Goldman Sachs Asset Management B.V.
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ANNUAL REPORT FY 2023

GOLDMAN SACHS ASSET MANAGEMENT B.V.

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Company profile

Goldman Sachs Asset Management B.V. (“GSAM BV” or “the company”[1]) is a Dutch legal entity primarily engaged in collective and individual portfolio management activities.

The company acts as manager of certain Dutch, Luxembourg and French domiciled Goldman Sachs Asset Management investment funds, as board member of certain Goldman Sachs Asset Management investment companies (umbrella funds) and as investment manager/advisor for the assets of third parties (institutional clients). The company’s distribution platform ‘Fitvermogen’ enables retail clients to invest in Goldman Sachs Asset Management funds.

The company’s ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. (Group Inc.). Group Inc. is a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System. Group Inc., together with its consolidated subsidiaries, form ‘Goldman Sachs Group’. Goldman Sachs Group is a leading global financial institution that delivers a broad range of financial services to a large and diversified client base that includes corporations, financial institutions, governments and individuals.

The company is registered with the Authority for the Financial Markets (AFM) as a licensed manager of Alternative Investment Funds (“AIF”) and Undertakings for Collective Investment in Transferable Securities (“UCITS”) pursuant to article 2:65 and 2:69 accordingly of the Dutch Financial Supervision Act (FSA) in the register maintained by the AFM. According to article 2:69c, paragraphs 2 and 3 FSA, GSAM BV is permitted the following services:

- the management of portfolios of investments, in accordance with mandates given by investors on a discretionary, client-by-client basis.

- investment advice.

- reception and transmission of orders in relation to financial instruments.

- safekeeping and administration of financial instruments.

The company’s immediate parent is Goldman Sachs Asset Management International Holdings B.V. The company has established branch offices in Germany, France, Spain, Italy, the United Kingdom, Czech Republic, and Romania (“Branches”).

On 1 December 2023, the company established a branch office in Belgium and on the same day the activities and one employee of Goldman Sachs Advisors B.V., Belgian Branch were transferred to Goldman Sachs Asset Management B.V., Belgian Branch.

On 1 October 2023, a sister company, Altis Investment Management B.V., merged into GSAM BV and ceased to exist. On 30 December 2023, a sister company, Goldman Sachs Advisors B.V., also merged into GSAM BV and ceased to exist. The businesses of Altis Investment Management B.V. and Goldman Sachs Advisors B.V. were combined with GSAM BV’s business.

[1] When we use the terms “we,” “us” and “our,” we mean the company or Goldman Sachs Asset Management as context requires

Management Board report

All amounts are in Euro, unless stated otherwise. The annual report is prepared for the period 1 January 2023 to 31 December 2023 and includes the financial data of Altis Investment Management B.V. and Goldman Sachs Advisors B.V. for the periods post their respective mergers.

Goldman Sachs Asset Management profile

Bringing together traditional and alternative investments, Goldman Sachs Asset Management provides clients around the world with a dedicated partnership and focus on long-term performance. As the primary investing area within Goldman Sachs, Goldman Sachs Asset Management delivers investment and advisory services for institutions, financial advisors and individuals, drawing from our connected global network and tailored expert insights, across every region and market.

Governance

As of 31 December 2023, the company's Management Board consist of: M.C.M. Canisius (Co-Chief Executive Officer), G.E.M. Cartigny (Co-Chief Executive Officer), E. Siermann (Chief Investment Officer), B.G.J. van Overbeek (Global Chief Operation Officer) and P. Den Besten (Chief Risk Officer). V. van Nieuwenhuijzen stepped down as Chief Investment Officer effective 15 December 2023 and E. Siermann was appointed as a new Chief Investment Officer effective the same date. H.W.D.G. Borrie stepped down as Chief Client Officer effective 12 May 2023. M.C.J. Grobbe stepped down as chief Human Resources Officer effective 30 June 2023. The company is required to perform a reliability and suitability assessment of its Board Members prior to their appointment to the Management Board. The number of directorships held by the members of the Management Body can be found on the company's website (www.gsam.com/responsible-investing/en-INT/professional/about/policies-and-governance).

The company's staff in the Netherlands, consisting of 671 employees (2022: 715), are employed by Goldman Sachs Personeel B.V. The parent company of GSAM BV, Goldman Sachs Asset Management International Holdings B.V., is charged for the staff expenses by Goldman Sachs Personeel B.V. under a service level agreement and accordingly GSAM BV is charged by Goldman Sachs Asset Management International Holdings B.V. via a cost allocation charge. The company's remuneration policy can be found on the company's website.

Gender-balance in the board of directors and senior management

Goals and plan of action

Encouraging female talent at the top starts with hiring 50% women across the organization. In the run-up to fulfilling key positions within the organisation, Human Capital Management work with management to determine the relevant experience, skills and competencies of potential successors. The succession pool includes talent from within the organisation and beyond and focuses on employees who demonstrate consistently high performance, potential, ambition and strong leadership behaviour.

The goal is to drive future female leadership already in the pipeline, promote diversity in key positions and create targeted career opportunities.

The Management Board

It is the aim of the shareholder of GSAM BV to have a suitable and balanced Management Board of GSAM BV. The shareholder wishes the board of GSAM BV to consist of at least 30% women, and shall not exceed a 70% women representation, to achieve a balanced gender distribution.

However, the shareholder of GSAM BV also takes into account various other relevant selection criteria when forming the Management Board.

The integration into Goldman Sachs Group has influenced the new appointments to the board during 2023. Valentijn van Nieuwenhuijzen, the Chief Investment Officer, decided to step down as he accepted another global role within the Goldman Sachs organization. To fill the vacant position of Chief Investment Officer, Edith Siermann, an internal candidate was chosen with the necessary and desired experience, knowledge and expertise.

The composition of the Management Board of GSAM BV did not meet the aforementioned gender-balance during 2023. The board of directors consists of one female board member (20%) and four male board members (80%).

The shareholder of GSAM BV will continue to strive for a suitable and balanced composition of the Management Board of GSAM BV in future appointments, taking into account all relevant selection criteria, including, but not limited to, the desired target of 30% gender-balance, and the requirements resulting from the law "Evenwichtiger verhouding tussen mannen en vrouwen in bestuur en raad van commissarissen", effective since 1 January 2022.

Senior management

At the management level, the ratios as of 31 December 2023 are as follows:

I. All Managers:

Total: 156

Male: 117 (75%)

Female: 34 (21.8%)

Prefer not to say / blank: 5 (3.2%)

II. Senior Managers:

Total: 38

Male: 29 (76.3%)

Female: 6 (15.8%)

Prefer not to say / blank: 3 (7.9%)

Senior managers have been defined as of this financial year as managers that are “Managing Director” (“MD”).

In this layer of the organization efforts will continue to achieve a gender-balance ratio in accordance with the set target, whereby all relevant selection criteria will be taken into account in future appointments.

Strategy

Goldman Sachs Group’s focus is on delivering sustainable, long-term returns for its shareholders through a strategy that revolves around its clients. Its strategy comprises three core objectives:

- To grow and strengthen its existing businesses: to capture higher wallet share across a wider range of clients;
- To diversify its products and services: to build a more durable source of earnings; and
- To operate more efficiently: so that it can drive higher margins and returns across the organisation.

Management Board report

The company's strategy, aligned with that of Goldman Sachs Group, is implemented by the executive management of the company with Management Board oversight. The Co-chief executive officers of the company update the Management Board on the company's performance against its strategic objectives at board meetings.

2023 financial situation and results

Gross income from operations increased to EUR 634.8 million (2022: EUR 599.9 million), mainly as a result of higher management fees due to increased assets under supervision and a transfer of several Goldman Sachs Luxembourg funds from a related party. Fee and commission expenses for the year increased to EUR 354.0 million (2022: EUR 307.0 million), mainly as a result of higher sub-management and sales fees due to the increased assets under supervision.

Operating expenses decreased to EUR 262.0 million (2022: EUR 294.1 million). Operating expenses were higher in 2022, due to increased staff-related expenses and increased project-related expenses, particularly related to the integration of GSAM BV into Goldman Sachs Group. The lower gross margin outweighed by the lower operating expenses resulted in a profit after tax of EUR 14.4 million (2022: a profit after tax of EUR 0.3 million).

In 2023 the company agreed to acquire certain segregated customer mandates and employees from Goldman Sachs Bank Europe SE, an affiliated party. The acquisition will occur in multiple tranches for a total consideration of EUR 25.8 million. The company paid EUR 20.1 million for those tranches that transferred during the year 2023. The consideration was fully expensed via the profit and loss account during the year which are included within administrative expenses (refer to Note 16).

The company's cash balance as of 31 December 2023 is EUR 96.6 million (31 December 2022: EUR 33.8 million). Cash and cash equivalents are at the free disposal of the company, unless stated otherwise. The company's financing requirements in 2023 were met by means of financing through Goldman Sachs Group companies. The company manages the risk associated with its business activities through the management, planning and allocation of capital on a pro-active basis including setting targets and limits to ensure sufficient capital is available.. The company reports to the DNB on a quarterly basis as required by Investment Firm Regulation and Directive ("IFR/IFD") rules. As of the date of this report, the most recent reporting was done as of 31 December 2023. All capital requirements were met. Furthermore, the capital adequacy is continuously monitored against the regulatory required capital. The company's available Own Funds, which only include the Common Equity Tier 1 items, equal the equity position in the financial statements. The Own Funds ratio, which is based on the ratio of Total Own Funds to the Total Own Funds Requirement, is well above 100%.

The solvency equity ratio amounts to 42% (2022: 54%). The liquidity current ratio decreased to 169% (2022: 217%), mainly as a result of higher payables to group companies, whereas the quick ratio, which measures the company's ability to meet its short-term obligations with its most liquid assets (cash and cash equivalents and trade receivables), improved and at year-end is equal to 65% (2022: 58%), as a result of higher amounts of cash and cash equivalents in 2023.

Geopolitical developments

The company has experienced limited direct impact from the Russian invasion of Ukraine or the tensions in the Middle East, as exposure to these markets was a relatively small percentage of total assets under management. At this point in time, we therefore foresee no impact on the going concern of our mutual funds nor on that of GSAM BV as an asset manager.

