

# Goldman Sachs

## High Return Autocall August 2018

### Factsheet



#### Investment Description

A 6 year investment linked to the performance of the UK, US, and Japanese indices.

If on any annual early observation date, starting at 12 months (including the Final Observation Date), all of the underlyings are at or above their initial levels, the investment will autocall. Initial capital plus the coupon for each annual period which has elapsed is paid and the investment will end.

If the investment does not autocall then at the final observation date, if all underlyings are at or above 70% of their initial levels, full capital is returned.

If any underlying is below 70% of its original level at maturity, capital return will be reduced on a 1-for-1 basis. For example if the worst performing underlying has fallen to 40% of its original level, 40% of the capital will be returned and no coupon is paid.

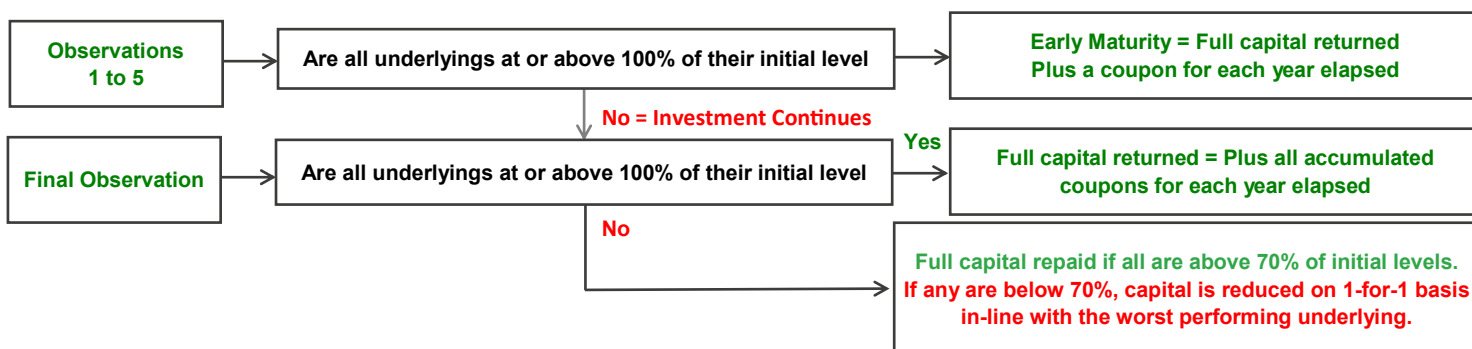
#### Benefits

- Autocall feature potentially shortens the investment term and is triggered by minimal market growth.
- Snowballing coupon.
- Early maturity provides an opportunity to re-assess client's wealth strategy.
- Minimal market growth needed to deliver enhanced returns.
- Daily pricing.

#### Risks

- The return is limited to the pre-defined investment terms
- The coupon payment is conditional upon the underlying performance
- Investors will be exposed to the credit risk of the Issuer. If the Issuer becomes insolvent or cannot make the payments on the Product for any other reason, investors could lose some or all of their investment. A decline in the Issuers credit quality is likely to reduce the market value of the Product and therefore the price an investor may receive for the Product if they were to sell them in the market.
- Should investors need to sell their investment before maturity, the trading price will likely mean they get back less than they invested.

#### How The Investment Works



#### Product Facts & Features

|                                    |                                                                      |
|------------------------------------|----------------------------------------------------------------------|
| <b>Issuer:</b>                     | Goldman Sachs Finance Corp International Ltd                         |
| <b>Guarantor:</b>                  | The Goldman Sachs Group, Inc., Delaware, USA.                        |
| <b>Credit Ratings:</b>             | Fitch A, Moody's A3, S&P BBB+<br><b>Source:</b> Bloomberg 27.06.2018 |
| <b>Maximum Term:</b>               | 6 years                                                              |
| <b>Investment Structure:</b>       | Annual Autocall                                                      |
| <b>Autocall Opportunities:</b>     | Annually<br>(First observation at 12 months)                         |
| <b>Autocall Trigger:</b>           | 100% of initial level                                                |
| <b>Coupon Rate:</b>                | GBP = 11.00% p.a.<br>USD = 15.00% p.a.                               |
| <b>Capital Risk:</b>               | Not capital protected                                                |
| <b>Capital Protection Barrier:</b> | 70% Final level (European style)                                     |
| <b>Underlying Basket</b>           | <b>Bloomberg Code</b>                                                |
| FTSE 100                           | UKX Index                                                            |
| US: S&P 500                        | SPX Index                                                            |
| Japan: TOPIX                       | TPX Index                                                            |

