman Sachs Group, Inc. These changes may adversely affect the value of your notes, including the price you may receive for your notes in any market making transaction. To the extent that GS&Co. makes a market in the notes, the quoted price will reflect the

estimated value determined by reference to GS&Co.'s pricing models at that time, plus or minus its then current bid and ask spread for similar sized trades of structured notes (and subject to the declining excess amount described above).

Furthermore, 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” below.

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### 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.

### You May Receive Only the Face Amount of Your Notes at Maturity

If the index return is zero or negative on the determination date, the return on your notes will be limited to the face amount.

Even if the amount paid on your notes at maturity 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 note with the same stated maturity that bears interest at the prevailing market rate.

### The Amount Payable on Your Notes Is Not Linked to the Level of the Index at Any Time Other than the Determination Date

The final index level will be based on the closing level of the index on the determination date (subject to adjustment as described elsewhere in this prospectus supplement). Therefore, if the closing level of the index dropped precipitously on the determination date, the cash settlement amount for your notes may be significantly less than it would have been had the cash settlement amount been linked to the closing level of the index prior to such drop in the level of the index. Although the actual level of the index on the stated maturity date or at other times during the life of your notes may be higher than the final index level, you will not benefit from the closing level of the index at any time other than on the determination date.

Also, the market price of your notes prior to the stated maturity date 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.

### Your Notes Do Not Bear Interest

You will not receive any interest payments on your notes. As a result, even if the cash settlement amount payable on your notes on 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.

### The Index Measures the Performance of the Total Return Index Less the Sum of the Return on the Notional Interest Rate Plus 0.75% Per Annum (Accruing Daily)

Your notes are linked to the index. The index measures the performance of the total return index, which includes the underlying stocks and the money market position, less the sum of the return on the notional interest rate plus 0.75%



per annum (accruing daily). Increases in the level of the notional interest rate may offset in whole or in part increases in the levels of the underlying stocks. As a result, any return on the index — and thus on your notes — may be reduced or eliminated, which will have the effect of reducing the amount payable in respect of your notes. The total return index must produce positive returns at least as great as the sum of the return on the notional interest rate plus 0.75% per annum (accruing daily) before the index will have a positive return. If the index fails to outperform 3-month USD LIBOR plus 0.75% per annum (accruing daily) you will receive no return on your investment.

The index, through the total return index, may allocate its entire exposure to the money market position, the return on which will always be less than the sum of the return on 3-month USD LIBOR plus 0.75% per annum (accruing daily). The greater the percentage of the index allocated to the money market position, the higher the return that will be required on the underlying stocks in order to have a return on your investment. Historically, a very significant portion (up to approximately 92%) of the index exposure consistently has been to the money market position.

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## The Underlying Stocks are All in the Technology Sector, and the Index Attempts to Provide Exposure to Companies Developing Artificial Intelligence Services and Companies Using Artificial Intelligence Technology

The index is comprised of U.S. and non-U.S. equity securities listed on U.S. exchanges (either directly or through American Depositary Receipts (ADRs)) of companies classified in the technology sector under the Thomson Reuters Business Classification system (the “technology sector”) and attempts to include stocks and ADRs of companies that develop and/or use artificial intelligence technology, and that may benefit from the further development of artificial intelligence. A “U.S. exchange” for purposes of the index is the NYSE, NYSE Arca, NYSE American (formerly NYSE MKT), NASDAQ Global Select Market, NASDAQ Select Market, NASDAQ Capital Market or IEX. For purposes of the index, “artificial intelligence” is the ability of a machine to perform cognitive tasks typically associated with human brains, such as perception, reasoning, learning, interacting with the environment and problem solving. Because these companies are all in the technology sector, the index is more likely to be adversely affected by the negative performance of such sector than an index that has more diversified holdings across a larger number of sectors. In addition, the exposure of the index at any time could be limited to the money market position.

Although your investment in the notes will not result in the ownership or other direct interest in the stocks and ADRs that comprise the index (the “underlying stocks”), the return on your investment in the notes will be subject to certain risks and other factors similar to those associated with direct investments in stocks and ADRs of companies in the technology sector and also will be subject to reduction by the sum of the return on the notional interest rate plus 0.75% per annum (accruing daily). In addition, your exposure to stocks and ADRs of companies in the technology sector will be reduced to the extent that the index is invested in the money market position. Factors affecting companies in the technology sector include, for example, rapid changes in technology product cycles, rapid product obsolescence, government regulation, funding and spending and competition, both domestically and internationally, including competition from foreign competitors with lower production costs. Legal and regulatory changes, particularly related to information privacy and data protection, may have an impact on technology companies’ products or services. In addition, these companies typically engage in significant amounts of spending on research and development and there is no guarantee that the products or services produced by these companies will be successful. Stocks of technology companies and companies that rely heavily on technology, especially those of smaller, less-seasoned companies, tend to be more volatile than companies that do not rely heavily on technology. Technology companies are also heavily dependent on patent and intellectual property rights, the loss or impairment of which may adversely affect profitability. Additionally, companies in the technology sector may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel.