Management Board report

Assets under Supervision

Assets under supervision comprise the assets under management and assets under advice managed by GSAM BV. Total assets under supervision at the end of 2023 amounted to EUR 283 billion (31 December 2022: EUR 213 billion): EUR 255 billion of which were assets under management (31 December 2022: EUR 176 billion) and EUR 27 billion (31 December 2022: EUR 36 billion) were assets under advice. The increase of EUR 62 billion in Assets under management was primarily due to assets transferred to GSAM BV from Goldman Sachs Asset Management Fund Services Limited, an affiliated party, in the amount of EUR 46 billion and market performance of EUR 14 billion.

Going concern

These financial statements have been prepared on a going concern basis. The Management Board is satisfied that the company has sufficient capital and resources to continue to operate for the foreseeable future. In reaching this conclusion, the Management Board has considered the financial results of the company, its capital management activities and liquidity as set out in the Liquidity risk and Capital risk management sections of this Management Board report.

Risk management

Methodology

GSAM BV's organization presents several statements attesting to the effectiveness of its Internal Controls (e.g., ISAE3402) to clients, shareholders, regulators and other stakeholders. For that purpose, the company uses an integrated approach and governance. The Internal Control statements and the work performed for these statements (risk assessments, control testing and evaluating testing results) largely form the basis for this risk management approach. The company is internally governed by a Management Board. The Management Board is responsible for maintaining a governance framework that encourages a strong control environment and contributes to integrity, ethical values and operational excellence. The scope of the Internal Control statements is limited to the processes within the company itself and does not include the investment funds.

Risk committee

The company has established an Enterprise Risk Management Committee (ERMC), which advises the GSAM BV Management Board on overall risk appetite, tolerance and strategy, taking into account the current and prospective macroeconomic and financial environment, and oversees the current risk exposures of the company and future risk strategy. The ERMC meets quarterly at a minimum.

The most significant risks and control measures

For GSAM BV, the risk appetite is defined as the acceptable and authorised maximum level of risk in each of the risk areas in order to achieve its business objectives within approved budgets. The risk areas are categorised as follows:

- Strategic
- Operational
- Financial
- Legal and Regulatory

Strategic Risks

Strategic risk is included implicitly as part of business risk. The company constantly monitors outflows in its fund ranges, as challenging market conditions can potentially cause investors to withdraw investments from our fund range.

Operational Risks

We consider that the company's primary risk exposure is to operational risks. In this section, we consider several stress tests to see what the operational impact will be and relate these scenarios to the impact on our capital.

- Fraud

Fraud is an intentional act by one or more individuals among management, those charged with governance, employees or third parties, involving the use of deception to obtain an unjust or illegal advantage. Fraud is an ever-present threat and hence must be a concern for all stakeholders (i.e., staff, management, the public and customers). Fraud may occur internally or externally and may be perpetrated by clients, non-clients, staff consultants, vendors, contractors, individually or in collusion with others.

The asset management industry is characterized by management of financial assets on behalf of clients, including institutional investors, high-net-worth individuals, and retail investors. Having access to this capability increases the company's inherent risk profile in the field of fraud and corruption. To manage this risk, the company conducts an annual fraud and corruption risk assessment, which is a valuable tool for management to assess and effectively control the fraud risks affecting the business. The company concludes in its annual risk assessment that there are no high residual risks in the field of fraud and corruption.

Potential types of loss events related to internal and external operational risk include internal and external fraud. The risk of internal fraud inherently is within each business unit with employees. The usual mitigating measures within the company, such as segregation of duties between portfolio management, trading desk and back office, limit the actual risk of internal fraud. There is however always the risk of internal fraud from overriding or bypassing the internal controls. The company regards this as a limited risk. Client assets are segregated such that these are held by the custodians who only act upon instructions following the standard segregation of duties process.

The above control measures are part of a larger control framework, several parts of which are assessed annually by an external auditor via the GSAM BV ISAE 3402 report. Furthermore, the company applies the three lines of defence mechanism, in which risk management and internal audit continuously test and monitor the effectiveness of the administrative organization and internal control.

Finally, the company also complements the above with various soft controls, such as setting the right tone at the top, e-learnings, a code of ethics and a whistle-blower policy.

- Conflicts of interest

A possible scenario could be to have a conflict of interest enacted through the transfer of securities between two funds, where the purpose is to put the interest of one client over the interest of another client. This may result in claims from clients, reputation damage or fines from the regulator. Controls within the company to prevent this from happening are the involvement of Compliance and Risk in fund restructuring processes, Compliance involvement in the required cross-trade process as described in the cross-trade procedure of the Trading Manual, and periodic monitoring of cross-trades by Compliance.

- Supplier Failure

A critical third-party supplier failing to provide the level of service desired and contracted for, can cause operational disruptions, potential litigation costs and severe declines in the quality of customer service. A potential impact could be reputational damage, higher cost of a new service provider or cost of external staff when taking the activity back on a temporary basis. The company has controls in place that mitigate the risks, such as a pre-contract partner due diligence investigation, monitoring the services provided, including potential breaches of mandates and the outsourcing contract, regular Service Level Management and internal review of the control reports from the service suppliers.

- Partnership Failure

Default of a major partnership provider of critical services may result in disturbance of critical activities until exit / contingency strategies can be enacted. To mitigate this risk, a number of measures are in place, including the monitoring of credit worthiness of partners, a clearly documented exit and contingency strategy and limits on counterparty exposures, including independent monitoring of these limits.

- Pandemic

An outbreak of a global pandemic can affect a large fraction of critical staff at GSAM BV and / or business partners and consequently impact the business' operations. Essential to reducing the impact of the pandemic is to prevent viruses spreading across critical staff by taking preventative measures. Such measures include the spreading of staff of critical departments across independent sections of the office and working from home.

- Marketing of products

Deficiencies in the development, design or approval of investment products can lead to loss of new business, financial losses or a liability gap for the company. This affects all elements of the product, including marketing material. Complicating factors are the varying local requirements for products and services. This may result in reputational damage or regulatory fines.

To reduce this risk, the company has implemented a product approval process covering all new or amended products involving control functions, such as Risk and Compliance. Furthermore, Compliance is involved in the review of all marketing materials.

- Cyber security

The company must continuously monitor and develop its systems to protect its technology infrastructure and data from misappropriation or corruption. The increasing deployment of mobile applications, hosted on employee-owned devices presents additional risks of cyber-attacks. In addition, due to the interconnectivity with other affiliates, the company could be adversely impacted if any of these entities, or their respective service providers, is subject to a successful cyber-attack or other information security event. These effects could include the loss of access to information or services from the affiliate subject to the cyber-attack or other information security event, which could, in turn, interrupt certain of the company’s businesses. Cyber-attacks can originate from a variety of sources, including third parties who are affiliated with or sponsored by foreign governments or are involved with organised crime or terrorist organisations.

- Sustainability risks

Sustainability risks can have a negative impact on the company. The sustainability risks to which the company may be exposed may include:

- climate change
- health and safety
- business conduct

Sustainability risks are defined in Article 2(22) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, which may be amended or supplemented from time to time, as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. The assessment of these sustainability risks is integrated into the investment decision through the criteria for sustainable investment set by the manager. These criteria for sustainable investment and their application are described in the “GSAM BV Responsible Investment Policy[2]”.

- Capital risk management

The company determines the appropriate amount and composition of its capital by considering multiple factors, including the company’s current and future regulatory capital requirements, the results of the company’s capital planning and stress testing process, the results of resolution capital models and other factors, such as rating agency guidelines, the business environment and conditions in the financial markets. The company’s capital planning and stress testing process incorporates internally designed stress tests developed in accordance with the Dutch Central Bank’s Internal Capital Adequacy and Risk Assessment Process (ICARAP) guidelines. It is also designed to identify and measure material risks associated with business activities, including market risk, credit risk, operational risk and other risks. The company’s goal is to hold sufficient capital to ensure that it remains adequately capitalised after experiencing a severe stress event. The company’s assessment of capital adequacy is viewed in tandem with its assessment of liquidity adequacy and is integrated into its overall risk management structure, governance and policy framework. In addition, as part of the company’s comprehensive capital management policy, a contingency capital plan is maintained that provides a framework for analysing and responding to a perceived or actual capital deficiency, including, but not limited to, identification of drivers of a capital deficiency, as well as mitigants and potential actions. It outlines the appropriate communication procedures to follow during a crisis period, including internal dissemination of information, as well as timely communication with external stakeholders.

Capital risk is the risk that the company’s capital is insufficient to support its business activities under normal and stressed market conditions, or it faces capital reductions, including from new or revised rules or changes in interpretations of existing rules, and is therefore unable to meet its internal capital targets or external regulatory capital requirements. Capital adequacy is of critical importance to the company.

The company has established a comprehensive governance structure to manage and oversee its day-to-day capital management activities and compliance with capital rules and related policies. The company’s capital management activities are overseen by the Management Board of GSAM BV (Board) and its committees. The Board is responsible for approving the company’s ICARAP. In addition, committees and members of senior management are responsible for the ongoing monitoring of the company’s capital adequacy and evaluation of current and future regulatory capital requirements, the review of the results of its capital planning and stress tests processes, and the results of its capital models, its contingency capital plan, key capital adequacy metrics, including regulatory capital ratios, as well as

[2] As of 1 March 2024, the policy has been replaced with “Goldman Sachs Asset Management Statement on Sustainable Investing - Public Investing”

capital plan metrics, such as capital distributions, outcomes and findings of calculation testing, and monitor risk limits and breaches. The company's framework for capital risk management is consistent with, and part of, the Goldman Sachs Group framework.

Financial Risks

During the normal course of business, the company uses various financial instruments that expose it to market, currency, credit, liquidity and concentration risks. The company operates within the requirements of GSAM BV's Risk Governance Framework. This framework sets out the principles and methodologies to identify, assess and manage risk. It consists of several policies that apply to specific subjects (e.g., Conflicts of Interest, Credit Risk, Insiders Regulation).

- Market risk

Market risk is the risk of loss in the value of the company's financial assets and financial liabilities due to changes in market conditions.