#### Key Information

|                                  |                                                                  |
|----------------------------------|------------------------------------------------------------------|
| <b>Subscription Period:</b>      | 27 Jun 2018 – 01 Aug 2018<br>(4.30pm UK Time)                    |
| <b>Issue Price:</b>              | 100%                                                             |
| <b>Strike Date:</b>              | 02 August 2018                                                   |
| <b>Issue Date:</b>               | 09 August 2018                                                   |
| <b>1st Autocall Observation:</b> | 02 August 2019                                                   |
| <b>Final Observation:</b>        | 02 August 2024                                                   |
| <b>Maturity Date:</b>            | 09 August 2024                                                   |
| <b>Denominations:</b>            | GBP = 1,000 then lots of 1,000<br>USD = 1,000 then lots of 1,000 |
| <b>ISIN:</b>                     | GBP = XS1840091372<br>USD = XS1840091455                         |

# Goldman Sachs

## High Return Autocall August 2018

### Factsheet



#### Observation Dates (some dates may vary if a bank holiday occurs, GBP dates are used below)

|                   | Observation Date | Payment Date    | Autocall Trigger     |
|-------------------|------------------|-----------------|----------------------|
| Observation 1     | August 2, 2019   | August 9, 2019  | 100%                 |
| Observation 2     | August 3, 2020   | August 10, 2020 | 100%                 |
| Observation 3     | August 2, 2021   | August 9, 2021  | 100%                 |
| Observation 4     | August 2, 2022   | August 9, 2022  | 100%                 |
| Observation 5     | August 2, 2023   | August 9, 2023  | 100%                 |
| Final Observation | August 2, 2024   | August 9, 2024  | 100%                 |
| Final Observation | August 2, 2024   | August 9, 2024  | 70% European Barrier |

IDAD was established in 2002 and our approach from the outset, is what we call the "IDAD Difference". The selection of the investments we offer is not decided in terms of profitability alone and when developing investment products, we favour evidence over dogma. We are happy to work with advisers and product providers alike to deliver a range of investment options to suit differing client wealth strategies. We're proud of our approach to business as well as the investments delivered as a result of the "IDAD Difference". We are committed to building upon our reputation for bringing benefits to all involved in the investment process, but most importantly to the clients.

Goldman Sachs Finance Corp International Ltd provides investment bank services.

Source: Bloomberg 27.06.2018

#### Rationale

Structured products are becoming increasingly popular for investors due to the wide variety of payoffs and levels of protection that can be achieved by the different types of structures that are available.

Autocalls have been one of the most popular structures over the years. With a classic autocall, returns are paid if all underlyings are at or above the autocall trigger on an observation date.

These three underlyings have been selected in order to support the anticipated delivery of the coupons.

The autocall payoff can bring an early return of capital allowing the opportunity for a re-assessment of investment strategy. The value of this feature cannot be underestimated as it brings with it the opportunity to secure capital value, as well as the chance to take advantage of future market trends.

To manage the capital risk, a final level barrier set at 70% means an underlying must fall by more than 30% over 6 years before capital is at risk.

#### Secondary Market

The Issuing bank will endeavour to provide quotes under normal market conditions for trading purposes upon request, subject to a Bid-Offer spread of 1%. On the secondary market, traded prices will include any accrued interest ("dirty prices").

Sale trades will settle 2 days after the trade date.

Trade orders should be sent to [orders@idad.biz](mailto:orders@idad.biz)

All trades will be settled direct with IDAD's Euroclear a/c 97816

#### Suitability

This product may be suitable for investors who:

- Are seeking the opportunity for higher returns than current cash rates at the time this product was launched.
- Are seeking growth rather than income
- Understand and accept there is a risk to capital and how the Capital Protection Barrier works.
- Understand the impact of global economic issues and how they will affect the product.
- Understand the criteria which will determine the coupon payments.
- Are looking to invest for the medium to long term, being happy to remain invested until maturity.
- Can afford to have their cash invested for the full term of the Product.
- Wish to use this investment as part of a well-diversified portfolio.
- Understand that the returns are pre-defined and that they will forgo any growth in the underlyings which exceeds the fixed level available with this investment product.
- Understand the risk to capital in the event of a counterparty default.
- Should they need to sell their investment before maturity, accept that the trading price will likely mean they get back less than they invested.