In addition to the business risks outlined above, risks relating to artificial intelligence in particular include concerns regarding the displacement of human labor, security threats and regulations focused on data privacy and strategy implementation issues.

## The Index May Not Successfully Capture Exposure to Companies That May Benefit From the Development of Artificial Intelligence

The index attempts to track the common equity of U.S. and non-U.S. companies listed on U.S. exchanges that either develop or use artificial intelligence technology, subject to a limitation on volatility. The index rebalances annually and the underlying stocks included in the index and their weights are determined based solely on the use of an established word search algorithm utilizing terms from the Association for Computing Machinery (ACM) Computing Classification 2012 taxonomy (with such weights also adjusted for market capitalization). Such word search algorithm calculates the number of times specified search phrases appear in such a company’s annual regulatory filing, as well as the length of such filing (in each case, excluding exhibits, information incorporated by reference and any amendments to such filing), and compares these metrics to those of each other annual regulatory filing in the search corpus. The search corpus consists of all annual regulatory filings — across all sectors — filed with the SEC within the 15 months prior

to the applicable annual rebalancing (in each case, excluding exhibits, information incorporated by reference and amendments). However, there is no guarantee that the methodology the index sponsor has implemented — which is heavily dependent on whether companies in the technology sector use certain search phrases in their annual regulatory filings — will capture (i) all such companies that are developing artificial intelligence technology, (ii) all such companies that are using artificial intelligence technology in their business or (iii) the relevance of artificial intelligence to any such company's business. The index will not include any companies outside of the technology sector, regardless of how they describe their business and therefore may exclude companies that are very significantly involved in the development or use of artificial intelligence technology.

Also, the volatility control may limit the index's ability to track the performance of such companies, particularly as the stocks in the index could, given the new technologies involved, be potentially more likely to be subject to price volatility. The index may fail to realize gains that could occur as a result of reducing the exposure of the total return index to stocks

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that have experienced price volatility. As a result, the level of the index, which is rebalanced into the money market position based on prior volatility trends, may decline. If the index declines you will have a zero return on your investment; however, you will receive at least the face amount of your notes on the stated maturity date, subject to our credit risk. No assurance can be given that the investment methodology used to construct the index will outperform any alternative index or basket of stocks that might be constructed from the underlying stocks or that otherwise attempts to invest in companies involved in the development or use of artificial intelligence technology solutions, particularly if such index or basket includes stocks outside of the technology sector. The index is different from an investment that seeks long-term exposure to a constant set of underlying stocks because of the annual rebalancing feature and the volatility control limit.

In addition, pursuant to its methodology and among other rules, the index performs relevant phrase searches of companies' annual regulatory filings to exclude companies that have few or no relevant search phrases related to artificial intelligence. Thus, companies that develop or use artificial intelligence technology will be excluded from the index if such companies' annual regulatory filings do not contain a significant number of specified search phrase matches. A lack of matches in a company's annual regulatory filing results in a low thematic exposure score (a measure of relevance to the artificial intelligence theme, as discussed under "The Index" below), even if the products or services provided by such company are significantly connected to the development or use of artificial intelligence. A lack of matches could be due to, among other things, a company's use of alternative terminology when describing its development or use of artificial intelligence or its use of mainly "common" phrases that occur in more than 4% of all annual regulatory filings in the search corpus (as such "common" phrases are consequently removed from the search phrase list pursuant to the index methodology). Furthermore, as a result of the index methodology, companies that use artificial intelligence technology solutions to solve business problems and would benefit from the development of artificial intelligence may not be included in the index for other reasons. In particular, the index will exclude:

- companies in sectors outside of the technology sector, such as financial companies, telecommunications services companies, healthcare companies and utilities companies, which may rely heavily on artificial intelligence in their businesses;
- private companies, which may include joint ventures between two or more public companies;
- non-U.S. and U.S. companies that are not listed on a U.S. exchange, regardless of whether their common equity is listed on a non-U.S. exchange; and
- other companies not meeting the selection criteria or eligibility screens set forth in the index methodology.