The company's balance sheet consists largely of cash together with current assets and current liabilities. Investments are not carried out for its own account and therefore the direct exposure to market risk is limited. Currently, the company does not hold any seed capital positions.

The company is exposed to indirect market risk due to fluctuations in the wider financial markets that will affect the valuation of the assets that it manages. The company is therefore subject to indirect market risk through market impacts on its gross margin. This risk is inherent in the business of asset management.

Risks are monitored and controlled through strong firmwide oversight and independent control and support functions across the company's business.

- Currency risk

The company is exposed to currency risk on fees that are denominated in a currency other than the respective functional currency of the Company, the Euro. The currencies in which transactions are primarily denominated are EUR, USD, GBP, RON and CZK. The company hedges its foreign currency exposures in line with the company's policy on hedging foreign currency significant exposures. During 2023, there were no significant foreign currency exposures.

- Credit risk

Credit risk represents the potential for loss due to the default or deterioration in the credit quality of a counterparty. Credit risk is managed by reviewing the credit quality of counterparties.

The company's credit exposures are described further below:

- Cash and cash equivalents. To mitigate the risk of credit loss, the company places substantially all of its deposits with highly rated banks.
- Debtors. The company does not carry out any credit activities. There is a small risk of not being able to collect management fees from its funds or institutional clients. Furthermore, a credit risk arises from the contract assets related to the Y share classes sold in Taiwan. The front-end loan is paid upfront by the company and amortised over three years. The contract asset on balance sheet date amounts to EUR 31.9

million (2022: EUR 27.3 million). Overall, the company considers that the exposure to credit risk is limited given the fact that it did not write off any significant receivables over the past years.
The company is also exposed to credit risk associated with general balances from group undertakings. The credit risk associated with amounts due from group undertakings is considered minimal considering the credit quality of these entities.

- Liquidity risk

Liquidity risk is the risk that the company does not have sufficient cash or collateral to make payments to its counterparties as they fall due. The company manages its liquidity risk in accordance with Goldman Sachs Group's comprehensive and conservative set of liquidity and funding policies to address both company specific and broader industry or market liquidity events.

The company is required to hold liquidity to cover at least 3 months expenditure on a continuous basis. In practice, the company has an Intercompany Loan arrangement with Group Inc. According to which, in case of any emergency funding requirements, the company is able to borrow from Group, Inc. up to USD 250 million (approximately EUR 226 million).The company did not make use of the Loan arrangement in the year 2023.

- Concentration risk

The assets under supervision (and therefore also the revenues) of the company are distributed over the various client categories (Institutional and Third party distribution) and the various asset types (Equity, Fixed Income, Money Market, Multi-asset and Structured Products).

From a client perspective, the company has a diversified portfolio, however there is a significant concentration to former affiliated clients. From an asset type perspective, there is a concentration on the fixed income portfolio. The concentration to former affiliated clients and fixed income is a natural consequence of GSAM BV being the asset management arm of the NN Group until 11 April 2022. Actions are being taken to further diversify the asset base. As part of the wider Goldman Sachs Asset Management organisation, GSAM BV aims to accelerate its growth, further improve the offering and service to its clients as well as strengthen its investment capabilities.

Legal and Regulatory

The Management Board of GSAM BV is committed to preserving its integrity and reputation. Therefore, the company requires all of its businesses to have a good understanding of, and adherence with applicable laws, regulations and standards in each of the markets and jurisdictions in which it operates. The company has adopted the Compliance Charter and Framework to help businesses effectively manage their compliance risks. An overview of relevant local laws and regulations are covered in the company's local Compliance Charts. The Compliance Charts describe the compliance risks which are material and relevant to the company.

Complaints are also an important element of event identification. A complaint handling and response procedure is available, and the process has been implemented. The Client Servicing team is aware of the procedures surrounding the receipt of complaints. Complaints handling is dealt with in employee training and communicated by management to employees. Also, an Escalation procedure is available, and reporting of concerns and issues is implemented. There is a documented methodology for investigation that protects all parties involved during the process. To allow the compliance function to perform its duties, it has direct reporting lines to both the board and the ERMC.

Internal control over Financial Reporting

Management of the company is responsible for establishing and maintaining adequate internal control over financial reporting. The company's internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; receipts and expenditures are being made only in accordance with authorisations of management and the directors of the company. The Board monitors the integrity of the company's accounting and financial reporting systems, including financial and operational controls and regulatory compliance and has oversight of senior management.

During 2023, we were not confronted with risks or uncertainties concerning financial reporting risks that could affect the reliability of our reporting figures.

Impact on the financial position and result in case significant risks would materialize

We used stress scenarios on our gross revenues and operating results from adverse market conditions. In general, market circumstances are unpredictable in recent years, but we deem current capital sufficient to cover for potential future losses. In reaching this conclusion, the Management Board have considered the financial results of the company, its capital management activities and liquidity as set out in the Risk Management part of this Management Board report.

Risk and uncertainties that had a significant impact during the year

In 2023, the global economy grew, but was impacted throughout the year by broad macroeconomic and geopolitical concerns. Concerns about persistent inflation and the economic outlook were somewhat eased by improvement in inflationary measures over the course of the year and increased expectations for a soft landing for the U.S. economy amid a slowdown in the pace of monetary policy tightening, both contributing to improved market sentiment. During the early part of the year, momentum was temporarily disrupted by stress in the banking sector, which led to the failure of certain regional banks in the U.S. and the combination of Switzerland's two largest financial institutions, resulting in a period of high interest rate volatility before concerns subsided after regional banks showed stability. Geopolitical stresses that carried over into 2023, including the conflict in Ukraine and ongoing tensions with China, remained elevated. Additionally, the renewed onset of conflict in the Middle East added to the uncertainty of global stability. The above factors contributed to higher global equity prices compared with the end of 2022 and pressure in the commercial real estate market.

Improvements to the risk management systems

During 2023, the investment risk, counterparty risk and performance attribution systems were further enhanced to continue to leverage on the capabilities of existing systems and providers within GSAM BV, to allow for faster throughput time and to align the risk view across the company. The company believes it remains in control of the applicable risks.

Remuneration during the reporting period

The following disclosures are made in accordance with the AIFMD (2011/61/EU) and UCITS Directive (2014/91/EU) and further guidance included in the ESMA Guidelines on sound remuneration policies under the AIFMD (3 July 2013/ESMA/2013/232) and UCITS Directive (14 October 2016/ESMA/2016/575).

Compensation Frameworks

The Amended and Restated Firmwide Performance Assessment & Variable Compensation Framework ("Firmwide Compensation Framework") formalises the variable remuneration practices of the firm.

The primary purpose of this Firmwide Compensation Framework is to assist The Goldman Sachs Group, Inc. ("the firm" or "Goldman Sachs Group") in assuring that its variable compensation programme does not provide "covered employees" (i.e., senior executives as well as other employees of the firm, who, either individually or as part of a group, have the ability to expose the firm to material amounts of risk) with incentives to take imprudent risks and is consistent with the safety and soundness of the firm.

Each business, and each of its underlying business units, maintains a Performance Assessment & Variable Compensation Framework that is specific to the business or business unit, as applicable, and that is consistent with the Firmwide Compensation Framework (collectively, the "Compensation Frameworks").

Integration of GSAM Netherlands and its Remuneration structures

The firm completed the acquisition of the company on 11 April 2022 from NN Group and the majority of the company's workforce are based in the Netherlands ("GSAM Netherlands"). The NN Group Remuneration Framework remained applicable during the transition year of 2022 and this framework – in addition to the Goldman Sachs Compensation Frameworks and Plans such as the Goldman Sachs NNIP Phantom Unit Investment Plan – was followed until the full integration into Goldman Sachs. From 1 January 2024, and effective over fiscal year 2023 grants, GSAM Netherlands implemented the Goldman Sachs Asset Management B.V. Compensation Policy, with the purpose of supplementing the firm's remuneration programmes and frameworks in alignment with applicable local laws, rules and regulations.

Remuneration Governance

The Board of Directors of Goldman Sachs Group (the "Group Board") oversee the development, implementation and effectiveness of the firm's global remuneration practices, and it generally exercises this responsibility directly or through delegation to the Compensation Committee of the Group Board (the "Compensation Committee").

The GSAM BV Compensation Committee (the "GSAM BV Compensation Committee") operates in line with GS Group policies and practices.

The GSAM BV Compensation Committee held 4 meetings in 2023 in fulfilment of these responsibilities.

Further information with regards to the Compensation Committee and GSAM BV Compensation Committee can be found on the website (www.gsam.com/responsible-investing/en-INT/professional/about/policies-and-governance).

The GSAM BV Supervisory Compensation Committee oversees the development and implementation of those remuneration policies and practices of GSAM Netherlands that are required to supplement the global Compensation Policy of Goldman Sachs Group in accordance with applicable law and regulations.

The GSAM BV Supervisory Compensation Committee works alongside the GSAM BV Compensation Committee.

The GSAM BV Supervisory Compensation Committee held 3 meetings in 2023 in fulfilment of these responsibilities.

Link between Pay and Performance

In 2023, annual remuneration for employees comprised fixed remuneration (including base salary) and variable remuneration. The firm's remuneration practices provide for variable remuneration determinations to be made on a discretionary basis. Variable remuneration is based on multiple factors and is not set as a fixed percentage of revenue or by reference to any other formula, consistent with the process outlined in the Compensation Frameworks. Firmwide performance is a key factor in determining variable remuneration.

Further information with regards to the Link between Pay and Performance can be found on the website (www.gsam.com/responsible-investing/en-INT/professional/about/policies-and-governance).

Selection and remuneration of Identified Staff

GSAM BV selects Identified Staff (staff whose professional activities have material impact on the risk profile of Goldman Sachs Asset Management) on the basis of both AIFMD and UCITS (being staff whose professional activities have a material impact on the Dutch licensed AIF(s), and/or the UCITS and/or Goldman Sachs Asset Management based in The Hague). AIFMD and UCITS Identified Staff are selected in accordance with ESMA guidelines 2013/232 and 2016/575. Under its selection methodology, GSAM BV considers the categories as detailed in the aforementioned ESMA guidelines and conducts a review of employees who have a material impact and whose total remuneration takes them into the same remuneration bracket as senior managers and risk takers. GSAM BV also selected Identified Staff on the basis of the Regulatory Technical Standards on Identified Staff under IFD in 2023. It should be noted that IFD ceased to apply to any entities in The Netherlands during the year.