# Goldman Sachs

## High Return Autocall August 2018

### Factsheet



#### The Underlyings

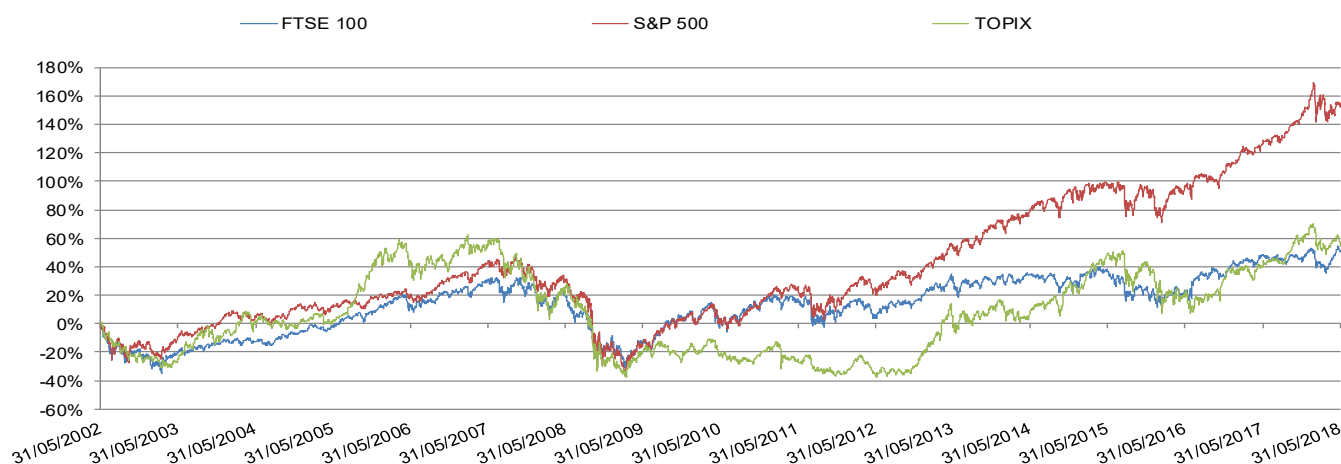
The **FTSE 100 Index (UKX)** is a capitalization-weighted index of the most highly capitalized companies traded on the London Stock Exchange. The equities use an investibility weighting in the index calculation. The index was developed with a base level of 1000 as of December 30, 1983.

The **Standard and Poor's 500 Index (SPX)** is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The **TOPIX**, also known as the Tokyo Stock Price Index, is a capitalization-weighted index of all companies listed on the First Section of the Tokyo Stock Exchange. The index is supplemented by the subindices of the 33 industry sectors. The index calculation excludes temporary issues and preffered stocks, and has a base value of 100 as of January 4, 1968.

Source: Bloomberg 27.06.2018

#### Movement in the Underlyings over the last 16 years



#### 16 Year Back-Testing

Back-testing shows how the investment would have performed historically using data from previous potential strike dates and observations. Although past performance is not an indication of future performance, it can give a factual insight into how the investment would have performed historically.

This 16 year back-test shows the historical data for a full 10 years of 6 year products that could reach the full term.

Of the 2,501 scenarios tested, 20.07% would reach the full term without autocalling and 10.20% would have breached the 70% final level barrier.

| Autocall Test           | Autocalled | %      |
|-------------------------|------------|--------|
| <b>12 Months</b>        | 1,306      | 52.22% |
| <b>24 Months</b>        | 242        | 9.68%  |
| <b>36 Months</b>        | 238        | 9.52%  |
| <b>48 Months</b>        | 147        | 5.88%  |
| <b>60 Months</b>        | 32         | 1.28%  |
| <b>72 Months</b>        | 34         | 1.36%  |
| <b>Total Autocalled</b> | 1,999      | 79.93% |

| Total Number Tested | % Matured Early | % Not Autocalled | % That Returned Full Capital | % Barrier Breach | Average Historic Return GBP | Average Historic Return USD |
|---------------------|-----------------|------------------|------------------------------|------------------|-----------------------------|-----------------------------|
| 2501                | 79.93%          | 20.07%           | 89.80%                       | 10.20%           | 8.79% p.a.                  | 11.99% p.a.                 |

**Past performance is not a reliable indicator of future performance and should not be used to assess the future returns or risks**

Source: Bloomberg 27.06.2018, Data period: 31.05.2002 to 31.05.2018 - Assumptions shown are net of any initial fees or costs and describe the potential historic return that a client would have received based on the terms of this Product.

# Goldman Sachs

## High Return Autocall August 2018

### Factsheet



#### Selling Restrictions for Securities

The Purchaser of the Securities represents and agrees that the Securities shall not be offered, advertised, sold or otherwise transferred, either directly or indirectly to any person in violation of economic sanctions or wider restrictions applicable to either the Purchaser or the Issuer. The information contained herein does not constitute an offer or invitation to purchase securities (the "Securities") by anyone in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or invitation. The distribution of this document and the offering or sale of the Securities may be prohibited or restricted by law in some jurisdictions. The Securities may not be publicly offered, sold or delivered within or from the jurisdiction of any country, except in accordance with the applicable laws and other legal provisions, and provided further that the Issuer does not incur any obligations. The Issuer has not undertaken any steps, nor will the Issuer undertake any steps, aimed at making the public offering of the Securities or their possession or the marketing of offering documents related to the Securities legal in such jurisdiction if this requires special measures to be taken.