Further, index market disruption events, particularly during the implementation of annual base index rebalancing, may cause the underlying stocks to be overweighted or underweighted relative to what their weight otherwise would have been and this overweighting or underweighting of underlying stocks will determine an underlying stock's weight in the index until the next annual base index rebalancing. This may further limit the extent to which the index captures exposure to certain companies developing and/or using artificial intelligence technology solutions and also may have an adverse impact on the level of the index. See "Index Market Disruption Events Could Affect the Level of the Index on Any Date" and "The Index Index Market Disruptions" below.

In addition, while the index attempts to track U.S. exchange-listed stocks of companies in the technology sector that develop and/or use artificial intelligence technology solutions that may benefit from the development of artificial intelligence, any such effect may not occur during the term of the notes. Therefore, even if the products and services provided by such companies and the companies themselves do ultimately benefit from the development of artificial intelligence, this benefit may not be realized fully, or at all, during the term of the notes.

#### The Index Excludes Companies that Develop or Use Artificial Intelligence But Are Not in the Technology Sector

In order for a company to be eligible for inclusion in the index, such company must be classified in the technology sector under the Thomson Reuters Business Classification system. A company that develops or uses artificial

intelligence technology solutions, but that is classified under any sector other than the technology sector, will not be included in the index, even if that company includes specified search phrases in its annual regulatory filing with the SEC, even if such company's development or use of artificial intelligence is significant and/or revenue-producing and even though that company's annual regulatory filings were included in the search corpus. For example, Tesla, Inc., a company that designs, develops, manufactures and sells electric vehicles, energy generation and energy storage systems, states in its 2017 10-K that it is integrating machine learning technology in the software underlying its self-driving cars, and has introduced object detection capability in its vehicles. However, Tesla, Inc. is not included in the index because it is not formally classified in the technology sector. As a further example, TiVo Corporation, a media and entertainment products company that provides cloud-based services, embedded software solutions and other intellectual property relating to online content, states in its 2017 10-K that its technology platform uses machine learning techniques. While its platform uses machine learning technology, TiVo Corporation is not included in the index because it is not formally classified in the technology sector. Although companies may develop or use artificial intelligence technology in their business, and such companies could benefit from the further development of artificial intelligence, you may not have exposure to such

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companies in the index due to the technology sector screen. See “The Index — List of Index Constituents as of February 28, 2019” below for a full list of index constituents as of February 28, 2019.

#### The Index May Not Include, or May Not Heavily Weight, Companies in the Technology Sector That Could Benefit from the Development of Artificial Intelligence

In order for a company to be eligible for inclusion in the index, it must include, in its most recent annual regulatory filing with the SEC within the 15 months prior to the annual rebalancing, at least one of the specific search phrases determined by the index sponsor that are associated with artificial intelligence and machine learning as identified in the most recent ACM Computing Classification taxonomy (ACM taxonomy). A company that develops or uses artificial intelligence technology solutions but that contains no key search phrases due to the use of alternative terminology in its annual regulatory filing or other reasons (including the insignificance of such business relative to the company’s other businesses) will not be included in the index, even if such company’s development or use of artificial intelligence is or may be significant. In addition, even if a company is classified in the technology sector and its annual regulatory filing contains one or more search phrases, it will not be included in the index if it does not meet minimum market capitalization, price, average daily dollar volume and historical price availability thresholds. See “The Index Base Index Composition Apply underlying stock screens” below for a description of the stock screens. Further, even if a company’s annual regulatory filing contains one or more search phrases and such company is ultimately included in the index, such company’s weighting in the index may not be reflective of its relevance to the development or use of artificial intelligence since index weightings are determined based on scores attributed to each annual regulatory filing that take into account search phrase frequency within the document (relative to its frequency in other documents comprising the full search corpus) as well as such document’s length (relative to the average document length within the search corpus).

#### The Index Will Include, and May Heavily Weight, Companies That Provide Products and Services Not Related to Artificial Intelligence

A company’s weight in the index is based, in part, on its exposure to the artificial intelligence theme. The index constituents are selected using, in part, a keyword search of companies’ annual regulatory filings using specified search phrases. The relevant search phrases were selected with the intent of identifying companies that develop artificial intelligence technology solutions and sell those solutions as products or services or deploy artificial intelligence solutions to solve business problems. However, a company that develops and/or uses artificial intelligence technology but does not include at least one of the specified search phrases in its most recent annual regulatory filing (filed with the SEC within the 15 months preceding the annual index r