The applied selection methodology and selection criteria were approved by the GSAM BV Compensation Committee.

Performance Measurement

Financial performance is measured at the firmwide, business, business unit, desk and individual level as applicable. Employees are evaluated annually as part of the performance review feedback process. The process reflects evaluation of employee objectives and performance focusing on matters including but not limited to teamwork and collaboration. Further information with regards to the Performance Measurement can be found on the website (www.gsam.com/responsible-investing/en-INT/professional/about/policies-and-governance).

Structure of Remuneration

Fixed Remuneration

The firm has a global salary approach to ensure consistency in salary levels and to achieve an appropriate balance between fixed and variable remuneration.

Variable Remuneration

For employees with total remuneration and variable remuneration above specific thresholds, variable remuneration is generally paid in a combination of cash and equity-based remuneration. In general, the portion paid in the form of an equity-based award increases as variable remuneration increases and, for Identified Staff, is set to ensure compliance with the applicable rules of the AIFMD and UCITS Directive.

The variable remuneration programme is flexible to allow the firm to respond to changes in market conditions and to maintain its pay-for-performance approach. Variable remuneration is discretionary (even if paid consistently over a period of years).

Equity-based Remuneration

The firm believes that remuneration should encourage a long-term, firmwide approach to performance and discourage imprudent risk-taking. Paying a significant portion of variable remuneration in the form of equity-based remuneration that delivers over time, changes in value according to the price of shares of common stock (shares) of Goldman Sachs Group and/or the performance of GSAM BV funds, and is subject to forfeiture or recapture encourages a long-term, firmwide focus because its value is realised through long-term responsible behaviour and the financial performance of the firm.

To ensure continued alignment to the investment activities of GSAM BV, Identified Staff and GSAM BV staff eligible for equity-based remuneration are generally awarded both Goldman Sachs Group Restricted Stock Units (“RSUs”) and Phantom Units under the Goldman Sachs NNIP Phantom Investment Plan (“GSAM BV Phantom Unit Plan”). Further information with regards to the Equity-based remuneration can be found on the website (www.gsam.com/responsible-investing/en-INT/professional/about/policies-and-governance).

Remuneration over 2023

Over 2023, GSAM Netherlands has awarded a total amount of EUR 124.09 million to all employees. This amount consists of fixed remuneration of EUR 91.93 million. and variable remuneration of EUR 32.16 million. Per 31 December 2023 this concerned 770 employees and 5 board members of GSAM BV. The majority of employees spend their time on activities that are directly or indirectly related to the management of the funds. There is no remuneration in the form of carried interest. In total GSAM Netherlands awarded remuneration exceeding EUR 1 million to 2 employees.

From the above mentioned amounts, total remuneration for the board members is EUR 3.01 million, of which fixed remuneration is EUR 1.58 million and variable remuneration is EUR 1.43 million.

Remuneration paid or awarded for the financial year ended 31 December 2023 comprised fixed remuneration (salaries, allowances and director fees) and variable remuneration. Information of fixed remuneration and variable remuneration is not administered on fund level, resulting in the costs above to be disclosed on aggregated total management company level.

Aggregated fixed and variable remuneration over 2023 and 2022

The following tables show aggregate quantitative remuneration information for all Identified Staff of GSAM Netherlands selected on the basis of AIFMD, UCITs and/or IFD for the performance year 2023 and 2022.

Aggregated fixed remuneration and variable remuneration for the performance year 2023 and 2022

	Fixed and variable remuneration awarded in relation to the performance year 2023		Fixed and variable remuneration awarded in relation to the performance year 2022	
Amounts in EUR 1,000 and gross	Identified Staff qualified as Executives	Other Identified Staff	Identified Staff qualified as Executives	Other Identified Staff
Number of employees (#)	5	28	6	23
Fixed remuneration (1)	1,582	7,981	2,482	5,832
Variable remuneration (2)	1,430	7,014	1,885	3,512
Aggregate of fixed and variable remuneration	3,012	14,995	4,367	9,344

Note 1) Fixed remuneration per ultimo 2023 and 2022 for contractual working hours. The Fixed remuneration includes allowances, which includes elements such as holiday pay, and pension allowance and excludes benefits.

Note 2) Variable remuneration includes all conditional and unconditional awards in relation to the performance year 2023 and 2022 as approved by the relevant committees and authorized per December 2023 and per October 2022 accordingly. This includes all payments to be processed through payroll per January 2024 and January 2023, and GSAM Netherlands Phantom Unit awards as awarded to Identified Staff as well as all conditional deferred RSUs and GSAM Netherlands Phantom Units. A reference to the allocated Funds is not available.

Remuneration information third parties

GSAM BV has (partly) outsourced its portfolio management activities to third parties. For each of these parties a Portfolio Management Agreement (PMA) has been arranged. The PMA guarantees efficient and effective services in accordance with the set agreements with these third parties. The services offered by these third parties based on the PMA are evaluated annually by GSAM BV.

The transparency that GSAM BV maintains with regard to the applied compensation policy also includes transparency regarding the compensation policy of third parties who carry out portfolio management activities for GSAM BV. By doing this GSAM BV is aligned with the guidance from the European regulator (ESMA). GSAM BV annually requests information from third parties in order to be able to evaluate the services and information about the applied remuneration policy by the third party is included in this request. For more information about the remuneration policies of these third parties, please refer to: https://www.gsam.com/responsible-investing/en-INT/professional/about/policies-and-governance.

Social aspects of operating the business

Goldman Sachs Group maintains a Code of Business Conduct and Ethics, supplemented by 14 Business Principles, and a compendium of internal policies to inform and guide employees in their roles. The company endorses Goldman Sachs Group's Code of Business Conduct and Ethics set out on the Goldman Sachs public website and looks to conduct its business in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations.

Management Board report

2024 outlook

As the new year has started, a new economic landscape is taking shape. Major central banks seem prepared to keep interest rates higher for longer, and growth paths and inflation patterns across economies appear increasingly divergent. An election cycle is about to unfold in 2024 against a backdrop of elevated geopolitical risk and economic competition between nations. In addition, sustainable investing is becoming more complex and competitive as investors seek ways to make a real-world impact by focusing on environmental and inclusive-growth themes.

Most investors have adapted in recent years to rising geopolitical risks, soaring inflation and the disruptions caused by the pandemic. Further adjustments will be necessary in a world of greater growth volatility, higher capital costs and geopolitical instability. We expect increased performance dispersion across asset classes, sectors and regions. In these conditions, investors face complex choices and trade-offs.

We believe active investment strategies, a focus on diversification and risk management will be important to navigate 2024 and help deliver alpha. In our view, it will also be necessary to manage portfolios in an integrated way, enhancing diversification and performance potential by considering both traditional and alternative investments. Focusing on long-term disruption from sustainability trends and technological innovation, including artificial intelligence (AI), can help position portfolios for the global economic transformation.

In an age of unpredictability, dynamic insights and solutions will be needed to steer investment. We have synthesized views from across our investment teams and grouped our observations around five key themes that we expect to affect markets and investment strategies in 2024:

1. Macroeconomy: Living with Higher for Longer
2. Geopolitics: Roadmaps for a Reshaped World
3. Disruptive Technology: Innovation and AI Acceleration
4. Sustainability: Investing with Impact
5. Portfolio Construction: Thinking Differently

On the regulatory front, GSAM BV is monitoring the developments concerning the SFDR review being conducted by the European Commission and the developments with the recommendations made by the European Supervisory Authorities (ESAs) in relation to SFDR RTS. Both developments may result in changes to the legal requirements and may require further SFDR implementation activities in later years. Also, further guidelines from ESMA are expected to be published in 2024, specifically guidelines concerning fund names and the use of sustainability / ESG related terms in the fund names. The ESAs are also expected to publish their final reports on greenwashing in May 2024. Other relevant pieces of legislation are the Corporate Sustainability Reporting Directive and the Corporate Sustainability Due Diligence Directive (if the latter is to be adopted).

In combination with Goldman Sachs Asset Management, the company is able to offer clients a full suite of asset management products, increased access to top talent in the industry, and ongoing focus on investments in sustainable investing and technology. For all material changes an impact assessment on profitability and capital is being made. No significant change in the company’s principal business activities is currently expected.

The Hague, 29 April 2024

Management Board report

The Management Board

M.C.M. Canisius
(Co-Chief Executive Officer)

G.E.M. Cartigny
(Co-Chief Executive Officer)

E. Siermann
(Chief Investment Officer)

B.G.J. van Overbeek
(Chief Operation Officer)

P. den Besten
(Chief Risk Officer)

FINANCIAL STATEMENTS

Balance sheet

After appropriation of the result
As of 31 December
Amounts in EUR

	Notes	2023	2022
Fixed assets:			
Intangible assets		46,553	12,473
Tangible assets	1	442,412	1,956,569
Investments in associates	2	819	2,027
Deferred tax assets	3	6,082,402	1,721,891
Total fixed assets		**6,572,186**	**3,692,960**
Current assets:			
Trade receivables	4	10,206,646	10,884,427
Receivables from group companies	5	28,999,523	26,864,104
Income tax receivable		291,092	3,824,188
Other receivables and other assets	6	111,011,780	64,222,227
Prepayments	7	31,921,016	27,260,356
Cash and cash equivalents	8	96,587,770	33,828,418
Total current assets		**279,017,827**	**166,883,720**
Total assets		**285,590,013**	**170,576,680**
Equity:			
Issued and paid-up capital	9	193,385	193,385
Other reserves	10	119,907,235	91,732,459
Total equity		**120,100,620**	**91,925,844**
Non-current liabilities:			
Lease liability	11	481,892	1,862,757
Total non-current liabilities		**481,892**	**1,862,757**
Current liabilities:			
Payables to group companies	5	88,407,163	8,668,575
Income tax payable	12	3,908,439	470,835
Other payables	13	72,691,899	67,648,669
Total current liabilities		**165,007,501**	**76,788,079**
Total equity and liabilities		**285,590,013**	**170,576,680**

The accompanying notes form an integral part of the annual report.