EEA: The requirements for a public offer in any member state of the European Economic Area ("EEA Member State") are not fulfilled. Consequently, the Securities may not be publicly offered in any of the EEA Member States except as explicitly provided under the prospectus exemptions of Directive 2003/71/EC (as amended by Directive 2010/73/EU, to the extent implemented in a relevant EEA Member State ("2010 Amending Directive"), the "EU Directive") with respect to inter alia (i) an offer of securities addressed solely to qualified investors as defined in the EU Directive, and/or (ii) an offer of securities addressed to fewer than 100, or, if the EEA Member State has implemented the relevant provisions of the 2010 Amending Directive, 150 natural or legal persons per EEA Member State other than qualified investors, and/or (iii) an offer of securities addressed to investors who acquire securities for a total consideration of at least EUR 50,000, or, if the EEA Member State has implemented the relevant provisions of the 2010 Amending Directive, EUR 100,000, and/or (iv) an offer of securities whose denomination per unit amounts to at least EUR 50,000 or, if the Relevant Member State has implemented the relevant provisions of the 2010 Amending Directive, EUR 100,000.

United States of America: This document is not for distribution, directly or indirectly, in or into the United States of America ("United States") or its possessions. This document is not an offer to sell securities, or the solicitation of any offer to buy securities, nor shall there be any offer of securities in the United States or in any jurisdiction in which such offer or sale would be unlawful. The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("Securities Act"), and may not be offered or sold in the United States absent registration or exemption from registration under the Securities Act.

#### Disclaimers

This factsheet constitutes a financial promotion and has been issued and approved for the purpose of section 21 of the Financial Services and Markets Act 2000 by IDAD Limited which is Authorised and Regulated by the Financial Conduct Authority FCA FRN 740499. All information, including prices, analytical data and opinions contained within this factsheet are believed to be correct, accurate and derived from reliable sources as at the date of the factsheet. The information within this factsheet does not take into account the specific investment objective or financial situation of any person. This material should be read and understood by the investor. If the investor is not a professional client or eligible counterparty as defined by the FCA or is considered a retail investor, they should seek suitable financial advice before investing, to ascertain the full risks and terms associated with the investment. All investments must be made via an authorised counterparty. All rights reserved. No part of this publication may be reproduced, copied or distributed without the prior permission in writing of IDAD. Investments may go up or down in value and you may lose some or all of the amount invested. Past performance is not necessarily a guide for the future. Returns from the structured products are at risk in the event of any of the institutions who provide securities for these products default on their financial obligations.

Fees of up to 1.25% p.a. for the maximum term of the investment may be paid by the Issuer to cover marketing, distribution and advice costs. The fees have been fully accounted for in the calculation of the Product's structure. For example, this means that an investment of £10,000 will have any income/ growth payments and capital protection based on the full £10,000.

Any financial adviser shall fully disclose to its clients the existence, nature and amount of all fees and commissions it receives in respect of sales of the Note. They must also confirm any such fee or commission complies with all applicable laws and regulations in all relevant jurisdictions and its receipt does not conflict with applicable regulation or any duty to act in the best interest of any person to whom the professional financial adviser owes any such duty.

This sales brochure has not been prepared or reviewed by the Issuing Bank, the Issuer of the underlying securities or any of its affiliates and neither Issuing Bank nor any of its affiliates or any of its directors, officers or agents accept any responsibility or liability for the contents of this sales brochure.

**For further information please contact IDAD at:**  
**Bellamy House, Winton Road, Petersfield, Hampshire. GU32 3HA**  
**email: [enquiries@idad.biz](mailto:enquiries@idad.biz) telephone: +44(0)1730 263943 or visit our website [www.idad.biz](http://www.idad.biz)**

The Note is/are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE") or the London Stock Exchange Group companies ("LSEG") (together the "Licensor Parties") and none of the Licensor Parties make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to (i) the results to be obtained from the use of the FTSE100 (the "Index") upon which the Note is based, (ii) the figure at which the Index is said to stand at any particular time on any particular day or otherwise, or (iii) the suitability of the Index for the purpose to which it is being put in connection with the Note. None of the Licensor Parties have provided or will provide any financial or investment advice or recommendation in relation to the Index to BBVA or to its clients. The Index is calculated by FTSE or its agent. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein. All rights in the Index vest in FTSE. "FTSE®" is a trade mark of LSEG and is used by FTSE under licence.

IDAD Limited is Authorised and Regulated by the Financial Conduct Authority FCA FRN 740499. No part of this publication may be reproduced, copied or distributed without the prior permission in writing of IDAD. All investors should seek advice from a suitably authorised financial adviser and investment must be made via an authorised counterparty.