Financial Statements

Profit and Loss account

For the year ended 31 December

Amounts in EUR

	Notes	2023	2022
Gross management fee and commission income	14	634,833,694	599,944,108
Fee and commission expenses	15	-353,998,741	-306,952,207
Gross margin		**280,834,953**	**292,991,901**
Administrative expenses	16	-261,952,837	-294,065,425
Operating result		**18,882,116**	**-1,073,524**
Finance income and expenses	17	782,367	398,237
Finance income and expenses		**782,367**	**398,237**
Result from operations before tax		**19,664,483**	**-675,287**
Income tax	18	-5,219,929	991,832
Share in result from associates	2	-	932
Result from operations after tax		**14,444,554**	**317,477**

The accompanying notes form an integral part of the annual report.

Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

General notes

Goldman Sachs Asset Management B.V. (“GSAM BV”) is, through a number of group companies, a wholly-owned subsidiary of the Goldman Sachs Group, Inc., incorporated in the United States of America. Its immediate parent is Goldman Sachs Asset Management International Holdings B.V. GSAM BV is located at Prinses Beatrixlaan 35, 2595 AK, The Hague and is listed under number 27132220 in the Trade Register.

GSAM BV acts as manager of certain Dutch, Luxembourg and French domiciled Goldman Sachs Asset Management investment funds, as board member of certain Goldman Sachs Asset Management investment companies (umbrella funds) and as investment manager/advisor for the assets of third parties (institutional clients). GSAM BV’s distribution platform ‘Fitvermogen’ enables retail clients to invest in Goldman Sachs Asset Management funds.

GSAM BV is registered as an Authority for the Financial Markets (AFM) licensed manager of AIF and UCITS pursuant to article 2:65 and 2:69 accordingly of the Dutch Financial Supervision Act (FSA) in the register maintained by the AFM. According to the article 2:69c, paragraphs 2 and 3 FMS, GSAM BV is permitted the following services:

- the management of portfolios of investments, in accordance with mandates given by investors on a discretionary, client-by-client basis.

- investment advice.

- reception and transmission of orders in relation to financial instruments.

- safekeeping and administration of financial instruments for the account of clients.

The financial statements of GSAM BV for the 2023 financial year include GSAM BV’s branches and interest in associates.

On 1 October 2023, the sister company, Altis Investment Management B.V., merged into GSAM BV and ceased to exist. On 30 December 2023, the sister company, Goldman Sachs Advisors B.V., also merged into GSAM BV and ceased to exist. As of 1 October 2023 and 30 December 2023, Altis Investment Management B.V. and Goldman Sachs Advisors B.V. are an integral part of the financial statements of GSAM BV.

The annual report is presented in euro, which is GSAM BV’s functional and presentation currency.

Principles of valuation of assets and liabilities and the determination of results

Basis of preparation

The 2023 financial statements of GSAM BV are prepared in accordance with generally accepted accounting principles included in Part 9, Book 2 of the Dutch Civil Code (“DCC”). These financial statements cover the year 2023, which ended at the balance sheet date of 31 December 2023 and have been prepared on the basis of the going concern assumption. Management continues to have a reasonable expectation that the Group has adequate resources to continue in operation for at least the next twelve months.

The principles used for valuing assets and liabilities and determining the result are unchanged compared with the previous reporting year.

Notes to the Financial Statements

General accounting principle

Assets and liabilities are generally measured at historical cost, production cost or at fair value at the time of acquisition. If no specific measurement principle has been stated, measurement is at historical cost.

An asset is recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognized in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle the obligation can be measured reliably. An asset or liability that is recognized in the balance sheet, remains on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability.

Assets or liabilities that are not recognized in the balance sheet are considered as off-balance sheet assets or liabilities.

Income is recognized in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognized when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

Revenues and expenses are allocated to the period to which they relate.

Use of estimates

The preparation of the financial statements requires management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences. Management did not identify any significant estimates.

If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgements, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet, when GSAM BV has a current legally enforceable right to set off the recognized amounts and intends to either settle on a net basis or to realize the assets and settle the liability at the same time.

If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

Foreign currency translation

Transactions and balances

At initial recognition, transactions denominated in a foreign currency are translated into the functional currency of the company (euro) at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into the functional currency at the exchange rate applying on that date. Exchange differences resulting from the settlement of monetary items or resulting from the translation of monetary items denominated in foreign currency, are recognized in the profit and loss account in the period in which they arise.

Non-monetary assets and liabilities denominated in foreign currency that are stated at historical cost, are translated into euros at the exchange rates applying on the transaction date.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at current value, are converted into euros at the exchange rate at the time when the current value was determined. Exchange rate differences arising from the translation are directly recognized in equity as part of the revaluation reserve.

Intangible assets

Intangible assets are stated at historical cost less accumulated amortisation and impairment. With regard to the determination as to whether an intangible asset is subject to an impairment, please refer to note “Impairment of intangible and tangible fixed assets” below.

Tangible assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any.

The cost consists of the price of acquisition, plus other costs that are necessary to get the assets to their location and condition for their intended use. Expenditure is only capitalized when it extends the useful life of the asset.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets, taking into account the estimated residual value of the individual assets. Depreciation starts as soon as the asset is available for its intended use and ends at decommissioning or divestment of the asset.

The following rates of depreciation are applied:

Buildings, Office equipment, Other: 10-33%

Impairment of intangible and tangible fixed assets

Tangible and intangible fixed assets are assessed at each reporting date, whether there is any indication of an impairment. If such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of value in use and net realizable value. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount is initially based on a binding sale agreement; if there is no such agreement, the recoverable amount is determined based on the active market, whereby usually the prevailing bid price is taken as market price. The costs deducted in determining net realizable value are based on the estimated costs that are directly attributable to the sale and are necessary to realize the sale. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset.

Subsequently, at each reporting date, the entity assesses whether there is any indication that an impairment loss that was recorded in previous years has decreased. If any such indication exists, then the recoverable amount of the asset or cash-generating unit is estimated.

Reversal of a previously recognized impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the last impairment loss. In such case, the carrying amount of the asset (or cash- generating unit) is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognized in previous years for the asset (or cash-generating unit).

The determination of impairments is an inherently uncertain process involving various assumptions and factors. Estimates and assumptions are based on management's judgement and other information available.

Investments in associates

Participating interests with significant influence

Participating interests where significant influence is exercised over the business and financial policies, are valued according to the equity method on the basis of net asset value. Significant influence is the power to participate in the financial and operating policy decisions of the investee but there is no control or joint control over those associates. The net asset value is calculated on the basis of GSAM BV's accounting policies. Any loss that results from the transfer of current assets or an impairment of fixed assets is fully recognized. Results on transactions involving transfer of assets and liabilities between GSAM BV and its participating interests and mutually between participating interests are eliminated to the extent that these cannot be regarded as having been realized.

Participating interests with a negative net asset value are valued at nil.

Participating interests with no significant influence

Participating interests where no significant influence is exercised are stated at the lower of cost or realizable value. In case of a firm intention to sell, the participating interest is stated at the lower expected sales value.

Dividends are accounted for in the period in which they are declared. Dividends from participating interests that are carried at cost, are recognized as income from participating interests in the period in which the dividends become payable.

Impairment of financial assets

A financial asset (i.e., investment in an associate, contract asset) that is not stated at fair value with value changes reflected in the profit and loss account, but at amortized cost or lower market value, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, indications that a debtor or issuer is approaching bankruptcy, or the disappearance of an active market for a security.

The entity considers evidence of impairment for financial assets measured at amortized cost (loans and receivables and financial assets that are held to maturity) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those individually significant assets found not to be specifically impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, GSAM BV uses historical trends of the probability of default, the timing of collections and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset stated at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognized in the profit and loss account and reflected in an allowance account against loans and receivables, or investment securities held to maturity. Interest on the impaired asset continues to be recognized by using the asset's original effective interest rate. When, in a subsequent period, the amount of an impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the decrease in impairment loss is reversed through profit or loss (up to the amount of the original cost).

The determination of impairments is an inherently uncertain process involving various assumptions and factors. Estimates and assumptions are based on management's judgement and other information available.

Current receivables and prepayments

Receivables include trade receivables, receivables from Group companies, other receivables, and other assets. They are measured at initial recognition at fair value, plus transaction costs (if material). After initial recognition, receivables are measured at amortised cost. If no premium or discount and transaction costs are applicable, the amortised cost is equal to the nominal value of the receivables, less a provision for uncollectible debts. These provisions are determined by individual assessment of the receivables. If the payment of the receivable is postponed under extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognized using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash and cash equivalents are stated at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement and disclosed separately. Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies.

Equity

Equity consists of paid-up capital and other reserves. Other reserves comprise the cumulative results of previous years, the result of the year under review, activity related to share-based payments and less any dividend paid.

Business combinations under common control

Business combinations under common control have been accounted for using the 'carry over accounting' method. Assets and liabilities are recorded at their carrying amounts, together with the consideration paid to reflect the fair value. The difference is recorded through the other reserves.

Non-current liabilities

Operating leases

GSAM BV's Branches have entered, as lessees, into several operating lease contracts. As allowed under Dutch GAAP, GSAM BV has adopted IFRS 16 to account for its 'leases' starting 1 January 2019. As a result, GSAM BV recognized a right-of-use asset, which is included in tangible assets, and a non-current lease liability.

Current liabilities

Current liabilities include payables to group companies, trade and other payables. At initial recognition, current liabilities are measured at fair value. After initial recognition, current liabilities are measured at amortised cost. If no premium or discount and transaction costs are applicable, the amortised cost is equal to the nominal value of the liability.

Accounting principles for determining the result

The result is the difference between the realisable value of the services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Net revenue

Net turnover comprises the income from the supply of services after deduction of discounts and of taxes levied on the turnover. Revenue from the sale of the rendering of services is recognized if the amount or the result can be reliably determined.

Gross management fee and commission income

Gross management fee and commission income are generally recognized as the service is provided by GSAM BV and are based on the applicable service contracts.

Fee and commission expenses

Fee and commission expenses are generally recognized as the service is provided to GSAM BV and are based on the applicable service contracts.

Administrative expenses

Administrative expenses are allocated to the period to which they relate.

Amortisation of intangible assets and depreciation of tangible assets

Intangible fixed assets, including goodwill, and tangible fixed assets are depreciated or amortised from the date of initial use over the expected future economic life of the asset. Land and investment property are not depreciated.

Future depreciation and amortisation is adjusted if there is a change in estimated future useful life.

Expenses of employee benefits

Wages, salaries and social securities are recognised in the profit and loss account on the basis of the employment terms and tax regulations.

Employee Benefits - Share-based payments

Share-based payments are recognized as staff expenses over the vesting period. A corresponding increase in equity is recognized for equity-settled share-based payment transactions. The fair value of equity settled share-based payment transactions is measured at the grant date.

Pension accounting policies for Branch employees

GSAM BV's Branches have contribution pension plans in place for its employees. In accordance with the pension plans the Branches pay a premium which will result in the pay out of the insured pension capital at the retirement age, or before upon death of the employees. The contributions are expensed in the period to which they relate. There are no other obligations in addition to the premiums paid.

Finance income and expenses

This item comprises interest received and paid on bank accounts, deposits, interest on receivables and payables and exchange differences resulting from the settlement of monetary items or resulting from the translation of monetary items denominated in foreign currency and which are recognized in the profit and loss account in the period in which they arise, taking into account the effective interest of the related asset.

Exchange rate against euro as of 31 December

		2023	2022
US Dollar	(USD)	1.10	1.07
British Pound	(GBP)	0.87	0.89
Czech Crown	(CZK)	24.69	24.15
Danish Crown	(DKK)	7.45	7.44
Hungarian Forint	(HUF)	382.22	400.45
Japanese Yen	(JPY)	155.73	140.82
Romania Leu	(RON)	4.97	4.95
Swedish Crown	(SEK)	11.13	11.12
Thai Baht	(THB)	37.70	36.96
United Arab Emirates Dirham	(AED)	4.06	3.92

Corporate income tax

The company is part of the Dutch fiscal unity with its indirect parent Goldman Sachs Asset Management Holdings B.V. for both corporate income tax and VAT, along with other Dutch subsidiaries of Goldman Sachs Asset Management Holdings B.V.

Goldman Sachs Asset Management Holdings B.V. and its subsidiaries, that form part of the Dutch fiscal unity are jointly and severally liable for taxation payable by the Dutch fiscal unity. The calculation of GSAM BV's corporate income tax is made as if GSAM BV is an independent taxpayer. The corporate income tax payable is settled on a quarterly basis, through Goldman Sachs Asset Management International Holdings B.V., with Goldman Sachs Asset Management Holdings B.V.

GSAM BV's foreign offices (Branches) are considered to be permanent establishments. The Branches are therefore subject to corporate income tax in the country they operate and file their own corporate income tax returns.

Corporate income tax comprises the current and deferred corporate income tax payable and receivable for the reporting period. Corporate income tax is recognized in the profit and loss account except to the extent that it relates to items recognized directly to equity.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

If the carrying amount of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences.

For taxable temporary differences, a deferred tax liability is recognized.

For deductible temporary differences, such as available tax losses and unused tax credits, a deferred tax asset is recognized, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

For taxable temporary differences related to group companies and Branches, a deferred tax liability is recognized, unless GSAM BV is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

For deductible temporary differences related to group companies and Branches, a deferred tax asset is recognized to the extent that it is probable that the temporary difference will reverse in the foreseeable future and future taxable profits will be available against which the temporary difference can be utilized.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which GSAM BV expects, at the balance sheet date, to realise or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are measured at nominal value and calculated using tax rates enacted or substantively enacted at the reporting date.

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

Share in result from associates

This item comprises GSAM BV’s share in the results of participating interests, determined on the basis of GSAM BV’s accounting principles. The results of the participating interests acquired or sold during the financial year are measured in the result, from the date of acquisition or until the date of the sale respectively.

Cash flow statement

The cash flow statement is not prepared given the financial statements of GSAM BV are included in the consolidated financial statements of Goldman Sachs Group. The consolidated financial statements are available via the website of Goldman Sachs Group. (www.goldmansachs.com).

Notes to the balance sheet

NOTES TO THE BALANCE SHEET

1. Tangible assets

Tangible assets

	Buildings	Equipment	Other	2023	2022
Book value as of 1 January	1,760,910	185,550	10,109	**1,956,569**	3,152,294
Additions	504,063	-	15,843	**519,906**	9,435
Disposals	-1,505,944	-2,588	**-**	**-1,508,532**	-70,255
Depreciation	-381,872	-133,550	-10,109	**-525,531**	-1,134,905
Book value as of 31 December	**377,157**	**49,412**	**15,843**	**442,412**	**1,956,569**

Tangible fixed assets relate to buildings, equipment and other fixed operating assets and the depreciation method used is based on a straight-line basis over a period of three to ten years.

2. Investments in associates

GSAM BV holds one share of Goldman Sachs Asset Management Belgium S.A., located in Brussels, Belgium, which represents 0.0001% of Goldman Sachs Asset Management Belgium S.A.

3. Deferred tax assets

The opening deferred tax assets balance mostly relates to the deductible temporary difference as result of the merger with NN Investment Partners Luxembourg in 2019. The deferred tax asset related to Luxembourg is expected to be realised and amortized in ten years, starting in 2020.

Additions in the amount of EUR 3,330,044 relate to the deductible temporary differences due to the acquisition of the segregated customer mandates and employees from Goldman Sachs Bank Europe SE, an affiliated related party. The deferred tax assets are expected to be realised and amortized within ten and fifteen years, starting 2023.

Additions also related to the deferred tax assets transferred from Altis Investment Management B.V. in the amount of EUR 1,334,772 due to its merger with GSAM BV. The deferred tax assets relate to the deductible temporary differences amortized in ten years, starting in 2020.

It is expected that EUR 692,161 (2022: EUR 253,429) of the deferred tax assets will be offset within one year.

Movements in the deferred tax asset during the reporting period can be specified as follows:

Deferred tax assets

	2023	2022
Balance as of 1 January	1,721,891	1,947,576
Additions	4,664,816	-
Used deductible temporary differences	-304,305	-225,685
Balance as of 31 December	**6,082,402**	**1,721,891**

Notes to the balance sheet

4. Trade receivables

Trade receivables

	31 December 2023	31 December 2022
Outstanding trade receivables	10,206,646	10,884,427
Trade receivables	**10,206,646**	**10,884,427**

All management fees to be received are due within one year. No provision for bad debt or doubtful debts has been recorded as of 31 December 2023 (2022: nil). The fair value of the trade receivables approximates the carrying amount, given the current nature of the trade receivables.

5. Receivables from / Payables to group companies

The current accounts with group companies are used within GSAM BV Group for intercompany settlements and cash pooling policies. All receivables from/payables to group companies fall due in less than one year. The fair value of the receivables from / payables to Group companies approximates the carrying amount, given the short maturities of the positions. For further information regarding transactions with related parties' reference is made to the section 'Related parties'.

6. Other receivables and other assets

Other receivables and other assets

	31 December 2023	31 December 2022
Management fee receivables	34,320,703	24,585,003
Fee receivables from institutional clients	58,346,569	27,529,189
Other fee receivables	4,678,561	1,554,764
Other assets and prepayments	13,665,947	10,553,271
Total other receivables and other assets	**111,011,780**	**64,222,227**

All other receivables have an estimated maturity shorter than one year. The carrying values of the recognised receivables approximate their respective fair values, given the short maturities of the positions.

7. Prepayments

Prepayments

	31 December 2023	31 December 2022
Contract costs	31,921,016	27,260,356

The contract costs relate to the upfront commissions paid to distributors for the sale of a certain Y share class relating to specific fund ranges. The upfront commissions paid by GSAM BV are capitalized at the time of the payment and amortized based on a straight-line calculation throughout the period the fee relates to (36 months period). The increase in contract asset noted during financial year 2023 is mainly due to higher levels of inflows seen in 2023 compared to 2022. In contract costs, an amount of EUR 14,875,574 (2022: EUR 9,487,655) is included with a maturity longer than one year. All other receivables have an estimated maturity shorter than one year. The carrying values of the recognised asset approximate their respective fair values, given the short maturities of the positions.

Notes to the balance sheet

8. Cash and cash equivalents

All amounts included in the cash and cash equivalents are at the Company's free disposal.

9. Issued and paid-up capital

Issued and paid-up capital

	31 December 2023	31 December 2022
38,677 ordinary shares of EUR 5.00 each	193,385	193,385

Goldman Sachs Asset Management International Holdings B.V. owns all issued shares.

10. Other reserves

Other reserves

	2023	2022
Balance as of 1 January	91,732,459	91,874,624
Dividend paid	-	-
Legal merger	13,745,475	-
Share-based payment Branches and other	-15,253	-459,642
Appropriation of result	14,444,554	317,477
Balance as of 31 December	**119,907,235**	**91,732,459**

GSAM BV has added the financial year's result of EUR 14,444,554 to the other reserves.

Legal merger relates to Altis Investment Management B.V. and Goldman Sachs Advisors B.V., which have become part of GSAM BV as of 1 October 2023 and 30 December 2023 respectively. GSAM BV used the 'carry over accounting' method to account for the merger of the two sister entities. The assets and liabilities of Altis Investment Management B.V. and Goldman Sachs Advisors B.V. are recorded at their carrying amounts. No goodwill arises due to the merger. All shares in the issued capital of the disappearing companies were cancelled and there is no transfer of shareholding.

Share-Based payment relates to share awards, comprising deferred shares granted to a number of senior executives and to a considerable number of employees of Branches. The purpose of the share schemes is to attract, retain and motivate senior executives and staff. For further information regarding the share-based payments in respect of Branches reference is made to the section ‘Share-Based Compensation’.

Due to the legal merger with NN Investment Partners Luxembourg in 2019, a Net Wealth Tax (NWT) reserve was taken up for a five-year period to benefit from the reduction of NWT. The balance was zero at 31 December 2023 (2022: EUR 3,629,850) as the benefit ends in the year 2024. This is part of the balance of Other reserves above.

11. Lease liability

GSAM BV recognizes a right-of-use asset and a lease liability at the lease commencement date, which mostly relates to leased buildings of the Branches. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using GSAM BV’s incremental borrowing rate.

Notes to the balance sheet

12. Income tax payable

The tax payable relates to the corporate income tax of GSAM BV, including the Branches. The income tax balance is due for payment within one year. The fair value of the income tax payable approximates the carrying amount.

13. Other payables

Other payables

	31 December 2023	31 December 2022
Trailer fees payable	32,701,602	31,273,831
(Sub) management fees payable	13,087,542	7,914,210
Fixed service fees payable	10,545,000	14,285,000
Amounts payable to employees	6,689,382	4,142,180
Other tax and social securities payable	859,710	1,111,878
Other payables	8,808,663	8,921,570
Total other payables	**72,691,899**	**67,648,669**

All current liabilities have an estimated maturity shorter than one year. The carrying values of the recognized current liabilities approximate their respective fair values, given the short maturities of the positions. Trailer fees payable relate to fees payable to external distributors for selling the GSAM funds managed on behalf of the clients. Fixed service fees payable relate to sales fees payable to affiliated and external managers. The amounts payable to employees mainly consists of the bonus payable to employees.

Off balance sheet commitments

Tax commitments

GSAM BV is in a Dutch fiscal unity with its indirect parent Goldman Sachs Asset Management Holdings B.V. for both corporate income tax and VAT, along with other Dutch subsidiaries of Goldman Sachs Asset Management Holdings B.V.

Goldman Sachs Asset Management Holdings B.V. and its subsidiaries, that form part of the Dutch fiscal unity are jointly and severally liable for taxation payable by the Dutch fiscal unity.

Intercompany loan arrangement

GSAM BV has an Intercompany Loan arrangement with Group Inc. According to which, in case of any emergency funding requirements, GSAM BV is able to borrow from Group, Inc. up to USD 250 million (approximately EUR 226 million).

Other

GSAM BV acts as guarantor for fulfilling the obligations of Goldman Sachs Beleggersgiro B.V. (hereafter 'Giro') towards Giro's account holders. As of part of its obligations, GSAM BV has deposited an amount of EUR 501,293 (2022: EUR 452,119) with Giro. This amount has been included in the receivables as of 31 December 2023.

GSAM BV is liable for certain expenses and liquidation fees in the total amount of up to EUR 325,000 in relation to the funds NN (L) II and NN (L) CMF.

NOTES TO THE PROFIT AND LOSS ACCOUNT

14. Gross management fee and commission income

Gross management fee and commission income

	2023	2022
Management fees	611,275,474	578,397,746
Sub management fees	11,728,737	13,349,117
Performance fees	133,691	179,899
Sales fees	131,268	136,774
Security lending fees	984,111	1,080,610
Advisory fees	3,464,889	2,180,466
Management company fees	1,527,066	-
Distribution fees	1,431,737	-
Other income	4,156,721	4,619,496
Total gross management fee and commission income	**634,833,694**	**599,944,108**

	2023	2022
Europe	607,699,473	574,232,354
Asia	27,134,221	25,711,754
Total gross management fee and commission income	**634,833,694**	**599,944,108**

Management fees

The management fees relate to fees received for managing the assets of both institutional and retail clients throughout the year. Within management fees an amount of EUR 11,965,584 (2022: EUR 38,530,729) relates to group companies. The decrease is primarily due to decrease in management fees from the Goldman Sachs Luxembourg fund and management fees from insurance clients.

Sub management fees

The sub management fees relate to fees received for co-managing the assets of the clients with other managers, either affiliated or external throughout the year. Within sub management fees an amount of EUR 472,219 (2022: EUR 3,526,006) relates to group companies. The decrease is primarily due to a shift in the underlying assets under management.

Notes to the profit and loss account

15. Fee and commission expenses

Fee and commission expenses

	2023	2022
Management fees	-16,529,696	-16,205,810
Sub management fees	-31,698,768	-34,724,809
Advisory fees	-4,063,965	-6,428,155
Sales fees	-23,547,687	-22,525,182
Fixed service fees	-55,378,107	-54,616,689
Trailer fees	-163,417,041	-172,451,562
Sub-delegated fees to group companies	-59,363,477	-
Total fee and commission expenses	**-353,998,741**	**-306,952,207**

Management fees

The management fees relate to fees paid to affiliated and external managers for managing the assets of the clients throughout the year. Within management fees an amount of EUR 1,691,046 (2022: EUR 4,097,625) relates to group companies. The decrease is primarily due to reallocation of the previously affiliated NN Group companies to the third-party category, following separation from NN Group as of 11 April 2022.

Sub management fees

The sub management fees relate to fees paid to affiliated and external managers for co-managing the assets of the clients throughout the year. Within sub management fees an amount of EUR 16,674,748 (2022: EUR 16,260,708) relates to group companies. The increase is primarily due to a shift in the underlying assets under management.

Advisory fees

The advisory fees relate to fees paid to affiliated and external managers for rendering advisory service fees of the clients throughout the year. Within advisory fees an amount of EUR 4,034,798 (2022: EUR 6,279,982) relates to group companies. The decrease is primarily due to a shift in the underlying assets under management.

Sales fees

The sales fees relate to fees paid to affiliated distributors for selling the NN funds managed on behalf of the clients throughout the year. Within sales fees an amount of EUR 23,547,687 (2022: EUR 22,525,182) relates to group companies. The increase is primarily due to a shift in the underlying assets under management.

Fixed Service fees

The fixed service fees relate to fees paid, for expenses incurred by the managed funds, including fund accounting, custody and other expenses. The increase is primarily due to the increase of the underlying assets under management.

Trailer fees

The trailer fees relate to fees paid to external distributors for selling the Goldman Sachs Funds managed on behalf of the clients throughout the year, as well as amortization on the contract cost. The decrease is primarily due to a lower market performance and amortization of Y share classes.

Notes to the profit and loss account

16. Administrative expenses

Administrative expenses

	2023	2022
Salary expenses	-11,431,632	-10,712,301
Social securities	-2,425,455	-2,645,738
Pension expenses	-679,550	-803,485
Expenses share-based compensation	-459,588	-264,236
Depreciation and amortization	-555,640	-1,147,379
Cost allocation charge	-220,367,979	-274,147,258
Expenses not eligible for capitalization	-20,122,446	-
Other expenses	-5,910,547	-4,345,028
Total administrative expenses	**-261,952,837**	**-294,065,425**

The salary expenses, social securities, pension expenses and expenses for share-based compensation relate to the employees employed by the Branches of GSAM BV. GSAM BV reports 83 Branch employees in 2023 (2022: 51 Branch employees). Dutch staff of GSAM BV, consisting of 671 employees, are employed by Goldman Sachs Personeel B.V., GSAM BV is charged by Goldman Sachs Asset Management International Holdings B.V. for these expenses under a service level agreement and are recharged via a cost allocation charge.

This cost allocation charge mainly relates to the cost allocation charge of EUR 218,800,465 (2022: EUR 274,147,258) from Goldman Sachs Asset Management International Holdings B.V. includes indirect organizational costs and direct business-related costs, which includes, amongst others, costs for (temporary) staff, professional services, information technology, marketing and market data services. The decrease is primarily due to decreased staff related expenses. The Dutch staff related costs within the cost allocation charge amount up to EUR 157,387,700 (2022: EUR 173,784,583).

Expenses not eligible for capitalization relates to the consideration that the company has agreed to pay Goldman Sachs Bank Europe SE, an affiliated related party, for transfer of certain segregated customer mandates and employees during the year totalling EUR 25,800,028. The acquisition occurred in multiple tranches over the years 2023 and 2024. The consideration was fully expensed via the profit and loss account during the year which are included above within administrative expenses. The amount of EUR 20,122,446 relates to consideration for the tranche that was transferred during the year 2023.

Number of employees per branch as of 31 December

	2023	2022
Spanish Branch	9	3
French Branch	5	8
UK Branch	8	12
Romanian Branch	3	3
German Branch	35	6
Italian Branch	9	6
Czech Branch	13	13
Belgium Branch	1	-
Total	**83**	**51**

Notes to the profit and loss account

Audit Cost

With reference to Section 2:382a of the DCC, the audit fees for the financial year are included in the consolidated financial statements of Goldman Sachs Group.

Share-Based Compensation

Included in the salary expenses are the expenses for Share-Based Compensation for staff in the Branches of GSAM BV. Group Inc. grants restricted stock units (RSUs) (including RSUs subject to performance or market conditions) to the company's employees, which are generally valued based on the closing price of the underlying shares on the date of grant after taking into account a liquidity discount for any applicable post-vesting and delivery transfer restrictions. The value of equity awards also considers the impact of material non-public information, if any, that the firm expects to make available shortly following grant. RSUs not subject to performance or market conditions generally vest and underlying shares of common stock are delivered (net of required withholding tax) over a three-year period as outlined in the applicable award agreements. Employee award agreements generally provide that vesting is accelerated in certain circumstances, such as on retirement, death, disability and conflicted employment. Delivery of the underlying shares of common stock is conditioned on the grantees satisfying certain vesting and other requirements outlined in the award agreements.

RSUs that are subject to performance or market conditions generally are settled after the end of a three- to five-year period. For awards that are subject to performance or market conditions, generally the final award is adjusted from zero up to 150% of the original grant based on the extent to which those conditions are satisfied. Dividend equivalents that accrue on these awards are paid when the awards settle.

The table below shows the movement of RSUs during the financial year:

Changes in RSUs outstanding

	Shares		**Grant date Fair Value (Weighted Average)**	
	Future Service Required	**No Future Service Required**	**Future Service Required**	**No Future Service Required**
Outstanding 1 January 2023	-	-	-	-
Granted	1,047	374	314.3	316.0
Forfeited	-104	-	316.0	-
Vested	-416	416	314.4	314.4
• Vested	-234	234	313.2	313.2
• Legal Acceleration	-182	182	316.0	316.0
Transferred	111	-	317.5	-
• In	355	198	318.5	316.0
• Out	(244)	-198	316.0	316.0
RSUs – closing balance 31 December 2023	**638**	**790**	**315.6**	**315.2**

The weighted average grant-date fair value of RSUs granted during 2023 was €314.7. The fair value of the RSUs granted during 2023 includes a liquidity discount of 0.00% to reflect post-vesting and delivery transfer restrictions, generally of 1 year.

The aggregate fair value of awards that vested during 2023 was €251,595.

In relation to 2023 year-end, during the first quarter of 2024, the firm granted to its employees 1,279 RSUs (of which 703 RSUs require future service as a condition of delivery for the related shares of common stock). These RSU awards are subject to additional conditions as outlined in the award agreements. Shares underlying these RSUs, net of required withholding tax, generally are delivered over a three-year period. These awards are generally subject to a one-year post-vesting and delivery transfer restriction. These awards are not included in the table above.

As of 31 December 2023, there was €120,454 of total unrecognized compensation cost related to non-vested share-based compensation arrangements. This cost is expected to be recognized over a weighted average period of 1.38 years.

GSAM BV's share-based compensation and the associated expenses are recorded in its sister entity Goldman Sachs Personeel B.V.

Remuneration of senior management

The emoluments as referred to in Section 2:383 the DCC, charged in the financial year to GSAM BV amounted to EUR 8.3 million (2022: EUR 4.4 million) for active and former statutory directors. This amount is based on the fixed remuneration (monthly salaries and allowances) together with the variable remuneration, both part of the cost allocation charge from Goldman Sachs Asset Management International Holdings B.V.

17. Finance income and expenses

Finance income and expenses

	2023	**2022**
Finance income	616,627	20,803
Interest and similar expenses	-50,939	-116,349
Exchange rate differences	216,679	493,783
Total finance income and expenses	**782,367**	**398,237**

Exchange rate differences		
Foreign currency gains	609,941	728,027
Foreign currency losses	-393,262	-234,244
Exchange rate differences	**216,679**	**493,783**

The movement in exchange rate differences is mainly related to the movement of the USD rate as compared to the EUR rate.

Notes to the profit and loss account

18. Income tax

Income tax expense

	2023	2022
Deferred taxes	2,977,209	-228,473
Income tax (expense)/credit from current financial year	-8,197,138	1,220,305
Total income tax expense	**-5,219,929**	**991,832**

Reconciliation of the weighted average statutory tax rate to GSAM BV effective tax rate:

	2023	2022
Result before tax	19,664,483	-675,287
Applicable tax rate in the Netherlands	25.80%	25.80%
Current tax/ (tax credit) based on the tax rate in the Netherlands	**5,073,437**	**-174,224**
Deferred tax expense	352,835	228,473
Deferred tax benefit	-3,330,044	-
Tax effect of weighted domestic average tax rates (branches)	-83,001	-568,298
Tax losses set off against taxable income	-	-375,326
Expenses non-deductible for tax purposes	3,863,222	-
Adjustments to current period	-351,332	-102,457
Other adjustments	-305,188	
Effective tax amount	**5,219,929**	**-991,832**
Effective tax rate	**26.5%**	**-146.9%**

The Dutch statutory tax rate in 2023 was 25.8% (2022: 25.8%). The current tax is settled on a quarterly basis, through Goldman Sachs Asset Management International Holdings B.V., with Goldman Sachs Asset Management Holdings B.V., the head of the Dutch fiscal unity.

In 2023 the effective tax rate of 26.5% (2022: -146.9%) deviates from the applicable statutory rate mainly due to expenses non-deductible for tax purposes. The 2022 the effective tax rate deviates from the applicable statutory rate due to adjustments recognized in fee and commission expenses applied to a small result before tax.

Related parties

Transactions with related parties are assumed when a relationship exists between GSAM BV and a natural person or entity that is affiliated with GSAM BV. This includes, amongst others, the relationship between GSAM BV and its Branches, shareholders, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless of whether anything has been charged. All transactions with related parties are conducted based on the arm's length principle. For further details, refer to the Note 15 and 16.

The transfer pricing documentation is annually reviewed and updated in order to determine whether functional and economic analyses are still accurate and to confirm the validity of the applied transfer pricing methodology. As a result, the transfer pricing fees and charges are in line with the functions performed, assets used and the assumption and control of risks within the entity and therefore in line with the arm's length principle.

Notes to the profit and loss account

Significant events after balance sheet date

In 2023 the company acquired certain segregated customer mandates and employees from Goldman Sachs Bank Europe SE, an affiliated party. The independent valuation of this acquisition, finalized at the beginning of the year 2024, resulted in increase in the value of the assets by EUR 16.9 million. The consideration in relation to this acquisition was fully expensed via the profit and loss account in the year 2023 in the total amount of EUR 20.1 million which was recorded at the balance sheet date of 31 December 2023 as an adjusting event after the reporting date.

There are no other significant events after the balance sheet date.

Signing by the Management Board

SIGNING BY THE MANAGEMENT BOARD

The 2023 financial statements of GSAM BV with a balance sheet total of EUR 285,590,013 and a profit after tax of EUR 14,444,554, as well as the notes to these accounts, are signed according to the articles of association of GSAM BV and the applicable laws and regulations.

The Hague, 29 April 2024

The Management Board

M.C.M. Canisius
(Co-Chief Executive Officer)

G.E.M. Cartigny
(Co-Chief Executive Officer)

E. Siermann
(Chief Investment Officer)

B.G.J. van Overbeek
(Chief Operation Officer)

P. den Besten
(Chief Risk Officer)

Other information

OTHER INFORMATION

Statutory regulations concerning the appropriation of the result

According to the article 12 of the articles of association, the result is at the disposal of the shareholders' meeting. Profits may only be distributed after adoption of the financial statements which evidence that GSAM BV's equity exceeds the reserves to be maintained pursuant to the law and articles of association and after the Board of Management has approved the distribution.

Other

In accordance with the Spanish Order ECO/734/2004, the management of the Spanish Branch confirms that no complaints or claims were received during 2023 by their customer service department.

Branches

GSAM BV has branch offices in Belgium, France, Germany, Romania, Spain, Italy, Czech Republic and the United Kingdom that operate under the name GSAM BV.

Independent auditor's report

The independent auditor's report is included on the next page.

Independent auditor's report

To: the general meeting of Goldman Sachs Asset Management B.V.

Report on the audit of the financial statements 2023

Our opinion

In our opinion, the financial statements of Goldman Sachs Asset Management B.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2023, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2023 of Goldman Sachs Asset Management B.V., Den Haag.

The financial statements comprise:

- the balance sheet as at 31 December 2023;
- the profit and loss account for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers Accountants N.V., Fascinatio Boulevard 350, 3065 WB Rotterdam, P.O. Box 8800, 3009 AV Rotterdam, the Netherlands
T: +31 (0) 88 792 00 10, F: +31 (0) 88 792 95 33, www.pwc.nl

Independence

We are independent of the Company in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Information in support of our opinion

We designed our audit procedures with respect to fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the Company and its environment and the components of the internal control system. This included the management board's risk assessment process, the management board's process for responding to the risks of fraud and monitoring the internal control system. We refer to section 'Fraud' of the management board report for management board's fraud risk assessment.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked members of the management board as well as the internal audit department whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	*Our audit work and observations*
The risk of management override of controls The management board is in a unique position to perpetrate fraud because of management board's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls in: • the appropriateness of journal entries and other adjustments made in the preparation of the financial statements; • estimates; • significant transactions, if any, outside the normal course of business for the entity. We pay particular attention to tendencies due to possible interests of the management board.	We evaluated the design and implementation of the internal control measures that are intended to mitigate the risk of management override of controls and to the extent relevant for our audit tested the effectiveness of these controls. Furthermore, we evaluated the design and implementation of the controls in the processes for generating and processing journal entries and the making of estimates. We performed our audit procedures primarily substantively. We have selected journal entries based on risk criteria and performed specific audit procedures on these, also paying attention to significant transactions outside the normal business operations. We performed substantive audit procedures on significant transactions outside the normal course of business. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of violations of the internal controls.
The risk of fraud in revenue recognition due to inaccurate calculated management fees from institutional and insurance clients The company has various contracts with institutional and insurance clients, some of these contracts have various elements and are more complicated than others and thus more susceptible to management bias and prone to error.	We evaluated the design and implementation of the internal control measures and assessed the effectiveness of relevant controls in the process related to revenue reporting. We have performed journal entry testing on revenue transactions, paying attention to unusual account combinations. We performed substantive audit procedures on management's calculation of the revenue generated from management fees from institutional and insurance clients. For a sample we traced back the managements fees to inputs in underlying contracts, invoices, cash receipts and assessed the reliability of the underlying assets under management as basis for the calculation. In addition, we performed audit procedures to determine whether the discounts were calculated accurately. Finally, we also assessed the relevant notes in the financial statements. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the accuracy of the reported revenues.

We incorporated an element of unpredictability in our audit. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations. Whenever we identify any indications of fraud, we re-evaluate our fraud-risk assessment and its impact on our audit procedures.

Audit approach going concern

As disclosed in section 'Going concern' in the management board report, the management board performed their assessment of the entity's ability to continue as a going concern for at least twelve months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going-concern risks).

Our procedures to evaluate the management board's going-concern assessment included, amongst others:

- considering whether the management board's going-concern assessment includes all relevant information of which we are aware as a result of our audit by inquiring with the management board regarding the management board's most important assumptions underlying its going-concern assessment.
- evaluating the management board's current budget for at least twelve months after balance sheet date of the financial statements taken into account current developments in the industry and all relevant information of which we are aware as a result of our audit.

Our procedures did not result in outcomes contrary to management's assumptions and judgements used in the application of the going-concern assumption.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the management board report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the management board report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of the management board

The management board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The management board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Rotterdam, 29 April 2024
PricewaterhouseCoopers Accountants N.V.

Original has been signed by J. IJspeert RA

Appendix to our auditor's report on the financial statements 2023 of Goldman Sachs Asset Management B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Concluding on the appropriateness of the management board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
  Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.